



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)):

Poly(vinyl alcohol), whether or not containing unhydrolyzed acetate groups (CAS No. 9002-89-5) (provided for in subheading 3905.30.00)

(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 subject product, polyvinyl alcohol, is an ingredient in water-based adhesives. Imports under HTS 3905.30.00 come primarily from Taiwan, Japan, Germany, China, Singapore, the United Kingdom, Italy, and Canada. This product is manufactured in the United States by two companies, DuPont and Sekisui.

Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3905.30.00 (See VI. Continuation)				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	27.9	27.9	27.9	27.9	27.9
Estimated value of <i>dutiable</i> imports (\$)	84,343,000	84,343,000	84,343,000	84,343,000	84,343,000
Customs revenue loss (\$)	23,531,697	23,531,697	23,531,697	23,531,697	23,531,697

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 effects on customs revenue - continued:

Polyvinyl alcohol has four current antidumping duty orders levied on U.S. imports. In 2003, antidumping duties were imposed on imports of polyvinyl alcohol from China, Japan, and Korea. These were continued on April 13, 2009, after an initial review determined the market was unchanged. These duties will remain in place at least until the next review in 2014. In March 2011, antidumping duties were also imposed on imports from Taiwan, which will remain effective at least until reviewed in 2016.

Given the antidumping duty continuation in 2009 and the effective period for the duty on Taiwan, calculations of tariff revenue losses were made on the assumption that these duties would be renewed again and remain in place for the entire period of 2013-17. The tariffs used were based on the all-country weighted average margin determined by the U.S. Department of Commerce.

HTS No 3905.30.00 China (101.06%)

2013 - \$6,366,780
2014 - \$6,366,780
2015 - \$6,366,780
2016 - \$6,366,780
2017 - \$6,366,780

HTS No. 3905.30.00 Japan (79.98%)

2013 - \$13,996,500
2014 - \$13,996,500
2015 - \$13,996,500
2016 - \$13,996,500
2017 - \$13,996,500

HTS No 3905.30.00 Korea (35.28%)

2013 - \$5,292
2014 - \$5,292
2015 - \$5,292
2016 - \$5,292
2017 - \$5,292

HTS No. 3905.30.00 Taiwan (6.28%)

2013 - \$2,512,000
2014 - \$2,512,000
2015 - \$2,512,000
2016 - \$2,512,000
2017 - \$2,512,000

HTS No 3905.30.00 All others (3.2%)

2013 - \$21,021
2014 - \$21,021
2015 - \$21,021
2016 - \$21,021
2017 - \$21,021

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	Baker Titan Adhesives (Interested entity) Bill Zellman	973-225-1070	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	973-245-5793	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	Dow Lisa Schroeter	202-429-3407	No	No	No
17	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No
18	DuPont Elaine M. Olsen	302-992-2263	Yes	Yes	Yes

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DyStar L.P. Megan Malone	202-344-4621	No	No	No
20	Eastman Brent Perry	202-347-9547	No	No	No
21	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
22	Evonik Russell Mait	804-452-5711	No	No	No
23	FMC Jerry Prout	202-956-5209	No	No	No
24	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
25	Honeywell Art Simonetti	202-662-2671	No	No	No
26	Huntsman Robert F. Hurley	202-289-9800	No	No	No
27	Kemira Rajesh Sharma	678-819-4577	No	No	No
28	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
29	Lonza Joe Robinson	201-316-9364	No	No	No
30	Lubrizol Joe Eskra	440-347-5955	No	No	No
31	Milliken Kathi Dutilh	202-775-0084	No	No	No
32	Monsanto James K. Travis	202-383-2864	No	No	No
33	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
34	Nufarm Americas Joel Junker	206-621-7878	No	No	No
35	PPG Industries Bill Ries	412-434-1717	No	No	No
36	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
37	Purolite Gary Thundercliffe	484-384-2708	No	No	No

38	Rhodia Jackie Guscott	609-860-3379	No	No	No
39	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
40	SOCMA Robert E. Branand	202-345-2717	No	No	No
41	Sekisui Specialty Chemical Americas LLC Scott Neuheardt	201-423-7962	Yes	Yes	Yes
42	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
43	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
44	Solutia Kassie Wooton	314-674-3297	No	No	No
45	Solvay Andrew K. Jones	856-251-3412	No	No	No
46	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
47	Syngenta Mike Blythe	336-632-2824	No	No	No
48	Tessenderlo Kerley Brian Thomassen	602-889-8397	No	No	No
49	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
50	Valent Robin Demouth	925-256-2758	No	No	No



DuPont Legal
Barley Mill Plaza 25-2262
Wilmington, DE 19805
(302) 992-2263

June 29, 2012

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Dave Camp
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Re: **Miscellaneous Trade and Tariff Legislation**

Dear Chairmen Baucus and Camp:

E. I. du Pont de Nemours and Company ("DuPont") writes to voice our objection to H.R. 5382, pending legislation before the 112th Congress which, if enacted, would provide for the temporary suspension of duties for polyvinyl alcohol, whether or not containing unhydrolyzed acetate groups.

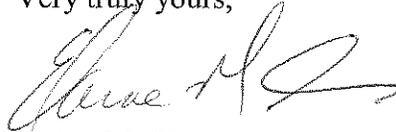
DuPont is a science company committed to creating sustainable solutions essential to a better, safer, healthier life for people everywhere. We offer a wide range of innovative products and services for markets including agriculture, nutrition and health, electronics, safety and protection and home and construction.

DuPont is a US producer of polyvinyl alcohol in La Porte, Texas, with corporate offices located in Wilmington, Delaware. DuPont Elvanol® polyvinyl alcohol (PVOH or PVA) is a water soluble polymer used in a variety of applications including adhesives, films, paper and textiles and is also formulated for use in the production of polyvinyl butyral. Sekisui Specialty Chemicals America and Solutia are also US producers of polyvinyl alcohol. Sekisui is the largest US producer with manufacturing facilities in Calvert City, Kentucky and Pasadena, Texas. Solutia captively consumes its production of polyvinyl alcohol to produce polyvinyl butyral.

The US Department of Commerce has imposed antidumping duty orders on imports of polyvinyl alcohol from China, Japan, Korea and Taiwan. In the US International Trade Commission's March 2009 Views and Opinion in the sunset review of the orders on China, Japan and Korea, the Commission determined that revocation of the antidumping duty orders would be likely to lead to a continuation or recurrence of material injury to the industry within a reasonably foreseeable time. DuPont cannot support the suspension of this tariff while it continues to confront large PVA production and unused capacity in Asia.

We remain willing to provide any additional information you may need and are most appreciative for the opportunity to express our views.

Very truly yours,

A handwritten signature in black ink, appearing to read "Elaine M. Olsen". The signature is fluid and cursive, with a large initial "E" and "M".

Elaine M. Olsen

Cc: Elizabeth Nesbitt
US International Trade Commission

Rebecca Gudicello
US Department of Commerce

From: [Neuhardt, Scott R., Sekisui/US](#)
To: [Nesbitt, Elizabeth](#)
Cc: ronald.meltzer@wilmerhale.com
Subject: Duty Suspension bill
Date: Monday, July 02, 2012 2:26:46 PM

Dear Elizabeth,

My name is Scott Neuhardt and I am the General Manager for Sekisui Specialty Chemical Americas LLC. We are the former PVA business of Celanese Chemicals. We wish to object to the duty suspension bill filed by Baker Tilan Adhesives; as it would have a negative competitive impact on our domestic production and sales of PVA.

Please let me know if I can provide any further information regarding this issue.

Thanks,

Scott Neuhardt

112TH CONGRESS
2^D SESSION

H. R. 5382

To suspend temporarily the duty on poly(vinyl alcohol), whether or not containing unhydrolyzed acetate groups.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on poly(vinyl alcohol), whether or not containing unhydrolyzed acetate groups.

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. POLY(VINYL ALCOHOL), WHETHER OR NOT**
4 **CONTAINING UNHYDROLYZED ACETATE**
5 **GROUPS.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.01.00	Poly(vinyl alcohol), whether or not containing unhydrolyzed acetate groups (CAS No. 9002-89-5) (provided for in sub-heading 3905.30.00)	Free	No change	No change	On or before 12/31/2015	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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