



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Potassium persulfate (CAS No. 7727-21-1) encapsulated in cellulose acetate butyrate (CAS No. 9004-36-8) (provided for in subheading 3815.90.50)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject product is used to formulate various dental and orthodontic cements. It is imported from Germany. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Table with 6 columns: Subject product HTS subheading(s), 2013, 2014, 2015, 2016, 2017. Rows include Col.1-general rate of duty or percentage point reduction (%), Estimated value of dutiable imports (\$), and Customs revenue loss (\$).

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) [] Temporary rate (%) [] Percentage point reduction (%) []

V. Technical comments

None

VI. Continuation

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VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	3M (Interested entity) Greg Walters	202-414-3008	No	No	No
2	Air Products Richard F. Goodstein	202-639-0840	No	No	No
3	Albaugh Stuart Feldstein	515-964-9444	No	No	No
4	Arkema David Kunz	202-263-3491	No	No	No
5	Ashland Frank Fusiak	973-628-4123	No	No	No
6	BASF Richard J. Salamone	973-895-8316	No	No	No
7	Bayer Steve Johnsen	412-777-5616	No	No	No
8	Celanese Samuel Ramirez	972-443-4689	No	No	No
9	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
10	Clariant Andrew Zamoyski	202-415-9159	No	No	No
11	ColorChem Steven Printz	770-993-5500, x18	No	No	No
12	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
13	Cytec Industries (Interested entity) Thomas Irwin	973-357-3478	No	No	No
14	DSM Sheetal Bhadekar	973-257-8323	No	No	No
15	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
16	Dow AgroSciences (Interested entity) Jim DeLisi	908-322-8440	No	No	No
17	Dow Chemical Co. Lisa Schroeter	202-429-3407	No	No	No
18	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DuPont Elaine M. Olsen	302-992-2263	No	No	No
20	DyStar L.P. Megan Malone	202-344-4621	No	No	No
21	Eastman Brent Perry	202-347-9547	No	No	No
22	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
23	Evonik Russell Mait	804-452-5711	No	No	No
24	FMC Jerry Prout	202-956-5209	Yes	Yes	Yes
25	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
26	Honeywell Art Simonetti	202-662-2671	No	No	No
27	Huntsman Robert F. Hurley	202-289-9800	No	No	No
28	Kemira Rajesh Sharma	678-819-4577	No	No	No
29	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
30	Lonza Joe Robinson	201-316-9364	No	No	No
31	Milliken Kathi Dutilh	202-775-0084	No	No	No
32	Monsanto James K. Travis	202-383-2864	No	No	No
33	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
34	Nufarm Americas Joel Junker	206-621-7878	No	No	No
35	PPG Industries Bill Ries	412-434-1717	No	No	No
36	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
37	Purolite Gary Thundercliffe	484-384-2708	No	No	No

38	Rhodia Jackie Guscott	609-860-3379	No	No	No
39	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
40	SOCMA Robert E. Branand, Esq.	202-345-2717	No	No	No
41	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
42	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
43	Solutia Kassie Wooton	314-674-3297	No	No	No
44	Solvay Andrew K. Jones	856-251-3412	No	No	No
45	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
46	Syngenta Mike Blythe	336-632-2824	No	No	No
47	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
48	Valent Robin Demouth	925-256-2758	No	No	No

Dear Jack

This is to inform the Department of Commerce that FMC Corporation, which manufactures persulfate chemicals at a facility in Tonawanda New York, opposes both HR 5601 to suspend temporarily the rate of duty of encapsulated potassium persulfate, and S 2640 a bill to suspend temporarily the duty on potassium persulfate encapsulated in cellulose acetate butyrate.

As the sole commercial producer of persulfates in the United States, FMC believes duty suspensions on these products would materially harm our business operations and jobs in New York. Potassium persulfate, the active ingredient in these encapsulated products, is made at FMC Tonawanda. Our material is subsequently coated (encapsulated) at an operation in Houston Texas. Thus to allow duty free treatment for similar or identical encapsulated material will harm FMC(the encapsulation material is secondary to the active ingredient, and simply a form of packaging or delivery).

Moreover, from the Department's perspective, the current dumping order on persulfates from China (see attached) remains in effect and will be subject to review again next year (2013). Therefore to allow persulfate chemicals which are slightly modified through encapsulation to enter the country duty free from any source, we believe, runs counter to the Department's own ruling on persulfate dumping, and would prejudice the next sunset review.

According to the House Ways and Means committee Guidelines on Duty Suspensions, "It is essential that each MTB provision is non-controversial. A bill will be considered controversial if, for instance, another Member objects to the bill or if a domestic producer objects to the bill. (A domestic producer is a person or firm who demonstrates production, or imminent production, of the article or a like or directly competitive article.)" FMC produces a like product in the United States. Since the bill is thus "controversial," it should be dropped from consideration.

While FMC supports the purpose of the Miscellaneous Tariff Bill, we appreciate the opportunity to make our opposition known on these specific bills which we believe run counter to the purpose for which the MTB process is intended. Thus we wish to make our position known during the during the current vetting process.

Please let me know if you have any questions or wish any additional information. Our Tonawanda New York facility employees approximatley 200 people and is represented by Local 76C of the Chemical Workers Union.

Thank you for your consideration and please let me know if you have any questions or require additional information.

Jerry Prout | FMC Corporation
Work:202.956.5209 | Cell 202.297.4537



112TH CONGRESS
2D SESSION

H. R. 5601

To suspend temporarily the rate of duty on Encapsulated Potassium Persulfate.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2012

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

A BILL

To suspend temporarily the rate of duty on Encapsulated Potassium Persulfate.

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. ENCAPSULATED POTASSIUM PERSULFATE.**

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:

“	9902.01.00	Potassium persulfate (CAS No. 7727-21-1) encapsulated in cellulose acetate butyrate (CAS No. 9004-36-8) (provided for in sub-heading 3815.90.50)	Free	No change	No change	On or before 12/31/2015	”.
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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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