MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: September 28, 2005]

Bill No. and sponsor: H.R. 2276 (Mr. Phil English of Pennsylvania)

Proponent name, location: Bayer MaterialScience LLC
Pittsburgh, PA 15205

Other bills on product (109th Congress only): None.


Retroactive effect: None.

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

ortho/para-Toluenesulfonic acid, methyl ester (CAS Nos. 23373-38-8 and 80-48-8) (provided for in subheading 2904.10.37)

Check one:  

Same as that in bill as introduced  

X Different from that in bill as introduced (see Technical comments section)

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

ortho/para-Toluenesulfonic acid, methyl ester is a synthetic organic chemical isomeric mixture used as an additive in the production of several products known as “trimers,” each of which is a slightly different type of aliphatic isocyanate used in urethane applications such as automotive paints, architectural coatings, and other resin systems for automotive and coating applications. The proponent imports this product from India and Germany. The only competitive products for this chemical are also produced in India.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading:  2904.10.37</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
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<tr>
<td>Estimated value dutiable imports</td>
<td>$550,000</td>
<td>$600,000</td>
<td>$660,000</td>
<td>$725,000</td>
<td>$800,000</td>
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<tr>
<td>Customs revenue loss</td>
<td>$30,250</td>
<td>$33,000</td>
<td>$36,300</td>
<td>$39,875</td>
<td>$44,000</td>
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</tbody>
</table>

Source of estimated dutiable import data: Industry estimates and Commission estimates.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>US production of same or competitive product claimed?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer MaterialScience (proponent)</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Karen Niedermeyer Fax: 412-777-4740</td>
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<tr>
<td>Albright &amp; Wilson</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Susan Greenbaum Fax: 804-968-6498</td>
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<tr>
<td>Bayer MaterialScience LLC</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Julie Von Egmund Fax: 202-737-8908</td>
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<tr>
<td>Biddle Sawyer</td>
<td>8/15/2005</td>
<td>No</td>
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<tr>
<td>William Thonack Fax: 212-239-1089</td>
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<tr>
<td>American Chemistry Council</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Jim O’Connor Fax: 703-741-6922</td>
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<tr>
<td>Ciba Specialty Chemicals</td>
<td>8/15/2005</td>
<td>No</td>
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<tr>
<td>Michelle Forte Fax: 914-785-4831</td>
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<td>Clariant Corp.</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Andrew Zamoyski fax 401-823-2700</td>
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<tr>
<td>E.I DuPont</td>
<td>8/15/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Nancy Johnson Fax: 202-728-3649</td>
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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.

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**Technical comments:**

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the correct capitalization of the chemical name.
A BILL

To suspend temporarily the duty on TSME.

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

SECTION 1. TSME.

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

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9902.09.08 Ortho/Para Toluenesulfonic Acid Methyl Ester (TSME)
(CAS Nos. 23373-38-8 and 80-48-8) (provided for in
subheading 2904.10.37) ...... Free No change No change On or before
12/31/2008 
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(b) EFFECTIVE DATE.—The amendment made by
subsection (a) applies to goods entered, or withdrawn from
2

1 warehouse for consumption, on or after the 15th day after
2 the date of enactment of this Act.