

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: August 10, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 2746 (Mr. Jack Reed of Rhode Island and Mr. Lincoln Chafee of Rhode Island).

**Proponent name, location:** Clariant Corporation, Coventry, RI.

**Other bills on product (109<sup>th</sup> Congress only):** S. 2745.

**Nature of bill:** Temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

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

Phosphinic acid, diethyl-, aluminum salt (CAS No. 225789-38-8), with synergists and encapsulating agents (provided for in subheading 3824.90.91).

**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:**

Phosphinic acid, diethyl-, aluminum salt is a synthetic organic chemical that is used as a flame retardant. It is imported as a mixture with encapsulating agents and other chemicals that enhance its flame retardant properties. The product is intended to replace halogenated flame retardants that are being eliminated due to their toxicity. Clariant imports the product from Germany.

**Estimated effect on customs revenue:**

| HTS subheading: <u>3824.90.91</u>       |           |           |             |             |             |
|---|-----------|-----------|-------------|-------------|-------------|
|   | 2006      | 2007      | 2008        | 2009        | 2010        |
| <del>Col. 1-General rate of duty</del>  |           |           |             |             |             |
| Col. 1-General rate of duty             | 5.0%      | 5.0%      | 5.0%        | 5.0%        | 5.0%        |
| Estimated value <i>dutiable</i> imports | \$250,000 | \$850,000 | \$1,260,000 | \$2,500,000 | \$3,500,000 |
| Customs revenue loss                    | \$12,500  | \$42,500  | \$63,000    | \$125,000   | \$175,000   |

Source of estimated dutiable import data: Industry estimates.

<sup>1</sup> Industry analyst preparing report: Philip Stone (202-205-3424); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**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)                                     |                      |                   |
| Clariant Corporation (Proponent)<br>Andrew Zomoyski, 202-415-9159                                   | 06/14/2006     | No   | No                   | No                |
| Abbott<br>Elaine Leavenworth, Fax: 202-783-6631   | 06/14/2006     | No   | No                   | No                |
| American Chemistry Council<br>Jim O'Connor, Fax: 703-741-6922                                       | 06/14/2006     | No   | No                   | No                |
| Ashland Chemical<br>Mike Toohey, Fax: 202-293-2913  | 06/14/2006     | No   | No                   | No                |
| Bayer Corporation<br>Julie Van Egmund, Fax: 202-737-8909<br>Karen L. Niedermeyer, Fax: 412-777-4740 | 06/14/2006     | No   | No                   | No                |
| Biddle Sawyer<br>William Thonack, Fax: 212-239-1089   | 06/14/2006     | No   | No                   | No                |
| Ciba Specialty Chemicals<br>John Deming, Fax: 302-479-5152  | 06/14/2006     | No   | No                   | No                |
| DuPont<br>Helen McMahon, Fax: 302-355-2994  | 06/14/2006     | No   | No                   | No                |
| Eastman Chemical Company<br>Jorge San Pedro, Fax: 703-524-7707<br>Greg Riddle, Fax: 703-524-7707    | 06/14/2006     | No   | No                   | No                |
| GlaxoSmithKline<br>William Schuyler, Fax: 202-715-1001  | 06/14/2006     | No   | No                   | No                |
| Honeywell International<br>Art Simonetti, Fax: 202-662-2675   | 06/14/2006     | No   | No                   | No                |
| Lonza, Inc.<br>Ray Esposito, Fax: 201-696-3487  | 06/14/2006     | No   | No                   | No                |
| Monsanto Corporation<br>Michael Parrish, Fax: 202-789-1867<br>Linda Strachan, Fax: 202-789-1867     | 06/14/2006     | No   | No                   | No                |
| Noveon<br>Tom Dirmyer, Fax: 216-447-5720  | 06/14/2006     | No   | No                   | No                |
| Perstorp Polyols, Inc.<br>Jeff Jones, Fax: 419-729-3291   | 06/14/2006     | No   | No                   | No                |
| Rhodia<br>Dominick Cangiana, Fax: 609-860-2256  | 06/14/2006     | No   | No                   | No                |

|  |            |    |    |    |
|--|------------|----|----|----|
| Solutia<br>Dan Jenkins, Fax: 314-674-1585<br>Sue Cannon, Fax: 314-674-1585 | 06/14/2006 | No | No | No |
| Tennant Company<br>Mary Heie, Fax: 763-513-1808                            | 06/14/2006 | No | No | No |
| Total Specialty Chemicals, Inc.<br>Tad Acker, Fax: 203-966-1505            | 06/14/2006 | No | No | No |
| Union Carbide<br>Jim Murray, Fax: 202-347-1684                             | 06/14/2006 | No | No | No |
| Uniroyal Chemical Company<br>Lloyd Moon, Fax: 203-573-4430                 | 06/14/2006 | No | No | No |

**Technical comments:**<sup>3</sup>

The Commission suggests that the article description on page 1 of this report be used because it contains the appropriate CAS number.

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<sup>3</sup> 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.

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2746

To suspend temporarily the duty on Phosphinic acid,  
diethyl-, aluminum salt along with synergists and encapsulating agents.

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IN THE SENATE OF THE UNITED STATES

MAY 4, 2006

Mr. REED (for himself and Mr. CHAFEE) introduced the following bill; which  
was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on Phosphinic acid,  
diethyl-, aluminum salt along with synergists and encapsulating agents.

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. EXOLIT OP 1312.**

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:

|   |            |   |      |           |           |                            |    |
|---|------------|---|------|-----------|-----------|----------------------------|----|
| “ | 9902.09.03 | Phosphinic acid, diethyl-,<br>aluminum salt along with<br>synergists and encapsulating<br>agents (provided for in sub-<br>heading 3824.90.91) ..... | Free | No change | No change | On or before<br>12/31/2009 | ”. |
|---|------------|---|------|-----------|-----------|----------------------------|----|

1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of enactment of this Act.

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