

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: May 2, 2008]²

Bill No. and sponsor: H.R. 4445 (Mr. Ron Lewis of Kentucky).

Proponent name,³ location: Arch Chemicals, Inc., Norwalk, Connecticut.

Other bills on product (110th Congress only): H.R. 4486 (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-diethylene glycol copolymer (CAS No. 75035-33-5) (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 diol that is derived by polymerizing epsilon-caprolactone monomer with diethylene glycol as an initiator. This colorless to pale yellow liquid polymer is known for its superior chemical, abrasion, hydrolytic, and UV resistance compared to other polyester polyols. The product is primarily used to produce solvent-based coatings. It is imported from Japan and the United Kingdom.

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://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ 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:

HTS subheading: 3907.99.01					
	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	\$6,350,000	\$6,400,000	\$6,450,000	\$6,500,000	\$6,550,000
Customs revenue loss	\$412,750	\$416,000	\$419,250	\$422,500	\$425,750

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) Charles Barnett, 202-547-1831 Chandalia Kiran, 203-229-3317	02/19/2008	No	No	No
Arkema, Inc. Charles Kitchen, 215-419-7615	02/21/2008	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	02/21/2008	No	No	No
BASF Corporation Greg Thies, 202-558-5100	02/21/2008	No	No	No
Ciba Specialty Chemicals Corp. Vince Livoto, 914-785-4494 Mark Thomas, 336-801-2500	02/21/2008	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	02/21/2008	No	No	No
DSM Resins, Inc. Shelton Fox, 706-849-6700 Laura Pirtle, 706-849-6700	02/21/2008	No	No	No
DuPont Helen McMahan, 302-992-2263	02/21/2008	No	No	No
Efficient Global Trade, Inc. Henry P. Stobenau, 215-628-4919	02/21/2008	No	No	No
Huntsman Advanced Materials 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 Jamie Schaeffer, 412-809-3666	02/21/2008	No	No	No
Perstorp Jeff Jones, 419-727-6722 Evelyn M. Suarez, 202-293-8116	02/18/2008	No	No	No
Solvay Chemicals, Inc. Max Turnipseed, 225-338-0310	02/18/2008	No	No	No

Technical comments:⁴

The staff suggests that the article description on page 1 of this report be used in lieu of the proposed new insertion in order to provide the correct CAS registry number.

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.

110TH CONGRESS
1ST SESSION

H. R. 4445

To suspend temporarily the duty on Polycaprolactone Diol #1.

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

A BILL

To suspend temporarily the duty on Polycaprolactone Diol #1.

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 DIOL #1.**

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-diethylene glycol copolymer (CAS No. 36890-68-3) (provided for in subheading 3907.99.01) ..	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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