

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: July 9, 2010]²

Bill No. and sponsor: S. 2606 (Mr. Harry Reid of Nevada).

Proponent name,³ location: Taiyo America, Inc., Carson City, NV.

Other bills on product (111th 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)):

Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether (CAS No. 126901-56-2); and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (CAS No. 182697-62-7) (provided for in subheading 3907.30.00).

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:

The subject product is a reactive liquid epoxy acrylate resin system in acetate and aromatic petroleum solvent that is used in the production of solder mask formulations of various types. The resins have both acrylate and carboxylic acid functionality. Solder masks shield bare copper traces in printed circuit boards (PCBs) with a protective overlay of thin thermoset adhesive; this film protects the traces from the elements, and from shorting out during the soldering process. Solder masks are generally readily identifiable by the distinctive green film traces on PCBs. The subject product is imported from Japan.

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

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

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

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3907.30.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.1%	6.1%	6.1%	6.1%	6.1%
Estimated value <i>dutiable</i> imports ^a	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000	\$4,000,000
Customs revenue loss ^b	\$122,000	\$152,500	\$183,000	\$213,500	\$244,000

a/ Dutiable import estimates were based on Commission and industry estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

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)	
Taiyo America, Inc. (Proponent) Rick Carlson, RickC@Taiyo-america.com	03/03/2010	No	Yes	No
Air Products and Chemicals, Inc. Steven Belaus, BELAUSSB@airproducts.com	03/07/2010	No	No	No
Arch Chemicals Chris Cice, cjcice@archchemicals.com	03/07/2010	No	No	No
BASF Corporation Tom Patrosh, thomas.patrosh@basf.com	03/07/2010	No	No	No
Bayer Corporation Karen Niedermeyer, karen.niedermeyer.b@bayer.com	03/07/2010	No	No	No
Dow Advanced Materials Geoffrey B. Hurwitz, ghurwitz@rohmmaas.com Lisa Schroeter, LMSchroeter@dow.com Henry P. Stoebenau, hstoebes@aol.com	03/07/2010	No	No	No
Dupont Brian Curtis, Brian.Curtis@usa.dupont.com	03/07/2010	No	No	No
Evonik Industries Ron Birnbaum, ron.birnbaum@evonik.com	03/07/2010	No	No	No
Hexion Specialty Chemicals, Inc. Paul W. Langemeier, paul.langemeier@hexion.com	03/07/2010	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Huntsman Advanced Materials Derek S. Kincaid, derek_s_kincaid@huntsman.com Mangesh Rajadhyaksha, mangesh_rajadhyaksha@huntsman.com Petharnan Subramanian, petharnan_subramanian@huntsman.com Susan Sage, susan_m_sage@huntsman.com Peter De Vries, peter_de_vries@huntsman.com	03/10/2010	Yes	Yes	Yes
Lanxess Corporation Jamie Schaeffer, jamie.schaeffer@lanxess.com	03/07/2010	No	No	No
Lubrizol Advanced Materials, Inc. Joe Eskra, 216-447-5955, Joe.Eskra@lubrizol.com Mike Gill, 202-508-8843, mgill@crowell.com Matthew Leigh, Matthew.Leigh@Lubrizol.com	03/07/2010	No	No	No
MCT International Max Turnipseed, mctint@att.net	03/07/2010	No	No	No
Perstorp Polyolys, Inc. Michael J. Falencki, michael.falencki@perstorp.com Jeff Jones, jeff.jones@perstorp.com Evelyn Suarez, ESuarez@williamsmullen.com	03/07/2010	No	No	No
Reichhold, Inc. Edward R. Leydon, ed.leydon@reichhold.com	03/07/2010	No	No	No
Shell Chemical Company Steve Chin, steve.chin@shell.com	03/07/2010	No	No	No

Technical comments:⁴

The Commission staff suggests that a semicolon be inserted in the article description after “(CAS No. 126901-56-2)” and before the word “and”, as shown on page 1 of this report.

⁴ 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.

111TH CONGRESS
1ST SESSION

S. 2606

To suspend temporarily the duty on Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

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

A BILL

To suspend temporarily the duty on Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate.

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

1 **SECTION 1. FORMALDEHYDE, POLYMER WITH METHYL-**
 2 **PHENOL, 2-HYDROXY-3-[(1-OXO-2-PRO-**
 3 **PENYL)OXY]PROPYL ETHER AND FORMALDE-**
 4 **HYDE, POLYMER WITH**
 5 **(CHLOROMETHYL)OXIRANE AND METHYL-**
 6 **PHENOL, 4-CYCLOHEXENE-1,2-**
 7 **DICARBOXYLATE 2-PROPENOATE.**

8 (a) **IN GENERAL.**—Subchapter II of chapter 99 of
 9 the Harmonized Tariff Schedule of the United States is
 10 amended by inserting in numerical sequence the following
 11 new heading:

“	9902.01.00	Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether (CAS No. 126901–56–2) and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (CAS No. 182697–62–7) (provided for in subheading 3907.30.00) ...	Free	No change	No change	On or before 12/31/2011”.
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12 (b) **EFFECTIVE DATE.**—The amendment made by
 13 subsection (a) applies to goods entered, or withdrawn from
 14 warehouse for consumption, on or after the 15th day after
 15 the date of the enactment of this Act.

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