

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 14, 2008]²

Bill No. and sponsor: H.R. 4700 (Mr. Patrick J. Tiberi of Ohio).

Proponent name,³ location: USEC, Inc., Bethesda, MD.⁴

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):⁵

Vacuum pumps (provided for in subheading 8414.10.00) certified by the importer as intended for use in the processing of uranium hexafluoride (UF₆) in an isotopic separation facility in southern Ohio.

Electrically heated autoclave ovens (provided for in subheading 8419.89.95) certified by the importer as intended for use in sampling uranium hexafluoride (UF₆) in an isotopic separation facility in southern Ohio.

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 imported products are to be used in isotopic separation facilities for enriching uranium. Prior to arriving at the facility, uranium has been converted into the form of uranium hexafluoride (UF₆). The UF₆ is turned into a gas in feed ovens and then sent to centrifuges where it is enriched, cooled, and transported to nuclear power plants.

Vacuum pumps are used to remove gases from a sealed container and thereby leave a partial vacuum in the container. A popular configuration is the Roots vacuum pump, in which interlocking vanes rotate in a housing, sucking air out of the sealed container from one side of the vacuum pump, pushing the air to the other side of the pump to expel the air through an exhaust. The interlocking, rotating vanes push the air through the pump but do not become unlocked, thereby keeping air always in one side of the pump. In isotopic separation processes, vacuum pumps will be used to evacuate UF₆ from certain process equipment. The source of these imports is likely to be Germany.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); Tariff Affairs contact: Jan Summers (202-205-2605).

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

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ The proponent's American Centrifuge Plant is to be built in Piketon, Ohio.

⁵ Provisions are set forth here only for those goods not already entering at normal trade relations duty rates of free.

Electrically heated autoclave ovens are heated enclosures that are used to liquefy UF₆ in containers put into the ovens, in order to collect samples or alternatively to cool UF₆ and effect the transfer of that material into other types of containers. The medium used for the heating and cooling is air. These autoclaves are designed to contain UF₆ in the event of leakage. The source of these imports likely would be Germany or Finland.

U.S. imports of vacuum pumps and sampling autoclaves will likely occur during 2010-2012 when the bulk of the facility is constructed.

While the bill as drafted dealt with mass spectrometers, these goods already enter at a general or normal trade relations duty rate of free and thus do not require HTS changes. Such a device separates atoms and molecules according to their mass and population and then records the resulting distribution data electronically.

Estimated effect on customs revenue:

Total Estimated Revenue loss for this Bill					
	2009	2010	2011	2012	2013
Estimated value <i>dutiable</i> imports	\$1,000,000	\$5,000,000	\$8,000,000	\$1,000,000	\$0
Customs revenue loss	\$25,000	\$176,000	\$251,000	\$42,000	\$0

HTS subheading: <u>8414.10.00</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$1,000,000	\$2,000,000	\$5,000,000	\$0	\$0
Customs revenue loss	\$25,000	\$50,000	\$125,000	\$0	\$0

Source of estimated dutiable import data: Commission estimates based on data from industry.

HTS subheading: <u>8419.89.95</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports	\$0	\$3,000,000	\$3,000,000	\$1,000,000	\$0
Customs revenue loss	\$0	\$126,000	\$126,000	\$42,000	\$0

Source of estimated dutiable import data: Commission estimates based on data from industry.

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)		
USEC, Inc. (Proponent) Vijay Sazawal, 301-564-3200	3/13/2008	No	No	No
Areva NC Inc. James Yu, 301-841-1652	5/15/2008	No	Yes	Yes
Louisiana Energy Services, Inc. Clint Williamson, 703-682-5207	3/24/2008	No	No	No

Technical comments:⁶

The machinery named in the bill (autoclaves, vacuum pumps, and mass spectrometers) are not classified under HTS subheading 8401.20.00, machinery and apparatus for isotopic separation, and parts thereof, as suggested by the bill. Autoclaves are classified in HTS subheading 8419.89.95, which is a residual or basket category covering miscellaneous machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature. Vacuum pumps are classified in HTS subheading 8414.10.00, under vacuum pumps, while mass spectrometers are classified in HTS subheading 9027.80.45, electrical mass spectrometers. Because mass spectrometers have a general duty rate of free, no chapter 99 heading is needed for these goods. Two chapter 99 headings are needed because the subject goods fall into different permanent HTS provisions. We suggest two headings be used in order to permit Customs to administer the duty suspensions in its automated entry system.

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.

110TH CONGRESS
1ST SESSION

H. R. 4700

To suspend temporarily the duty on certain structures, parts, and components for use in an isotopic separation facility in southern Ohio.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. TIBERI introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain structures, parts, and components for use in an isotopic separation facility in southern Ohio.

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. CERTAIN STRUCTURES, PARTS, AND COMPO-**
4 **NENTS FOR USE IN AN ISOTOPIC SEPARA-**
5 **TION FACILITY IN SOUTHERN OHIO.**

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:

“	9902.____	Certain parts, and components for use in an isotopic separation facility (isotopic separation equipment) consisting of sampling autoclaves, vacuum pumps, and mass spectrometers for the construction of an isotopic separation facility in southern Ohio known as the American Centrifuge Plant (provided for in subheading 8401.20.00)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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