

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 23, 2005]²

Bill No. and sponsor: H. R. 2179 (Mr. J. Randy Forbes of Virginia)

Proponent name, location: Mitsubishi Gas Chemical America, Inc.
New York, NY

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

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

Retroactive effect: January 1, 2007.

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

The subject chemical (see below) is classified in HTS subheading 3908.10.00 and is eligible for a temporary duty suspension under HTS heading 9902.01.71.

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

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

The product, hexanedioic acid, polymer with 1,3-benzenedimethanamine, is known as Nylon-MXD6 (MXD6) in industry trade. It has superior gas barrier properties, ideal for packaging applications, and is compatible with a wide variety of other resins, including other nylons, polypropylene (PP), and polyethylene terephthalate (PET). MXD6 is tough and highly transparent. It is also highly rated for aroma retention and odor proofing as a food packaging medium. MXD6 is FDA approved for certain direct contact applications to food, including as a modifier of PET. The product is also approved for indirect food contact, such as PET/MXD6 multilayer bottles, which are thinner than single-layer PET bottles. Co-extruded, co-oriented films of MXD6 with nylon 6 are used in cooked food, liquid food and lid material packaging because of its excellent gas barrier and heat resistant properties. Multilayer sheets and containers made in combination with PP are also recyclable. The product is also used in auto parts.

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 http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm

Estimated effect on customs revenue:

HTS subheading: 3908.10.00					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.3%	6.3%	6.3%	6.3%	6.3%
Estimated value <i>dutiable</i> imports	7,000,000	2,200,000	1,100,000	1,100,000	600,000
Customs revenue loss <u>1/</u>	\$441,000	\$138,600	\$69,300	\$69,300	\$37,800

1/ Revenue loss for 2005 and 2006 results from a current duty suspension per heading 9902.01.71.
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)		
Mitsubishi Int'l. Corps. (Proponent) Mr. Gordon Epstein 202-331-7301 (Ext. 7305)	08/06/2005	Yes	No	No
Mitsubishi Gas Chemical America, Inc. Mr. James Radford 630-730-4436 Mr. Mike Sonoda 212-687-9030 (Ext. 108) Mr. Jeffrey H. Lewis 202-263-3000	08/06/2005 08/08/2005 08/06/2005	Yes	No	No
American Plastics Council Ms. Jean M. Vallianos 703-741-5610	08/06/2005	No	No	No
Bayer Corporation Ms. Karen L. Niedermeyer 412-777-2058	08/06/2005	No	No	No
DuPont Ms. Elaine M. Olsen 302-992-2263	08/06/2005	No	No	No
LANXESS Corp. Ms. Jamie B. Schaeffer 412-809-3666	08/08/2005	No	No	No
Solutia, Inc. Mr. Bob Hurley 202-289-9800	08/06/2005	No	No	No

Technical comments:³ None.

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. 2179

To extend the suspension of duty on hexanedioic acid, polymer with 1,3-benzenedimethanamine.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2005

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

A BILL

To extend the suspension of duty on hexanedioic acid,
polymer with 1,3-benzenedimethanamine.

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. HEXANEDIOIC ACID, POLYMER WITH 1,3-**
4 **BENZENEDIMETHANAMINE.**

5 (a) AMENDMENT.—Heading 9902.01.71 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 hexanedioic acid, polymer with 1,3-
8 benzenedimethanamine) is amended by striking “12/31/
9 2006” and inserting “12/31/2008”.

10 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendment made by
2 subsection (a) applies to goods entered, or with-
3 drawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this
5 Act.

6 (2) RETROACTIVE APPLICATION.—If the date of
7 the enactment of this Act occurs on or after January
8 1, 2007, then notwithstanding section 514 of the
9 Tariff Act of 1930 (19 U.S.C. 1514) or any other
10 provision of law, and upon proper request filed with
11 the Bureau of Customs and Border Protection not
12 later than 180 days after the date of the enactment
13 of this Act, any entry, or withdrawal from ware-
14 house for consumption, of goods described in head-
15 ing 9902.01.71 of the Harmonized Tariff Schedule
16 of the United States which—

17 (A) was made after December 31, 2006,
18 and before the date of the enactment of this
19 Act, and

20 (B) would have been subject to no duty
21 had the amendment made by subsection (a)
22 been in effect on the date of such entry or with-
23 drawal,

1 shall be liquidated or reliquidated as if the amend-
2 ment made by subsection (a) applied to such entry
3 or withdrawal.

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