MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

Bill No. and sponsor: S. 3203 (Mr. Frank R. Lautenberg of New Jersey).

Proponent name, location: Solvay Solexis, Inc., Thorofare, NJ.

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


Retroactive effect: None.

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

1-Propene, 1,1,2,3,3,3-hexafluoro-, oxidized, polymerized, reduced hydrolyzed (CAS No. 161075-14-5) (provided for in subheading 3907.20.00).

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:

The subject products are functional perfluoropolyethers that are synthesized from a proprietary process which is based on the photo oxidation of hexafluoropropylene monomer. The products are clear, yellowish, medium-viscosity fluids or low-viscosity emulsions that are sold under various trade names. They serve as lubricants and corrosion inhibitors in fluorinated greases and are also used for various release and surface treatment applications. They are reported to offer exceptional chemical resistance, better sub-zero temperature properties, greater thermal and oxidative stability and lower evaporation loss. The subject products are imported from Italy.

Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 3907.20.00</th>
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</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>Col. 1-General rate of duty</td>
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<tr>
<td>Estimated value dutiable imports</td>
</tr>
<tr>
<td>$129,000</td>
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<tr>
<td>$142,000</td>
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<tr>
<td>$156,000</td>
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<tr>
<td>$172,000</td>
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<tr>
<td>$200,000</td>
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<tr>
<td>Customs revenue loss</td>
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<tr>
<td>$8,385</td>
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<tr>
<td>$9,230</td>
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<tr>
<td>$10,140</td>
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<tr>
<td>$11,180</td>
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<tr>
<td>$13,000</td>
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</tbody>
</table>

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

1 Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

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>Solvay Solexis, Inc. (Proponent)</td>
<td>08/01/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Max Turnipseed, 225-338-0310</td>
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<tr>
<td>Andrew Jones, 856-251-3410</td>
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<tr>
<td>AGC Chemicals Americas, Inc. (Asahi)</td>
<td>08/02/2006</td>
<td>No</td>
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<tr>
<td>Winn Darden, 805-583-5917</td>
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<tr>
<td>Jeff Neeley, 202-530-8503</td>
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<tr>
<td>Bayer Corporation</td>
<td>08/02/2006</td>
<td>No</td>
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<tr>
<td>Karen Niedermeyer, 412-777-2058</td>
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<td>Ciba Specialty Chemicals</td>
<td>08/03/2006</td>
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<td>John Demming, 302-479-5499</td>
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<td>Daikin America, Inc.</td>
<td>08/02/2006</td>
<td>No</td>
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<td>Tison Keel, 845-365-9566</td>
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<tr>
<td>Liesl Lim, 845-365-9505</td>
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<td>Dow Chemical Company</td>
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<td>Lisa Schroeter, 202-429-3400</td>
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<td>DuPont</td>
<td>08/02/2006</td>
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<td>Elaine M. Olsen, 302-992-2263</td>
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<td>John D. Colven, 302-999-2091</td>
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<td>Dyneon (3M)</td>
<td>08/02/2006</td>
<td>No</td>
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<td>John Scanlon, 651-733-1519</td>
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<td>LANXESS Corporation</td>
<td>08/02/2006</td>
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<td>Jamie Schaeffer, 412-809-3666</td>
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Technical comments:3

The Commission suggests that article description on page 1 of this report be used because it contains the correct spelling of the subject chemical and the proper capitalization. Specifically, the initial word “Propene” should be capitalized, and the letter ‘r’ at the end of “hexafluoror-,” should be deleted so that it reads “hexafluoro-.”

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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 1-propene, 1,1,2,3,3,3-hexafluoror-, oxidized, polymerized, reduced hydrolyzed.

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. 1-PROPENE, 1,1,2,3,3,3-HEXAFLUOROR-,  
4  OXIDIZED, POLYMERIZED, REDUCED  
5  HYDROLYZED.
6  (a) In General.—Subchapter II of chapter 99 of 
7  the Harmonized Tariff Schedule of the United States is 
8  amended by inserting in numerical sequence the following 
9  new heading:
(b) **Effective Date.**—The amendment made by this section shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.