

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R. 1856 (Mr. Rangel)

Proponent name, location: Mitsui Plastics, Inc.
White Plains, NY 10606

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

Nature of bill: Temporary duty suspension through 12/31/2008.

Retroactive effect: None.

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

C12-18 alkenes, polymers (TPX) with 4-methyl-1-pentene (CAS Nos. 25155-83-3, 81229-87-0, and 103908-22-1) (provided for in subheading 3902.90.00).

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:

Transparent polymers "X" (TPXTM) cover a wide range of thermoplastic polymers based on the dimerization of propylene to 4-methylpentene-1 and its subsequent copolymerization with C 12-18 alkenes. TPXTM polymers are produced in 3 different grades identified by the CAS Numbers cited in the bill: TPX Pellets; TPX Colored Pellets; and TPX Blends. These polymers exhibit superior properties including melting points well above 200°C, high optical transparency better than glass and other resins; and, thermal, electrical, gas permeability, chemical resistance, low water absorption and resistance to solvent cracking compared to polycarbonates and polymethyl methacrylates. TPX excels in electrical insulating properties and its dielectric constant is the lowest among all known synthetic resins. Also, the density of TPX is the lowest of all commercially available thermoplastics. This product is used in a variety of specialty applications in the medical, electronic, and automotive industries. Selected primary applications include thick wall, transparent syringe barrels; release film for integrated circuit (IC) boards and mandrels, and sheathing for automotive hoses. TPXTM resins are imported from Mitsui Chemical, Inc. in Japan.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

| HTS subheading: 3902.90.00 | | | | | |
|---|-------------|-------------|-------------|-------------|--------------|
|  | 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 | \$4,000,000 | \$5,300,000 | \$6,750,000 | \$8,400,000 | \$10,300,000 |
| Customs revenue loss | \$260,000 | \$344,500 | \$438,750 | \$546,000 | \$669,500 |

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 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) | | |
| Mitsui Plastics, Inc. (Proponent) Mr. Max Turnipseed 225-338-0310 Mr. Manny Mafilios 914-287-6818 | 06/30/2005 07/06/2005 | No | Yes | No |
| American Plastics Council Ms. Jean Vallianos 703-741-5610 | 07/06/2005 | No | No | No |
| Basell Polyolefins Mr. Tom Boal 410-996-1322 | 07/06/2005 | No | No | No |
| Bayer Corporation Ms. Karen Niedermeyer 412-777-2058 | 07/01/2005 | No | Yes | No |
| LANXESS Corporation Jamie B. Schaeffer 412-809-3666 | 07/01/2005 | No | Yes | No |

Technical comments:³

The Commission notes that HTS heading 9902.03.86 currently provides a temporary duty suspension for these products. The Commission suggests that the new duty suspension be enacted using this heading number. This should be accomplished by deleting heading 9902.03.86, and by using that heading number for the new duty suspension in this bill.⁴ The proposed new insertion should use the article description on page 1 of this report, which includes the CAS numbers.

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.

⁴ Specifically, line 6 of the bill should be amended to read “amended by striking heading 9902.03.86 and inserting in lieu thereof the...”.

109TH CONGRESS
1ST SESSION

H. R. 1856

To extend the temporary duty suspension on C12–18 Alkenes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2005

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

A BILL

To extend the temporary duty suspension on C12–18
Alkenes.

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. C12–18 ALKENES.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by striking heading 9902.03.86 and inserting the
7 following:

| | | | | | | | |
|---|------------|--|------|-----------|-----------|-------------------------|----|
| “ | 9902.03.86 | C12–18 alkenes, polymers (TPX) with 4-methyl-1-pentene (CAS Nos. 25155–83–3, 81229–87–0, and 103908–22–1) (provided for in subheading 3902.90.00) .. | Free | No change | No change | On or before 12/31/2008 | ”. |
|---|------------|--|------|-----------|-----------|-------------------------|----|

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply 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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