



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Piperazine co-polymerized copolyamide resin high temperature melt adhesive pellets (CAS No. 118106-10-8,1000189-84-3, or 1000189-29-6) (provided for in subheading 3908.10.00 or 3908.90.70)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
- Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject products are high-performance copolyamide resins of varying molecular weights that are based on four individual monomers, including piperazine. The inclusion of piperazine monomer in the reaction mixture results in properties particularly suited for high-end market applications such as hot melt adhesives, high melt adhesive films, webs or nets, and as an extrusion coating on various substrates. The products are imported from Germany.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3908.10.00 and 3908.90.70 (See Continuation)				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6.4	6.4	6.4	6.4	6.4
Estimated value of <i>dutiable</i> imports (\$)	7,000,000	7,500,000	8,000,000	8,000,000	8,000,000
Customs revenue loss (\$)	448,000	480,000	512,000	512,000	512,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

None

VI. Continuation

Estimated effect on customs revenue – continued:

HTS No. 3908.10.00 (6.3%)

2013 - \$253,000

2014 - \$272,000

2015 - \$284,000

2016 - \$284,000

2017 - \$284,000

HTS No. 3908.90.70 (6.5%)

2013 - \$195,000

2014 - \$208,000

2015 - \$228,000

2016 - \$228,000

2017 - \$228,000

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Arkema (Interested entity) David Kunz	202-263-3491	No	No	No
2	3M Greg Walters	202-414-3008	No	No	No
3	Air Products Richard F. Goodstein	202-639-0840	No	No	No
4	AkzoNobel Polymer Chemicals LLC Matt West	202-639-7729	No	No	No
5	Albaugh Stuart Feldstein	515-964-9444	No	No	No
6	Ashland Frank Fusiak	973-628-4123	No	No	No
7	Arizona Chemical Mike Husain	912-238-7455	Yes	Yes	Yes
8	BASF Richard J. Salamone	973-895-8316	No	No	No
9	Bayer Steve Johnson	412-777-5616	No	No	No
10	Bollore Steve Brunetti	860-774-7431, x138	No	No	No
11	Cargill Tim Bodine	952-742-6434	No	No	No
12	Celanese Samuel Ramirez	972-443-4689	No	No	No
13	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
14	Clariant Andrew Zamoyski	202-415-9159	No	No	No
15	ColorChem Steven Printz	770-993-5500, x18	No	No	No
16	Command Packaging Albert Halimi	323-260-4800	No	No	No
17	CropLife America Beau Greenwood	202-872-3871	No	No	No
18	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DSM Sheetal Bhadekar	973-257-8323	No	No	No
20	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
21	Dow Chemical Co. Lisa Schroeter	202-429-3407	No	No	No
22	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No
23	DuPont Elaine M. Olsen	302-992-2263	No	No	No
24	DyStar L.P. Megan Malone	202-344-4621	No	No	No
25	Eastman Brent Perry	202-347-9547	No	No	No
26	Efficient Global Trade Henry P. Stoebenau	215-628-4919	No	No	No
27	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
28	Evonik Russell Mait	804-452-5711	No	No	No
29	ExxonMobil Chemical Chad Haughton	281-834-5516	No	No	No
30	FMC Jerry Prout	202-956-5209	No	No	No
31	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
32	GE Digital Energy John McNie	727-867-4632	No	No	No
33	Hexion Specialty Chemicals Paul W. Langemeier	832-366-2385	No	No	No
34	Hilex Poly Co., LLC Mark T. Daniels	972-921-1338	No	No	No
35	Honeywell Art Simonetti	202-662-2671	No	No	No
36	Huntsman Robert F. Hurley	202-289-9800	No	No	No
37	International Business-Govt. Counsellors (IBC) Steve Ziehm	202-872-8181	No	No	No

38	Kemira Rajesh Sharma	678-819-4577	No	No	No
39	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
40	Lonza Joe Robinson	201-316-9364	No	No	No
41	Lubrizol Joe Eskra	440-347-5955	No	No	No
42	Milliken Kathi Dutilh	202-775-0084	No	No	No
43	MIRWEC Film Kyle Massey	812-331-7194	No	No	No
44	Monsanto James K. Travis	202-383-2864	No	No	No
45	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
46	Novamont North America Dan Martens	203-744-8801	No	No	No
47	Nufarm Americas Joel Junker	206-621-7878	No	No	No
48	Pergan Marshall LLC Greg Schramm	678-574-7986	No	No	No
49	PPG Industries Bill Ries	412-434-1717	No	No	No
50	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
51	Purolite Gary Thundercliffe	484-384 2708	No	No	No
52	Rhodia Jackie Guscott	609-860-3379	No	No	No
53	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
54	SABIC Innovative Plastics Danielle Cannata	202-621-2548	No	No	No
55	SOCMA Robert E. Branand	202-345-2717	No	No	No
56	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
57	Sigma Aldrich Jared Fenton	314-286-8326	No	No	No
58	Solutia Kassie Wooton	314-674-3297	No	No	No

59	Solvay Andrew K. Jones	856-251-3412	No	No	No
60	Steinerfilm Stan Cichanowski	413-458-9525	No	No	No
61	Superbag Isaac Bazbaz	713-462-1173	No	No	No
62	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
63	Syngenta Mike Blythe	336-632-2824	No	No	No
64	Syrgis Performance Initiators Douglas Hubbard	507-643-7132	No	No	No
65	TOPAS Advanced Polymers Timothy Kneale	859-746-6447	No	No	No
66	Toray Plastics (America) Paul Knollmeyer	401-578-9369	No	No	No
67	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
68	United Initiators Bill Clements	800-231-2702	No	No	No
69	Valent Robin Demouth	925-256-2758	No	No	No
70	Zeon Chemicals L.P. David F. Olave	202-730-1960	No	No	No

1201 West Lathrop Avenue
Gate A, Tech 2
Savannah, GA 31415



July 10, 2012

Kim Copperthite
United States Department of Commerce
500 E Street SW
Washington, DC 20436

RE: Dry Adhesive Copolyamide Pellets Duty Suspension

Dear Ms. Copperthite:

Attached is the Arizona Chemical rebuttal of the Arkema proposal, HR 4688, sponsored by Representative Jim Gerlach (Republican) of Pennsylvania.

- Arizona Chemical is a domestic producer of polyamide (3908.90.7000 Polyamides in primary forms: Other: Other), which competes with equivalent imported materials on small margin differences. Though Arizona Chemical uses proprietary CAS numbers, our domestic products directly compete against the materials listed in this proposed bill. Accordingly, we object to a continued duty suspension for polyamides under 9902-40-63 of the Harmonized Tariff Schedule of the United States. The duty suspension will likely serve to increase trade imbalances.
- Arizona Chemical produces over 10,000 metric tons of polyamides domestically, primarily utilizing US biomass materials. As a producer of bio-based chemicals which does not receive bio-energy subsidies, we believe that additional assistance to our competitors is not warranted.
- We also believe that without the duty suspension in place, the US would receive revenue in excess of \$500,000 annually. Passage of HR 4688, therefore, would result in a loss to the US of more than \$1.5 million in duties over the life of the proposed suspension. Information from the PIERS database was used to make this estimate.
- There is no known benefit to Arizona Chemical if the duty suspension is granted. To the contrary, we believe that it would damage Arizona Chemical, who manufactures competitive polyamide in Dover, Ohio.
- Arizona Chemical has no formal affiliation with Arkema, though we sell materials to them domestically and in Europe.

If you have any questions please call me at (912) 238-7455.

Sincerely,

Mike Husain
Sustainability Director
ARIZONA CHEMICAL COMPANY

112TH CONGRESS
2D SESSION

H. R. 4688

To extend the temporary suspension of duty on dry adhesive copolyamide pellets.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2012

Mr. GERLACH introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on dry adhesive copolyamide pellets.

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. DRY ADHESIVE COPOLYAMIDE PELLETS.**

4 (a) IN GENERAL.—Heading 9902.40.63 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 piperazine co-polymerized copolyamide resin high tempera-
7 ture melt adhesive pellets) is amended by striking the date
8 in the effective period column and inserting “12/31/2015”.

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

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

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