

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress ¹**

[Date approved: June 4, 2010]²

Bill No. and sponsor: S. 2298 (Mr. Sherrod Brown of Ohio et al.).

Proponent name,³ location: Perstorp Polyols, Inc., Toledo, OH.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Poly(caprolactone) diol (CAS No. 36890-68-3) (provided for in subheading 3907.99.01).

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 subject product is a specialty polycaprolactone polyester polyol. Its form varies from a clear liquid to a white waxy solid that is used in a wide range of high performance polyurethane elastomers and coatings. Principal end uses include polyurethane cast elastomers, together with various polyurethane surface and fabric coatings. The subject product is imported from the United Kingdom.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3907.99.01:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports ^a	\$4,500,000	\$5,000,000	\$5,500,000	\$6,000,000	\$6,500,000
Customs revenue loss ^b	\$292,500	\$325,000	\$357,500	\$390,000	\$422,500

a/ Dutiable import estimates were based on Commission and industry estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

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://www.usitc.gov/tariff-affairs/congress-reports/>.

³ The sponsor/proponent identified one additional beneficiary of this bill. USITC staff sent an inquiry to the identified beneficiary and it did not respond.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Perstorp Polyolys, Inc. (Proponent) Michael J. Falencki, michael.falencki@perstorp.com Jeff Jones, jeff.jones@perstorp.com Evelyn Suarez, ESuarez@williamsmullen.com	03/03/2010	No	No	No
Air Products and Chemicals, Inc. Steven Belaus, BELAUSSB@airproducts.com	03/07/2010	No	No	No
Arch Chemicals Chris Cice, cjce@archchemicals.com	03/07/2010	No	No	No
BASF Corporation Tom Patrosh, thomas.patrosh@basf.com	03/07/2010	No	No	No
Bayer Corporation Karen Niedermeyer, karen.niedermeyer.b@bayer.com	03/07/2010	No	No	No
Dow Advanced Materials Geoffrey B. Hurwitz, ghurwitz@rohmmaas.com Lisa Schroeter, LMSchroeter@dow.com Henry P. Stoebenau, hstoeb@aol.com	03/07/2010	No	No	No
Dupont Brian Curtis, Brian.Curtis@usa.dupont.com	03/07/2010	No	No	No
Evonik Industries Ron Birnbaum, ron.birnbaum@evonik.com	03/07/2010	No	No	No
Hexion Specialty Chemicals, Inc. Paul W. Langemeier, paul.langemeier@hexion.com	03/07/2010	No	No	No
Huntsman Corporation Susan Sage, susan_m_sage@huntsman.com Peter De Vries, peter_de_vries@huntsman.com	03/07/2010	No	No	No
Lanxess Corporation Jamie Schaeffer, jamie.schaeffer@lanxess.com	03/07/2010	No	No	No
Lubrizol Advanced Materials, Inc. Joe Eskra, 216-447-5955, Joe.Eskra@lubrizol.com Mike Gill, 202-508-8843, mgill@crowell.com Matthew Leigh, Matthew.Leigh@Lubrizol.com	03/07/2010	No	No	No
MCT International Max Turnipseed, mctint@att.net	03/07/2010	No	No	No
Reichhold, Inc. Edward R. Leydon, ed.leydon@reichhold.com	03/07/2010	No	No	No
Shell Chemical Company Steve Chin, steve.chin@shell.com	03/07/2010	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading in order to incorporate the proper IUPAC nomenclature.

⁴ 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.

111TH CONGRESS
1ST SESSION

S. 2298

To suspend temporarily the duty on Caprolactone-Diethylene Glycol Copolymers.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. BROWN (for himself and Mr. VOINOVICH) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on Caprolactone-Diethylene Glycol Copolymers.

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. CAPROLACTONE-DIETHYLENE GLYCOL CO-**
4 **POLYMERS.**

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

“	9902.01.00	Caprolactone-diethylene glycol copolymer (CAS No. 36890-68-3) (provided for in subheading 3907.99.01)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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