

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 1, 2008]²

Bill No. and sponsor: H.R. 4663 (Mr. Paul E. Kanjorski of Pennsylvania).

Proponent name,³ location: Air Products and Chemicals, Allentown, PA.

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)):

Pressure distillation columns, designed to liquefy air and its component gases, the foregoing containing brazed aluminum plate-fin heat exchangers (provided for in subheading 8419.60.10).

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:

Pressure distillation columns are an integral part of air separation plants. Pressure distillation columns convert atmospheric air into various gases, including nitrogen, oxygen, argon, and other gases. These gases are used in a wide range of industries including: aerospace, food and beverages, healthcare, semi-conductors, chemicals, refining, oil and gas production, primary metal and metal fabrication. Each pressure distillation column is a specialty product with a series of stainless steel stacked plates/trays in the shape of a tall metal cylinder. The subject pressure distillation columns are internally fitted with perforated horizontal plates and contain a brazed aluminum plate-fin heat exchanger, a reflux drum, reboiler, and condenser.⁴ The principal import source of these pressure distillation columns is China, which shipped approximately \$1.3 billion of the \$2.1 billion in total dutiable imports under HTS subheading 8419.60.10 in 2007.

¹ Industry analyst preparing report: Ruben Mata (202-205-3403); 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 identified did not identify any additional beneficiaries of this bill.

⁴ The duty on "other" heat exchange units classified in HTS subheading 8419.60.50 was reduced to free under the Uruguay Round of multilateral trade negotiations. See Presidential Proclamation 6763 issued December 23, 1994, 60 FR 1007, p. 1587.

Estimated effect on customs revenue:

HTS subheading: 8419.60.10					
	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	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Customs revenue loss	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000

Source of estimated dutiable import data: Commission and industry estimates. Staff notes that a very small number of these complex, large units are generally imported during any year as industry needs vary.

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)		
Air Products and Chemicals (Proponent) Steven Belaus, 610-481-4979	5/2/2008	No	No	No
AirGas, Inc. Tracy Blizniak, 954-883-1000	5/2/2008	No	No	No
Air Liquide American Corp. Kevin Feeney, 713-624-8800	5/5/2008	No	No	No
Linde AG, Selas Fluid Division Gene Irrgang, 610-832-8720	5/6/2008	No	No	No
Praxair, Inc. Bill Murphy, 716-879-4736	5/5/2008	No	No	No

Technical comments:⁵

None.

⁵ 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. 4663

To suspend temporarily the duty on certain air pressure distillation columns.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

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

A BILL

To suspend temporarily the duty on certain air pressure
distillation columns.

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 AIR PRESSURE DISTILLATION COL-**
4 **UMNS.**

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

“	9902.____	Pressure distillation columns, designed to liquefy air and its component gases, the foregoing containing brazed aluminum plate-fin heat exchangers (provided for in subheading 8419.60.10)	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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