MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

Bill No. and sponsor:  H.R. 2438 (Mr. Tim Murphy of Pennsylvania).

Proponent name, location:  LANXESS Corp., Pittsburgh, PA.

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


Retroactive effect:  None.

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

Hydrazine hydrate (CAS No. 302-01-2) (provided for in subheading 2825.10.00).

Check one:  

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

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

The subject product, imported from Germany, is an inorganic chemical used as an intermediate to make chemicals used in crop protection, in the manufacture of medicines, in the production of foam plastics, and in the corrosion protection of pipes.

Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2825.10.00</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>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Estimated value dutiable imports</td>
<td>$12,240,000</td>
<td>$12,240,000</td>
<td>$12,240,000</td>
<td>$12,240,000</td>
<td>$12,240,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$452,880</td>
<td>$452,880</td>
<td>$452,880</td>
<td>$452,880</td>
<td>$452,880</td>
</tr>
</tbody>
</table>

Source of estimated dutiable import data: Industry estimates.

1 Industry analyst preparing report: Jack Greenblatt (202-205-3353); Tariff Affairs contact: David Michels (202-205-3440).

2 Access to an electronic copy of this memorandum is available at [hts.gov/tata/hts/other/rel_doc/bill_reports/index.htm](http://hts.gov/tata/hts/other/rel_doc/bill_reports/index.htm).
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>LANXESS Corp. (proponent)</td>
<td>9/13/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Steve Ziehm Tel: 202-872-8181</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arch Chemicals</td>
<td>9/16/2005</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Jack Schoen Tel. 203-229-2900</td>
<td></td>
<td></td>
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<tr>
<td>Optima Chemicals</td>
<td>9/16/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Al Horner Tel: 912-384-5101</td>
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</tr>
</tbody>
</table>

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used because it contains the correct capitalization.

³ 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.
A BILL

To suspend temporarily the duty on Hydrazine Hydrate.

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

SECTION 1. HYDRAZINE HYDRATE.

(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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9902.05.70 Hydrazine Hydrate (CAS
No. 302-01-2) (provided for
in Subheading 2825.10.00) Free No change No change On or before
12/31/2009```

(b) EFFECTIVE DATE.—The amendment made by
subsection (a) applies to goods entered, or withdrawn from
warehouse for consumption, on or after the 15th day after the date of enactment of this Act.