

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 7, 2006]²

Bill No. and sponsor: S. 1471 (Mr. Rick Santorum of Pennsylvania).

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

Other bills on product (109th Congress only): H.R. 2452

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Mixtures of tris(4-isocyanatophenyl)thiophosphate (CAS No. 4151-51-3), ethyl acetate and monochlorobenzene as solvents (provided for in subheading 3824.90.28).

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 synthetic organic chemical is used as a cross linking agent in solvent-based adhesives based on polyurethane, natural rubber or synthetic rubber, and as an adhesion promoter on rubber-based substrates. The subject chemical is imported from Germany.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

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

Estimated effect on customs revenue:

HTS subheading: 3824.90.28					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$186,000	\$192,000	\$197,000	\$203,000	\$208,000
Customs revenue loss 1/	\$12,090	\$12,480	\$12,805	\$13,195	\$13,520

1/ The Commission notes that the title of the bill indicates that it would temporarily suspend the duty on the subject product. In fact, the rate of duty that is set forth in proposed HTS heading 9902.05.94 is the same rate that applies under HTS subheading 3824.90.28. If the bill were enacted as drafted, it would not reduce the general rate of duty, and there would be no Customs revenue loss. If the proposed HTS heading were modified to provide a duty suspension, then the estimated Customs revenue loss would be the amount shown in the table above.

Source of estimated dutiable import data: Industry estimates.

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)	
Bayer MaterialScience LLC (Proponent) Karen Niedermeyer, 412-777-2058	04/04/2006	No	No	No
Dow Chemical Co. Adhesives Product Mgr, Fax: 989-832-1465	04/04/2006	No	No	No
H B Fuller Co. Adhesives Product Mgr, Fax: 651-236-5165	04/04/2006	No	No	No
Henkel Adhesives Adhesives Product Mgr, Fax: 847-289-2493	04/04/2006	No	No	No
National Starch & Chemical Adhesives Product Mgr, Fax: 609-409-5699	04/04/2006	No	No	No
Rohm and Haas Adhesives Product Mgr, Fax: 215-592-3377	04/04/2006	No	No	No

Technical comments:³

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.

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 proper arrangement for the chemical and the CAS number. The Commission also suggests that the rate of duty in the proposed new heading be deleted and replaced with the word "Free".

109TH CONGRESS
1ST SESSION

S. 1471

To suspend temporarily the duty on Desmodur RF-E.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2005

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

A BILL

To suspend temporarily the duty on Desmodur RF-E.

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. DESMODUR RF-E.**

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:

“	9902.05.94	Mixtures of tris(4-isocyanatophenyl) thiophosphate, ethyl acetate, and monochlorobenzene (Desmodur RF-E) (CAS No. 4151-51-3) (as provided for in subheading 3824.90.28) ..	6.5%	No change	No change	On or before 12/31/2009	”.
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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 enactment of this Act.

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