MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: June 9, 2006]

Bill No. and sponsor: S. 2301 (Mr. Charles E. Schumer of New York).

Proponent name, location: Schott Lithotec USA, Corp., Poughkeepsie, New York.

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


Retroactive effect: None.

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

Substrates of synthetic quartz or synthetic fused silica imported in bulk or in forms or packages for retail sale (provided for in subheading 7006.00.40).

Check one: X 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:

This bill would cover synthetic quartz substrates (sheets) and/or synthetic fused silica. These sheets of what is essentially high-purity glass are produced primarily to be transformed into photomask blanks by coating them with two layers of specific materials. A photomask blank is transformed into an actual photomask by removing the outermost coating on the substrate to reveal the pattern of an electronic circuit in the underlying coating. Photomasks are used to project circuit patterns onto semiconductor material as part of the semiconductor manufacturing process. The principal sources of imports provided for in subheading 7006.00.40 are China, Japan, Germany, and Belgium.

1 Industry analyst preparing report: Gail Burns (202-205-2501); Tariff Affairs contact: Jan Summers (202-205-2605).
3 Heading 9902.70.06 as originally enacted expired on Dec. 31, 2003.
4 The proposed provision’s article description is identical to that of the provision the bill would delete. It would be possible to reinstate this duty suspension simply by deleting the present expiration date “On or before 12/31/2003” from the heading and inserting the new one.
### Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 7006.00.40</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>4.9%</td>
<td>4.9%</td>
<td>4.9%</td>
<td>4.9%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Estimated value duties</td>
<td>$14,000,000</td>
<td>$14,000,000</td>
<td>$14,000,000</td>
<td>$14,000,000</td>
<td>$14,000,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$686,000</td>
<td>$686,000</td>
<td>$686,000</td>
<td>$686,000</td>
<td>$686,000</td>
</tr>
</tbody>
</table>


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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>Claim US makes same or competing product(s)</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schott Lithotec USA, Corp. (Proponent) Richard D. Moore, 845-463-5361</td>
<td>04/05/2006</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Corning Inc. Robert Quinn, 607-974-7118</td>
<td>04/26/2006</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Seagate Technology, 831-438-6550</td>
<td>04/27/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>SEH America Parker Brinnson, 360-883-7661</td>
<td>04/27/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>SEMI Maggie Hershey, 202-289-0440</td>
<td>05/05/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

### Technical comments:

Because this tariff heading is still in the HTS (though its duty treatment has expired), it is suggested that the bill should be redrafted merely to delete the present expiration date and replace it with the new one (see footnote 4).

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5 No written submission from the firm has been received to date; Mr. Quinn has indicated in telephone conversations that Corning produces the subject product.

6 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.
To suspend temporarily the duty on synthetic quartz or synthetic fused silica.

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

SECTION 1. TEMPORARY SUSPENSION OF DUTY ON SUB-
STRATES OF SYNTHETIC QUARTZ OR SYN-
THETIC FUSED SILICA.

(a) In general.—Subchapter II of chapter 99 of
the Harmonized Tariff Schedule of the United States is
amended by striking heading 9902.70.06 and inserting the
following:
(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.