

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 2, 2006]²

Bill No. and sponsor: S. 951 (Mr. Christopher S. Bond of Missouri).

Proponent name, location: Solutia Inc., St Louis, MO.

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

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Pigments and preparations based on titanium dioxide containing 80 percent or more by weight of titanium dioxide (anatase form) calculated on the dry matter (CAS No. 13463-67-7) (provided for in subheading 3206.11.00).

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:

Titanium dioxide (TiO₂) is an inorganic chemical that is used in the manufacture of a variety of coatings, plastics, paper, food, pharmaceuticals, and cosmetic products. TiO₂ is marketed in two crystalline forms. The majority of TiO₂ in the market is the rutile form, which has a tetragonal crystal of prismatic habit. The anatase form, the subject of the bill, has a tetragonal structure of octahedral habit and is primarily used in the paper industry, although it is also used in plastics and coatings. The finished pigment has the same Chemical Abstracts Service registry number (CAS No. 13463-67-7) regardless of crystalline form.

The top five sources of U.S. imports during 2005 were Canada, the United Kingdom, China, Germany, and Finland.

¹ Industry analyst preparing report: Larry Johnson (202-205-3351); Tariff Affairs contact: David Michels (202-205-3340).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

109TH CONGRESS
1ST SESSION

S. 951

To suspend temporarily the duty on titanium dioxide anatase hombitan LC-S.

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2005

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

A BILL

To suspend temporarily the duty on titanium dioxide anatase hombitan LC-S.

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. TITANIUM DIOXIDE ANATASE HOMBITAN LC-S.**

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:

“	9902.32.08	Titanium dioxide anatase hombitan LC-S (CAS No. 13463-67-7) (provided for in subheading 3206.11.00) ...	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 this section applies with respect to goods entered, or with-
3 drawn from warehouse for consumption, on or after the
4 15th day after the date of the enactment of this Act.

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Estimated effect on customs revenue:

HTS subheading: 3206.11.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.0%	6.0%	6.0%	6.0%	6.0%
Estimated value <i>dutiable</i> imports	\$75,000,000	\$75,000,000	\$75,000,000	\$75,000,000	\$75,000,000
Customs revenue loss	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000

Source of estimated dutiable import data: Commission estimates based on information supplied by industry and official statistics of the U.S. Department of Commerce.

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)		
Solutia Inc. (Proponent) John Hurley, 202-289-9800	05/04/2006	No	No	No
DuPont Sharee Lawler, 202-278-3625	05/04/2006	Yes	Yes	Yes
Kerr-McGee Corp. Lem Smith, 703-407-9789	05/04/2006	No	No	No
Lousiana Pigment Co. Mike Pratt, 337-882-7000	05/04/2006	No	No	No
Lyondell Chemical Co. Lee Pratt, 410-666-9339	05/04/2006	Yes	Yes	Yes
Tronox (formerly a Division of Kerr-McGee) Mark Van Landingham, 405-826-2456	05/04/2006	Yes	Yes	Yes

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide a correct product description.

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.

Opposition to S. 951 from Lyondell Chemical Company, parent firm of Millennium Chemical Corp.

From: Thom, Edlu J. [Edlu.Thom@Lyondell.com]

Sent: Tuesday, June 13, 2006 6:30 PM

To: Johnson, Lawrence

Cc: Cianfichi, Gary

Subject: Opposition to S-951

Mr. Larry Johnson
International Trade Analyst
Explosives, Coatings, Inks, Pigments, and Related Items
500 E Street SW, Room 513-H
Washington, D. C. 20436

Dear Mr. Johnson:

Thank you for contacting us regarding Lyondell Chemical Company's position on S. 951, a bill introduced by Senator Bond in the first half of the 109th Congress to suspend temporarily the duty on titanium dioxide anatase hombitan LC-S.

We, at Lyondell, favor free and open trade with either the elimination of titanium dioxide tariffs to and from the United States or at least equivalent tariffs for all titanium dioxide products between countries. Since S.951 proposes to only temporarily authorize the tariff free importation of anatase TiO₂ products into the United States with no reciprocal tariff structure for titanium dioxide products exported from the United States, we oppose the passage of this bill.

Sincerely yours,

Edlu J. Thom
Director, Government Affairs
Lyondell Chemical Company