

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 22, 2010]²

Bill No. and sponsor: S. 2496 (Mr. Lindsey Graham of South Carolina).

Proponent name,³ location: Rhodia, Inc., Charleston, SC.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Mixtures of tetrakis(hydroxymethyl)phosphonium chloride - urea polymer (CAS No. 27104-30-9) and tetrakis(hydroxymethyl)phosphonium chloride (1:1) (CAS No. 124-64-1), and formaldehyde (CAS No. 50-00-0) (provided for in subheading 3809.91.00).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a synthetic organic chemical that is used as a fire retardant in fabrics that are used in clothing. It is also used in the production of flame resistant mattress ticking. The product is imported from the United Kingdom.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3809.91.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty					
Col. 1-General rate of duty	6%	6%	6%	6%	6%
Estimated value <i>dutiable</i> imports ^a	\$3,500,000	\$3,700,000	\$3,900,000	\$4,000,000	\$4,200,000
Customs revenue loss ^b	\$210,000	\$222,000	\$234,000	\$240,000	\$252,000

a/ Dutiable import estimates were based on official U.S. Government statistics.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Rhodia, Inc. (Proponent) Rick Valentine, rick.valentine@klgates.com	03/08/2010	No	No	No
Archimica Andrew Zamoyski, az@zamoyski.com	03/11/2010	No	No	No
BASF Corporation Gregory A. Thies, gregory.thies@basf.com	03/11/2010	No	No	No
Bayer Corp. Mike Gill, mgill@crowell.com Karen Niedermeyer, karen.niedermeyer.b@bayer.com	03/11/2010	No	No	No
CABB N.A. Andrew Zamoyski, az@zamoyski.com	03/11/2010	No	No	No
Chemtura Matt Mattingley, matt@mattingleygroup.com	03/11/2010	No	No	No
Clariant Mike Carroll, mike.carroll@clariant.com	03/11/2010	No	No	No
Dow Max Turnipseed, mctint@att.net	03/11/2010	No	No	No
DuPont Elaine Olson, Elaine.m.olsen@usa.dupont.com	03/11/2010	No	No	No
LANXESS Jamie Schaeffer, Jamie.Schaeffer@Lanxess.com	03/11/2010	No	No	No
Monsanto Michael Parrish, Michael.Parrish@monsanto.com Jim Travis, james.k.travis@monsanto.com	03/11/2010	No	No	No
Syngenta Crop Protection, Inc. Mike Blythe, mike.blythe@syngenta.com	03/11/2010	No	No	No
Weylchem US Andrew Zamoyski, az@zamoyski.com	03/11/2010	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in the proposed heading because it defines the subject product more specifically.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2496

To suspend temporarily the duty on mixtures of tetrakis(hydroxymethyl)phosphonium chloride, polymer with urea, tetrakis(hydroxymethyl)phosphonium chloride, formaldehyde, and water/inerts.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. GRAHAM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on mixtures of tetrakis(hydroxymethyl)phosphonium chloride, polymer with urea, tetrakis(hydroxymethyl)phosphonium chloride, formaldehyde, and water/inerts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. MIXTURES OF TETRAKIS(HYDROXYMETHYL)**
 2 **PHOSPHONIUM CHLORIDE, POLYMER WITH**
 3 **UREA, TETRAKIS(HYDROXYMETHYL)**
 4 **PHOSPHONIUM CHLORIDE, FORMALDEHYDE,**
 5 **AND WATER/INERTS.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
 7 the Harmonized Tariff Schedule of the United States is
 8 amended by inserting in numerical sequence the following
 9 new heading:

“	9902.01.00	Mixtures of tetrakis (hydroxymethyl) phosphonium chloride, polymer with urea (CAS No. 27104-30-9), tetrakis (hydroxymethyl) phosphonium chloride (CAS No. 124-64-1), formaldehyde (CAS No. 50-00-0) and water/inerts (provided for in subheading 3809.91.00)	Free	No change	No change	On or before 12/31/2011	”.
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10 (b) EFFECTIVE DATE.—The amendment made by
 11 subsection (a) applies to goods entered, or withdrawn from
 12 warehouse for consumption, on or after the 15th day after
 13 the date of the enactment of this Act.

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