

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: May 2, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 4446 (Mr. Ron Lewis of Kentucky).

**Proponent name,<sup>3</sup> location:** Arch Chemicals, Inc., Norwalk, Connecticut.

**Other bills on product (110<sup>th</sup> Congress only):** H.R. 4493 (Mr. John Abney Culberson of Texas).

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

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

Caprolactone-2-ethyl-2-(hydroxymethyl)-1,3-propanediol polymer (CAS No. 37625-56-2) (provided for in subheading 3907.99.01).

**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 subject product is a high performance caprolactone triol that is derived by polymerizing epsilon-caprolactone monomer with trimethylol propane as an initiator. This polymer is a colorless liquid known for its superior chemical, abrasion, hydrolytic, and UV resistance compared to other polyesters. The product is primarily used to produce solvent-based, high-solids coatings. It is imported from Japan and the United Kingdom.

<sup>1</sup> Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

<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. USITC staff identified one additional beneficiary of this bill that was not identified by the sponsor/proponent, and that beneficiary submitted a written representation that it would benefit from this bill.

**Estimated effect on customs revenue:**

| <b>HTS subheading: 3907.99.01</b>       |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
|   | 2009        | 2010        | 2011        | 2012        | 2013        |
| Col. 1-General rate of duty             | 6.5%        | 6.5%        | 6.5%        | 6.5%        | 6.5%        |
| Estimated value <i>dutiable</i> imports | \$3,100,000 | \$3,200,000 | \$3,300,000 | \$3,400,000 | \$3,500,000 |
| Customs revenue loss                    | \$201,500   | \$208,000   | \$214,500   | \$221,000   | \$227,500   |

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

**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)                                     |                      |                   |
| Arch Chemicals, Inc. (Proponent)<br>Charles Barnett, 202-547-1831<br>Chandalia Kiran, 203-229-3317 | 02/19/2008     | No   | No                   | No                |
| Arkema, Inc.<br>Charles Kitchen, 215-419-7615  | 02/21/2008     | No   | No                   | No                |
| Bayer Corporation<br>Karen Niedermeyer, 412-777-2058   | 02/21/2008     | No   | No                   | No                |
| BASF Corporation<br>Greg Thies, 202-558-5100   | 02/21/2008     | No   | No                   | No                |
| Ciba Specialty Chemicals Corp.<br>Vince Livoto, 914-785-4494<br>Mark Thomas, 336-801-2500          | 02/21/2008     | No   | No                   | No                |
| Dow Chemical Company<br>Lisa Schroeter, 202-429-3400   | 02/21/2008     | No   | No                   | No                |
| DSM Resins, Inc.<br>Shelton Fox, 706-849-6700<br>Laura Pirtle, 706-849-6700                        | 02/21/2008     | No   | No                   | No                |
| DuPont<br>Helen McMahan, 302-992-2263  | 02/21/2008     | No   | No                   | No                |
| Efficient Global Trade, Inc.<br>Henry P. Stoebenau, 215-628-4919                                   | 02/21/2008     | No   | No                   | No                |
| Huntsman Advanced Materials<br>Derek Kincaid, 281-719-7623   | 02/21/2008     | No   | No                   | No                |

| Name of firm/organization  | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
|  |                | (Yes/No)                                     |                      |                   |
| LANXESS Corporation<br>Jamie Schaeffer, 412-809-3666                   | 02/21/2008     | No   | No                   | No                |
| Perstorp<br>Jeff Jones, 419-727-6722<br>Evelyn M. Suarez, 202-293-8116 | 02/18/2008     | No   | No                   | No                |
| Solvay Chemicals, Inc.<br>Max Turnipseed, 225-338-0310                 | 02/18/2008     | No   | No                   | No                |

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

None.

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<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.

110TH CONGRESS  
1ST SESSION

# H. R. 4446

To suspend temporarily the duty on Polycaprolactone Triol.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

Mr. LEWIS of Kentucky 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 Polycaprolactone Triol.

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. POLYCAPROLACTONE TRIOL.**

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 | Caprolactone-2-ethyl-2-(hydroxymethyl)-1,3-propanediol polymer (CAS: 37625-56-2) (Provided for: 3907.99.01) ..... | Free | No change | No change | On or before 12/31/2011 | ”. |
|---|------------|---|------|-----------|-----------|-------------------------|----|

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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