

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 110<sup>th</sup> Congress<sup>1</sup>**

[Date approved: July 3, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 5393 (Mr. Henry Brown of South Carolina).

**Proponent name,<sup>3</sup> location:** Metglas, Inc., Conway, SC.

**Other bills on product (110<sup>th</sup> 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)):**

Ferroboron (provided for in subheading 7202.99.80).

**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:**

Ferroboron is an alloy of iron and boron that is used as an addition agent to add boron to molten steel and other ferrous alloys. The largest use of ferroboron in the United States, accounting for more than one-half of the total consumption, is for the production of amorphous metal strip, which is processed and used in the production of high-efficiency electrical transformers and other specialized electrical devices. Metglas is the only known producer of amorphous metal strip in the United States.

A different form of ferroboron is used in the production of certain heat-treatable steel alloys, certain alloy steels used in the nuclear industry, and some deep-drawing steels. Many steel-producing firms use ferroboron for these purposes. Ferroboron for the steel industry may contain higher amounts of a number of residual elements than that used to produce amorphous metal strip. As a result, in the trade the two types of ferroboron are considered not to be interchangeable, and to represent different markets.

There is no known production of ferroboron in the United States. The subject product is imported primarily from Japan and China.

<sup>1</sup> Industry analyst preparing report: Gerald Houck (202-205-3392); Tariff Affairs contact: Daniel Shepherdson (202-205-2598).

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

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

**Estimated effect on customs revenue:**

<b>HTS subheading: 7202.99.80</b>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$19,600,000	\$19,600,000	\$19,600,000	\$19,600,000	\$19,600,000
Customs revenue loss	\$980,000	\$980,000	\$980,000	\$980,000	\$980,000

Source of estimated dutiable import data: Commission estimates, based on industry input.

**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)		
Metglas, Inc. (Proponent) Mary Paige Murray, 843-349-6832	05/15/2008	No	No	No
Chemalloy Company, Inc. Tony Demos, 610-527-3700	04/30/2008	No	No	No
Cometals Manfred Roeschel, 201-592-3222	05/20/2008	No	No	No
Metallurg Vanadium Jim Carter, 740-432-6345	04/24/2008	No	No	No
RTI International Metals, Inc. Steve Giangiordano, 412-893-0026	04/24/2008	No	No	No
Traxys North America LLC Daniel Marx, 212-918-8033	04/24/2008	No	No	No

**Technical comments:<sup>4</sup>**

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading because it contains the correct spelling of the subject product, and it omits the CAS number, which is not needed. The Commission staff notes that HTS heading 9902.72.02 had provided a temporary duty suspension for “ferroboron to be used for manufacturing amorphous metal strip.” That duty suspension expired on December 31, 2006. If the proponent is only interested in suspending the duty on ferroboron that is used to manufacture amorphous metal strip, then heading 9902.72.02 should be

<sup>4</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.

used to renew the expired duty suspension by amending the date in the effective period column. The Commission staff notes, however, that such use provisions may be difficult for Customs to administer.

If heading 9902.72.02 is renewed, then the estimated customs revenue loss would be as follows:

<b>Ferroboron to be used for manufacturing amorphous metal strip, as provided for in HTS heading 9902.72.02</b>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$10,600,000	\$10,600,000	\$10,600,000	\$10,600,000	\$10,600,000
Customs revenue loss	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000

Source of estimated dutiable import data: Commission estimates, based on industry input.

110TH CONGRESS  
2D SESSION

# H. R. 5393

To suspend temporarily the duty on Ferro Boron.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2008

Mr. BROWN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To suspend temporarily the duty on Ferro Boron.

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. FERRO BORON.**

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	Ferro Boron (CAS No. 11108-67-1) (provided for in subheading 7202.99.80) .....	Free	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) applies to articles entered, or withdrawn

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

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