

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 108th Congress ¹**

[Date approved: March 18, 2004]²

Bill No. and sponsor: H.R. 1975 (Ms. Kaptur)

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

Other bills on product (108th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2006.

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)

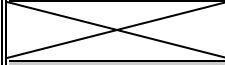
Product information, including uses/applications and source(s) of imports:

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 Beck (202-205-2603).

² Access to an electronic copy of this memorandum is available at <http://www.usitc.gov/billrpts.htm> Access to a paper copy is available at the Commission's Law Library (202-205-3287) or at the Commission's Main Library (202-205-2630).

Estimated effect on customs revenue:

HTS subheading: 2918.19.90					
	2004	2005	2006	2007	2008
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	\$0	\$10,000	\$50,000	\$100,000	\$150,000
Customs revenue loss	\$0	\$400	\$2,000	\$4,000	\$6,000

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	1/21/04	No	Yes	No
Ms. Marcy Kaptur (sponsor) Ms. Jennifer Goedke (202) 225-4146	1/22/04	No	Yes	No
Bayer Corporation Mr. Seth Tomei (412) 777-4197	2/5/04	No	Yes	No
Avecia Limited (Crowell & Moring) Ms. Melissa Coyle (202) 624-2500	2/17/04	No	No	No
Solutia Inc. Mr. Glen Ruskin (202) 822-1690	2/20/04	No	No	No
Rohm & Haas Company Mr. Henry P. Stobenau (215) 628-4919	2/20/04	No	No	No
Eastman Chemical Co., President Kingsford, TN (FAX: 423-229-1673) Longview, TX (FAX: 903-237-5371)	2/14/04	No	No	No

Technical comments:³

The previous temporary suspension of duty on this product expired as of December 31, 2003, so subheading 9902.32.09 is no longer valid. The appropriate Chapter 29 subheading (2918.19.90) should be used instead.

Also, the letter “A” beginning the word “acid” should not be capitalized. The chemical name used in the article description should read: “Hydroxypivalic acid ...”.

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.

108TH CONGRESS
1ST SESSION

H. R. 1975

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

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2003

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 9902.32.09)	Free	Free	No change	On or before 12/31/2006	”.
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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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