

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 24, 2006]²

Bill No. and sponsor: S. 3163 (Mr. Barack Obama of Illinois).

Proponent name, location: Honeywell International, Inc., Morris Township, NJ.

Other bills on product (109th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Epoxy molding compounds, of a kind used for encapsulating integrated circuits (provided for in subheading 3907.30.00).

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 product consists of high-purity, silicon-filled epoxide resin molding compounds that are used to encapsulate semiconductor chips that feed into various electronics applications. The encapsulation protects the chips from contaminants, humidity, shock and electrostatic charges, and assists with heat dissipation. Some of the uses for these compounds include making circuitry for automotive applications, including timing mechanisms, and making light emitting diodes. These products are imported from Japan and Singapore.³

Estimated effect on customs revenue:

HTS subheading: 3907.30.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.1%	6.1%	6.1%	6.1%	6.1%
Estimated value <i>dutiable</i> imports	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Customs revenue loss ^{1/}	\$24,400	\$24,400	\$24,400	\$24,400	\$24,400

^{1/} The estimated customs revenue loss for 2006 reflects the existing duty suspension under heading 9902.01.85 that expires on 12/31/2006.

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

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://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ Imports from Singapore are duty-free under the U.S.-Singapore Free Trade Agreement (FTA).

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)	
Honeywell International, Inc. (Proponent) Art Simonetti, 202-662-2671	07/24/2006	No	No	No
Air Products and Chemicals, Inc. Molly Troutman, 610-481-4003	07/28/2006	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	07/26/2006	No	No	No
Ciba Specialty Chemicals John Demming, 302-479-5499	07/26/2006	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	07/26/2006	No	No	No
DuPont Helen McMahon, 302-992-2263	07/26/2006	No	No	No
Electronic Components, Assemblies & Materials Association Robert Willis, 703-907-8021	07/25/2006	No	No	No
Hexion Specialty Chemicals, Inc. Howard P. Franck, 832-366-2359 Paul W. Langemeier, 832-366-2385	07/26/2006	No	No	No
Huntsman Advanced Materials Petharnan Subramanian, 281-719-7563 Derek Kincaid, 281-719-7623	07/26/2006	No	No	No
LANXESS Corporation Jamie B. Schaeffer, 412-809-3666	07/26/2006	No	No	No
Reichhold Chemicals, Inc. Daniel Giles, 919-990-7500	07/28/2006	No	No	No
Joint Electron Device Engineering Council (Jedec) John Kelly, 703-907-7515	07/25/2006	No	No	No

Technical comments:⁴ None.

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.

109TH CONGRESS
2^D SESSION

S. 3163

To extend temporarily the suspension of duty on certain epoxy molding compounds.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Mr. OBAMA introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend temporarily the suspension of duty on certain epoxy molding compounds.

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 EPOXY MOLDING COMPOUNDS.**

4 (a) **IN GENERAL.**—Heading 9902.01.85 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain epoxy molding compounds) is amended by striking
7 the date in the effective period column and inserting “12/
8 31/2009”.

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

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

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