

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 12, 2008]²

Bill No. and sponsor: H.R. 4908 (Mr. Nick Lampson of Texas).

Proponent name,³ location: Akzo Nobel Polymer Chemicals LLC, Chicago, IL.

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)):

Dilauroyl peroxide (CAS No. 105-74-8) (provided for in subheading 2915.90.50).

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 white, granular, aliphatic, organic peroxide that is used as an initiator for the polymerization and copolymerization of vinyl chloride, vinylidene chloride, ethylene, acrylates, and methacrylates. Organic peroxides are oxidizers that may become relatively unstable when stored above certain temperatures, or when contaminated or mixed with certain other chemicals. The product is imported from the Netherlands and Germany.

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/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent identified three additional beneficiaries of this bill. USITC staff sent inquiries to the named beneficiaries and received responses from the three named beneficiaries. Two beneficiaries submitted written representations that they would benefit from this bill.

Estimated effect on customs revenue:

| HTS subheading: 2915.90.50 | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 3.8% | 3.8% | 3.8% | 3.8% | 3.8% |
| Estimated value <i>dutiable</i> imports | \$1,500,000 | \$2,000,000 | \$2,500,000 | \$3,000,000 | \$3,500,000 |
| Customs revenue loss | \$57,000 | \$76,000 | \$95,000 | \$114,000 | \$133,000 |

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

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) | | |
| Akzo Nobel Polymer Chemicals LLC (Proponent) Robin Hall, 312-544-7187 Susan McColley, 202-639-7831 | 04/04/2008 | No | No | No |
| American Chemistry Council Jean Vallianos, 703-741-5610 | 04/08/2008 | No | No | No |
| Arkema, Inc. Charles Kitchen, 215-419-7615 | 04/07/2008 | No | No | No |
| BASF Corporation Gregory Thies, gregory.thies@basf.com | 04/09/2008 | No | No | No |
| Bayer Corporation Karen Niedermeyer, 412-777-2058 | 04/09/2008 | No | No | No |
| DuPont Helen McMahan, 302-992-2263 | 04/09/2008 | No | No | No |
| Efficient Global Trade, Incorporated Henry Stobenau, 215-628-4919 | 04/08/2008 | No | No | No |
| Evonik Industries Ron Birnbaum, 973-541-8391 Bill Clements, 440-326-2427 Ted Pettijohn, 281-298-0250 | 04/08/2008 | No | No | No |
| ExxonMobil Chemical Company Russ Spiller, 281-834-5518 | 04/07/2008 | No | No | No |

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
| | | (Yes/No) | | |
| LANXESS Corporation Jamie Schaeffer, 412-809-3666 | 04/09/2008 | No | No | No |
| OXEA Corporation Don Raff, 361-584-6568 | 04/09/2008 | No | No | No |
| Occidental Chemical Corporation Mihir Patel, Mihir_I_Patel@oxy.com | 04/07/2008 | No | No | No |
| Pergan Marshall LLC Randy Kay, 903-934-7746 | 04/10/2008 | No | No | No |
| Sigma-Aldrich Company Mark Eisold, 414-438-3850 Susan Haertling, 314-236-8735 | 04/04/2008 | No | No | No |
| Solutia Incorporated Kassie D. Wooton, 314-674-3297 | 04/05/2008 | No | No | No |
| Syrgis Performance Products Susan Jones, 870-572-3610 | 04/10/2008 | No | No | No |

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the correct chemical name and HTS subheading reference.⁵

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.

⁵ USITC staff contact with Stephanie Joseph, National Import Specialist, New York, NY, April 9, 2008.

110TH CONGRESS
1ST SESSION

H. R. 4908

To suspend temporarily the duty on Lauroyl Peroxide.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2007

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

A BILL

To suspend temporarily the duty on Lauroyl Peroxide.

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. LAUROYL PEROXIDE.**

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.____ | Lauroyl Peroxide (CAS No. 105-74-8) (provided for in subheading 2915.90.10) | Free | No change | No change | On or before 12/31/2011 | ”. |
|---|-----------|---|------|-----------|-----------|-------------------------|----|

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to articles entered, or withdrawn

2

- 1 from warehouse for consumption, on or after the 15th day
- 2 after the date of the enactment of this Act.

○