



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)):

2-Hydroxypropylmethyl cellulose containing a hydroxypropyl content of 7–17 percent by weight and a methoxyl content of 28–30 percent by weight per ASTM D–2363 (CAS No. 9004–65–3) (provided for in subheading 3912.39.00)

(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 product is a cellulose ether polymer in white powder form which swells in water, producing clear to opalescent, viscous, colloidal solutions. This polymer is known generically as hydroxypropyl methylcellulose in the industry. It is used as an excipient (inactive ingredient) in drug formulations and as a protective surface coating for tableted drugs, or as a sustained release (time release) agent in certain drugs. The product is also used in food products as a thickening agent, stabilizer, and emulsifier, and as a binder in colored pencil lead and other items. Germany, Japan, and Belgium are major sources.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3912.39.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	4.2	4.2	4.2	4.2	4.2
Estimated value of <i>dutiable</i> imports (\$)	13,000,000	13,500,000	14,000,000	14,500,000	15,000,000
Customs revenue loss (\$)	546,000	567,000	588,000	609,000	630,000

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

The product description was modified to conform with normal HTS usage.

VI. Continuation

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	Dow Chemical Co. (Interested entity) Lisa Schroeter	202-429-3407	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	Albaugh Stuart Feldstein	515-964-9444	No	No	No
5	Arkema David Kunz	202-263-3491	No	No	No
6	Ashland Frank Fusiak	973-628-4123	No	No	No
7	BASF Richard J. Salamone	973-895-8316	No	No	No
8	Bayer Steve Johnsen	412-777-5616	No	No	No
9	Celanese Samuel Ramirez	972-443-4689	No	No	No
10	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
11	Clariant Andrew Zamoyski	202-415-9159	No	No	No
12	ColorChem Steven Printz	770-993-5500, x18	No	No	No
13	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
14	DSM Sheetal Bhadekar	973-257-8323	No	No	No
15	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
16	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No
17	DuPont Elaine M. Olsen	302-992-2263	No	No	No
18	DyStar L.P. Megan Malone	202-344-4621	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	Eastman Brent Perry	202-347-9547	No	No	No
20	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
21	Evonik Russell Mait	804-452-5711	No	No	No
22	FMC Jerry Prout	202-956-5209	No	No	No
23	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
24	Honeywell Art Simonetti	202-662-2671	No	No	No
25	Huntsman Robert F. Hurley	202-289-9800	No	No	No
26	Kemira Rajesh Sharma	678-819-4577	No	No	No
27	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
28	Lonza Joe Robinson	201-316-9364	No	No	No
29	Milliken Kathi Dutilh	202-775-0084	No	No	No
30	Monsanto James K. Travis	202-383-2864	No	No	No
31	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
32	Nufarm Americas Joel Junker	206-621-7878	No	No	No
33	PPG Industries Bill Ries	412-434-1717	No	No	No
34	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
35	Purolite Gary Thundercliffe	484-384-2708	No	No	No
36	Rhodia Jackie Guscott	609-860-3379	No	No	No
37	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No

38	SOCMA Robert E. Branand	202-345-2717	No	No	No
39	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
40	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
41	Solutia Kassie Wooton	314-674-3297	No	No	No
42	Solvay Andrew K. Jones	856-251-3412	No	No	No
43	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
44	Syngenta Mike Blythe	336-632-2824	No	No	No
45	Tessenderlo Kerley Brian Thomassen	602-889-8397	No	No	No
46	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
47	Valent Robin Demouth	925-256-2758	No	No	No

112TH CONGRESS
2D SESSION

H. R. 4885

To extend the temporary suspension of duty on 2-Hydroxypropylmethyl cellulose.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mrs. CAPITO introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on 2-Hydroxypropylmethyl cellulose.

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-HYDROXYPROPYLMETHYL CELLULOSE.**

4 (a) IN GENERAL.—Heading 9902.40.79 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 2-Hydroxypropylmethyl cellulose) is amended by striking
7 the date in the effective period column and inserting “12/
8 31/2015”.

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

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

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