

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 5, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 4493 (Mr. John Culberson of Texas).

**Proponent name,<sup>3</sup> location:** Solvay Chemicals Inc., Alpharetta, GA.

**Other bills on product (110<sup>th</sup> Congress only):** H.R. 4446 (Mr. Ron Lewis of Kentucky).

**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)		
Solvay Chemicals, Inc. (Proponent) Max Turnipseed, 225-338-0310	02/18/2008	No	No	No
Arch Chemicals, Inc. 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; 954-7965 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 McMahon, 302-992-2263	02/21/2008	No	No	No
Efficient Global Trade, Inc. Henry P. Stoebenau, 215-628-4919	02/21/2008	No	No	No
Huntsman Advanced Materials Derek Kincaid, 281-719-7623	02/21/2008	No	No	No
LANXESS Corporation Jamie Schaeffer, 412-809-3666	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)		
Perstorp Jeff Jones, 419-727-6722 Evelyn M. Suarez, 202-293-8116	02/18/2008	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 in order to provide the correct chemical name.

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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. 4493

To suspend temporarily the duty on 2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2007

Mr. CULBERSON 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 2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol.

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. 2-OXEPANONE, POLYMER WITH 2-ETHYL-2-**  
4 **(HYDROXYMETHYL)-1,3-PROPANEDIOL.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of  
6 the Harmonized Tariff Schedule of the United States is  
7 amended by inserting in numerical sequence the following  
8 new heading:

“	9902.01.00	2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol (CAS No. 37625-56-2) (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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