



## 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/](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)):**

Phosphor of zinc silicate, of a kind used as a luminophore (CAS No. 68611-47-2) (provided for in subheading 3206.50.00)

(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 in the coating in fluorescent lamps to obtain proper color rendering and optimum efficiency levels. It is imported from Japan. Although the title of the bill has no legal significance, it should be noted that the proposed action is a renewal of an expired temporary suspension, rather than an extension of an existing suspension as the title of the bill as written says. Opposition to this bill is noted below in the Contacts table.

**IV. Estimated effect on customs revenue**

Subject product HTS subheading(s)	3206.50.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6.5	6.5	6.5	6.5	6.5
Estimated value of <i>dutiable</i> imports (\$)	500,000	500,000	500,000	500,000	500,000
Customs revenue loss (\$)	32,500	32,500	32,500	32,500	32,500

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**

## 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	Philips Electronics (Interested entity) Randall B. Moorhead	202-962-8555	No	No	No
2	3M Greg Walters	202-414-3008	No	No	No
3	Air Products and Chemicals Richard F. Goodstein	202-639-0840	No	No	No
4	Albaugh Stuart Feldstein	515-964-9444	No	No	No
5	Arkema David Kunz	202-263-3491	No	No	No
6	Ashland Frank Fusiak	973-628-4123	No	No	No
7	BASF Richard J. Salamone	973-895-8316	No	No	No
8	Bayer Steve Johnsen	412-777-5616	No	No	No
9	Celanese Samuel Ramirez	972-443-4689	No	No	No
10	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
11	Clariant Andrew Zamoyski	202-415-9159	No	No	No
12	ColorChem Steven Printz	770-993-5500, x18	No	No	No
13	Cree Diana Semel Allen	919-407-5300	No	No	No
14	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
15	DSM Sheetal Bhadekar	973-257-8323	No	No	No
16	Dixie Chemical Mal Johnson	281-291-2659	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	No	No	No
25	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
26	Global Tungsten and Powders Paul Sedor	570-268-5105	Yes	Yes	Yes
27	Honeywell Art Simonetti	202-662-2671	No	No	No
28	Huntsman Robert F. Hurley	202-289-9800	No	No	No
29	Kemira Rajesh Sharma	678-819-4577	No	No	No
30	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
31	Lonza Joe Robinson	201-316-9364	No	No	No
32	Milliken Kathi Dutilh	202-775-0084	No	No	No
33	Monsanto James K. Travis	202-383-2864	No	No	No
34	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
35	Nufarm Americas Joel Junker	206-621-7878	No	No	No
36	PPG Industries Bill Ries	412-434-1717	No	No	No
37	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No

38	Purolite Gary Thundercliffe	484-384-2708	No	No	No
39	Rhodia Jackie Guscott	609-860-3379	No	No	No
40	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
41	SOCMA Robert E. Branand	202-345-2717	No	No	No
42	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
43	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
44	Solutia Kassie Wooton	314-674-3297	No	No	No
45	Solvay Andrew K. Jones	856-251-3412	No	No	No
46	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
47	Syngenta Mike Blythe	336-632-2824	No	No	No
48	Tessenderlo Kerley Brian Thomassen	602-889-8397	No	No	No
49	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
50	Valent Robin Demouth	925-256-2758	No	No	No



June 22, 2012

Commissioner Deanna Tanner Okun  
Chairwoman, United States International Trade Commission  
500 E Street SW  
Washington, DC 20436

Commissioner Irving A. Williamson  
Vice Chairman, United States International Trade Commission  
500 E Street SW  
Washington, DC 20436

**RE: Objection to H.R. 5116 – Zinc silicate phosphor**

Dear Commissioners Okun and Williamson:

Global Tungsten & Powders (GTP) is a US domestic producer of multiple specialty chemicals and refractory powders. GTP has been producing phosphors for nearly 60 years including phosphors for X-RAY, CRT, display, lighting, and backlighting applications. One of our many phosphors produced in Towanda, Pennsylvania is zinc silicate phosphor used in the production of lighting phosphors.

We write today to **object to H. R. 5116**, a Miscellaneous Tariff Bill request from Representative Tim Huelskamp of Kansas's 1<sup>st</sup> District that would suspend duties on **zinc silicate phosphor** for a period of three years.

We do not believe that passage of this bill is in the national interest: removing these duties will threaten American producers of luminescent/fluorescent lighting phosphors, including GTP, by allowing Chinese producers to “dump” material into the US market. This will eliminate competition from US manufacturers, ultimately resulting in a foreign monopoly controlling this phosphor and rare earth material.

GTP is the last active manufacturer at commercial volumes in the US of phosphors for lighting and backlighting applications. GTP has been a world leader in the research and development and manufacture of phosphors for various markets for many decades. In 2011, GTP produced over one million kgs of phosphors and phosphor chemicals of which the majority of these products were sold in the US. GTP products, all manufactured by 1000 American workers in Towanda, Pennsylvania, are used in a wide variety of

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Towanda, PA 18848  
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[www.globaltungsten.com](http://www.globaltungsten.com)

commercial and residential lighting products. During our long history of manufacturing in Pennsylvania, we have invested hundreds of millions of dollars in our chemical operations, reduction furnaces, powder spray drying capabilities, carburizing furnaces, presses, sintering furnaces, and analytical equipment. But due to extreme increased price pressure from foreign rare earth availability policies and below market priced phosphors, GTP is losing market share.

Our process starts with rare earth oxides and involves many steps that include sifting, blending, chemical washing, filtering, drying, mixing, compounding, and others. Various rare earth oxides, compounds, and co-precipitates are used as the precursors for many of the phosphors we produce: Chinese production and export policies have caused costs for non-Chinese manufacturers to skyrocket, granting Chinese companies the ability to significantly undercut competitors. Today, two more US phosphor manufacturers are in the process of closing down their operations because of this anticompetitive practice.

Phosphors are used in the production of fluorescent lamps, plasma TVs, LEDs, and electroluminescent products. In recent years, increasing imports of phosphors and phosphor compounds from China, priced at unsustainably low levels, have created price erosion in the US market. If a duty suspension is granted, continued Chinese dumping threatens to force the few remaining US manufacturers, including GTP, to discontinue their phosphor operations and potentially leave the industry altogether. The continued success of our phosphor operations is of great importance to GTP's future, and maintaining competitive pricing and market share of these materials are key components in this strategy.

Additionally, the relaxation of duties will deprive the federal government of significant revenues, all collected from foreign manufacturers. Many of the compounds/phosphors used as a luminophores are all grouped and imported under the HTS subheading 3206.50.00 making it impossible to break out the individual values from the USITC website. Therefore, GTP will only reference the total duties the US Government collects as it relates to all phosphors imported in 2011 under this heading.

Based on 2011 US import data as reported by USITC, the customs value of imports of inorganic products of a kind used as luminophores were \$39,727,452, of which \$21,597,655 (54%) were imported from Japan and \$13,474,822 was imported from China (35%) the majority of which are lighting phosphors. Calculated duties were \$4,545,938, of which Japanese importers were responsible for \$1,403,854 and Chinese importers were responsible for \$875,867. As you know, suspension of the duty at this level would significantly exceed the annual "PAYGO" type of limitations that are normally suggested by the CBO. In addition, there would be lost tax revenues on sales as imports of these phosphors take more US market share.

The products that are included under this subheading are:  
9902.22.63 / Yttrium oxide phosphor, activated by europium of a kind used as a luminophore (CAS No. 68585-82-0) (provided for in subheading 3206.50.00).

9902.22.64 / Compound of barium magnesium aluminate phosphor, activated by europium or manganese, of a kind used as luminophores (CAS Nos. 63774-55-0 and 1308-96-9) (provided for in subheading 3206.50.00).

9902.22.65 / Yttrium vanadate phosphor, of a kind used as a luminophore (CAS No. 6874-82-7) (provided for in subheading 3206.50.00).

9902.22.66 / Compound of strontium chloroapatite-europium, of a kind used as a luminophore (CAS No. 68784-77-0) (provided for in subheading 3206.50.00).

9902.22.67 / Phosphor of zinc silicate, of a kind used as a luminophore (CAS No. 68611-47-2) (provided for in subheading 3206.50.00).

9902.22.68 / Strontium magnesium phosphate-tin doped inorganic products of a kind used as luminophores (CAS Nos. 1314-11-0, 1314-56-3, 1309-48-4, and 18282-10-5) (provided for in subheading 3206.50.00).

9902.22.69 / Yttrium oxide phosphor, activated by europium used as a luminophore (CAS No. 68585-82-0) (provided for in subheading 3206.50.00).

9902.22.70 / Calcium chloride phosphate phosphor activated by manganese and antimony used as a luminophore (CAS No. 75535-31-8) (provided for in subheading 3206.50.00).

9902.22.72 / Calcium chloride phosphate phosphor used as a luminophore (CAS No. 75535-31-8) (provided for in subheading 3206.50.00).

9902.22.73 / Strontium halophosphate doped with europium used as a luminophore (CAS Nos. 109037-74-3 and 1312-81-8) (provided for in subheading 3206.50.00).

9902.22.74 / Small particle calcium chloride phosphate phosphor activated by manganese and antimony used as a luminophore (CAS No. 75535-31-8) (provided for in subheading 3206.50.00).

9902.22.75 / Lanthanum phosphate phosphor, activated by cerium and terbium, inorganic used as luminophores (CAS Nos. 13778-59-1, 13454-71-2, and 13863-48-4 or 95823-34-0) (provided for in subheading 3206.50.00).

During the past 24 months, GTP has invested over \$4 million dollars of capital equipment in a new facility to recycle and recover rare earth metals from phosphor secondary raw materials separated from discarded lamps. This operation will help in offsetting the costs of importing rare earth oxides, allowing GTP to be more cost competitive and proactive leading the way for recycling lamps in the US. GTP has years of experience of running chemical operations and recycling tungsten scrap and is applying that ingenuity and expertise to this operation.

A removal of the duty could shift volume from US producers to more imports from China, threatening the economic rationale for this investment. Clearly, the maintenance of the current US duty rate is important for the continued viability of GTP and might encourage our customers to buy US made phosphors as opposed to foreign produced. Decreasing, suspending, or extending an existing suspension of a US duty will encourage more imports to displace domestic market share, thereby negatively affecting any new investments in the US phosphor and lamp industry, including GTP's Towanda facility.

As you are well aware, Miscellaneous Tariff Bill requests are usually only granted if they are "noncontroversial," including no domestic production. Because GTP and other US manufacturers are engaged in phosphor production, H.R. 5116 does not meet this



requirement, and we urge you to remove zinc silicate phosphor from the Miscellaneous Tariff Bill package.

In order to inform all parties of our objection, we will also send copies of this letter to the Department of Commerce. Please do not hesitate to contact Paul Sedor of GTP in our Towanda, PA offices at (570) 268-5105 or Jeff Green of Green & Company, at their Washington, DC offices at (202) 546-0388 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Stacy Garrity".

Stacy Garrity  
Director Sales and Marketing  
Global Tungsten & Powders  
(570) 268-5175

Attachment: GTP brochure

Cc:

Mr. Michael A. Levitt  
Assistant General Counsel for Legislation & Regulation  
United States Department of Commerce

Mr. Dan Shepherdson  
Attorney Advisor  
United States International Trade Commission

Mr. Joshua M. Levy  
Congressional Relations Officer  
United States International Trade Commission

Mr. Jack Greenblatt  
International Trade Analyst  
United States International Trade Commission

Mr. Larry Johnson  
International Trade Analyst  
United States International Trade Commission

112TH CONGRESS  
2D SESSION

# H. R. 5116

To extend the temporary suspension of duty on zinc silicate phosphor.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

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## A BILL

To extend the temporary suspension of duty on zinc silicate  
phosphor.

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. ZINC SILICATE PHOSPHOR.**

4 (a) IN GENERAL.—Heading 9902.22.67 of the Har-  
5 monized Tariff Schedule of the United States (relating to  
6 zinc silicate phosphor) is amended by striking the date in  
7 the effective period column and inserting “12/31/2015”.

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

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

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