

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. 640 (Ms. Kaptur)

Proponent name, location: Perstorp Polyols, Inc.
Toledo, OH 43612

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)):

Polymer of propanoic acid, 3-hydroxy-2-(hydroxymethyl)-2-methyl-polymer with 2,2-bis(hydroxymethyl)-1,3-propanediol and oxirane, decanoate octanoate (CAS No. 326794-49-4) (provided for in subheading 3907.99.00).

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

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

The product subject to this bill is a dendritic polyester, a highly branched polyester polymer. This patented polymer is used to make acrylates, which, in turn, are used to make certain inks and coatings that are cured by ultraviolet light; it is also used as a component in polyurethane foams. This product is sold under the trade name Boltorn® H311, a viscous liquid at room temperature containing 10% water. The product is imported from proponent's plants in Germany and Sweden.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: Dave 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: 3907.99.00 | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Col. 1-General rate of duty (AVE) <u>1/</u> | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| Estimated value <i>dutiable</i> imports | \$3,450,000 | \$5,100,000 | \$6,700,000 | \$7,450,000 | \$8,200,000 |
| Customs revenue loss | \$224,250 | \$331,500 | \$435,500 | \$484,250 | \$533,000 |

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: Commission and industry sources.

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 | 6/5/2005 | No | No | No |
| Ms. Marcy Kaptur (Sponsor) Ms. Jessica Roach (202) 225-4146 | 6/5/2005 | No | No <u>1/</u> | No |
| American Plastics Council Ms. Jean M. Vallianos (703) 741-5610 | 6/7/2005 | No | No | No |
| Avecia Limited (Crowell and Moring) Ms. Melissa Coyle (202) 624-2500 | 6/5/2005 | No | No | No |
| Bayer Corporation Ms. Karen L. Niedermeyer (412) 777-2058 | 6/5/2005 | No | No | No |
| LANXESS Corporation Mr. Seth Tomei (412) 809-3664 | 6/7/2005 | No | Yes | No |
| Rohm and Haas Company Mr. Henry P. Stobenau (215) 628-4919 | 6/5/2005 | No | Yes | No |
| Solutia Inc. Mr. Bob Hurley (202) 289-9800 | 6/5/2005 | No | No | No |

1/ Ms. Roach submitted e-mail attachments provided on the identical bill (H.R. 1971, 108th Congress).

Technical comments:³

The Commission suggests that the article description as provided on page 1 of this report be used in the proposed new heading, in order to provide a correct chemical name.

The Commission also suggests that the phrase “No change” be inserted in lieu of “Free” in the special subcolumn of 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. 640

To suspend temporarily the duty on Boltorn-2 (Bolt-2).

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 Boltorn-2 (Bolt-2).

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. BOLTORN-2 (BOLT-2).**

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:

| | | | | | | | |
|---|------------|--|------|------|-----------|----------------------------|----|
| “ | 9902.07.05 | Dendritic Poly- ester (CAS No. 326794-49-4) (provided for in subheading 3907.99.00) | Free | Free | No change | On or before 12/31/2008 | ”. |
|---|------------|--|------|------|-----------|----------------------------|----|

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies with respect to goods entered, or

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

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