

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. 2517 (Mr. Lindsey Graham of South Carolina).

Proponent name,³ location: LANXESS Corporation, Simpsonville, 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)):

2,2'-Dithiobisbenzothiazole (CAS No. 120-78-5) (provided for in subheading 2934.20.10).

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 in the vulcanization of rubber. The product is imported from Belgium.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2934.20.10:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports ^a	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Customs revenue loss ^b	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000

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)	
LANXESS (Proponent) Jamie Schaeffer, Jamie.Schaeffer@Lanxess.com	03/08/2010	No	No	No
Archimica Andrew Zamoyski, az@zamoyski.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 North America 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 Andrew Zamoyski, az@zamoyski.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
Emerald Performance Materials Julie Vaughn Biege, julie.vaughn@emeralmaterials.com	04/26/2010	Yes	Yes	Yes
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 None.

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.

Vaughn, Julie
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Henry, IL 61537
Marshall County

Re - US Senate Bill 2517 (Opposed to revocation of tariff)

Dear Senator Burris:

We have been made aware of US Senate Bill 2517, which would revoke the tariff of imports to a certain product category, which includes (CAS #120-78-5). In my role as vice-president of business development for Emerald Performance Materials, a manufacturer headquartered in Ohio with a manufacturing location in Illinois, I am writing to share our views as to why we oppose the revocation of this tariff.

Emerald had been a leading producer in the US of MBTS (CAS #120-78-5) for approximately 4 decades, and produced significant volumes of this product well in excess of a million pounds annually, but stopped production in 2001. The initial decision to exit this product was a direct result of (our) inability to compete with low cost imports from Europe in the 90's due to strength of the USD that allowed for aggressively priced imports to penetrate the US market. During this recent decade, we continued to remain out of the market due to low priced imports from China, which were often government subsidized, even when the import tariff was in place. As China has changed its policy to reduce governments supports to industry and the strength of the USD has changed, we are currently looking to produce this product again at our plant in Henry, IL., where it previously had been manufactured. Suspension of the tariff would cause us to re-evaluate this plan.

As a business in the US, we certainly support free and fair trade policies. As a chemical manufacturer who manufacturers primarily in the US at 7 manufacturing plants, we continue to invest here and provide good paying jobs and benefits to our employees. We have worked hard to keep our productivity standards high so that we can effectively compete with companies who produce similar products around the world. However, the US chemical industry faces certain structural disadvantages in the cost of certain petrochemical based feed stocks as compared to our counterparts in other areas of the globe. The small general tariff is required to help level the playing field. We are opposed to revocation of the tariff under Senate Bill 2517.

Thank you for your consideration.

Sincerely,

Julie Vaughn Biege
Vice-President, Business Development and Marketing
Emerald Performance Materials

111TH CONGRESS
1ST SESSION

S. 2517

To suspend temporarily the duty on 2,2'-Dithioibisbenzothiazole.

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 2,2'-
Dithioibisbenzothiazole.

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

3 **SECTION 1. 2,2'-DITHIOIBISBENZOTHIAZOLE.**

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

“	9902.01.00	2,2'-Dithioibisbenzothiazole (CAS No. 120-78-5) (pro- vided for in subheading 2934.20.10)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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