

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 26, 2005]²

Bill No. and sponsor: H.R. 644 (Ms. Kaptur)

Proponent name, location: Perstorp Polyols, Inc.
Toledo, Ohio

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

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Hydroxypivalic acid (CAS No. 4835-90-9) (provided for in subheading 2918.19.90).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in the Technical comments section)


Product information, including uses/applications and source(s) of imports:

The product is an organic chemical used as a component in high-performance automotive coatings. It is imported from Sweden and Italy.

¹ Industry analyst preparing report: Larry Johnson (202-205-3351); 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.

Estimated effect on customs revenue:

HTS subheading: 2918.19.90					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	4.0%	4.0%	4.0%	4.0%	4.0%
Estimated value <i>dutiable</i> imports	\$10,000	\$50,000	\$100,000	\$150,000	\$200,000
Customs revenue loss	\$400	\$2,000	\$4,000	\$6,000	\$8,000

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Perstorp Polyols, Inc. (proponent) Ms. Evelyn M. Suarez (202) 293-8116	5/17/2005	No	No	No
Ms. Marcy Kaptur (sponsor) Ms. Jennifer Goedke (202) 225-4146	5/17/2005	No	No	No
Avecia Limited (Crowell & Moring) Ms. Melissa Coyle (202) 624-2500	5/17/2005	No	No	No
Bayer Corporation Mr. Seth Tomei (412) 777-4197	5/17/2005	No	No	No
Eastman Chemical Co., President Kingsford, TN (FAX: 423-229-1673) Longview, TX (FAX: 903-237-5371)	5/17/2005	No	No	No
Rohm & Haas Company Mr. Henry P. Stoebenau (215) 628-4919	5/17/2005	No	No	No
Solutia Inc. Mr. Glen Ruskin (202) 822-1690	5/17/2005	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading, by using a lowercase “a” in the word “acid”.

The Commission also suggests that the phrase “No change” be inserted in lieu of “Free” in the special subcolumn in the proposed new heading.

³ 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
1ST SESSION

H. R. 644

To suspend temporarily the duty on Hydroxypivalic Acid (HPA).

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2005

Ms. KAPTUR introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on Hydroxypivalic Acid
(HPA).

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. HYDROXYPIVALIC ACID (HPA).**

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:

“	9902.07.09	Hydroxypivalic Acid (CAS No. 4835-90-9) (provided for in subheading 2918.19.90)	Free	Free	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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