

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 8, 2005]²

Bill No. and sponsor: H.R. 2432 (Mr. Tim Murphy of Pennsylvania).

Proponent name, location: Bayer MaterialScience LLC, Pittsburgh, PA.

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

Nature of bill: Temporary duty reduction through December 31, 2009.

Retroactive effect: None.

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

2-Oxepanone polymer with 1,4-butanediol and 5-isocyanato-1-(isocyanatomethyl)-1,3,3-trimethylcyclohexane, 2-ethyl-1-hexanol-blocked (CAS No. 189020-69-7) (provided for in subheading 3909.50.50).

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:

This product is primarily used to cure polyurethane coatings. The finishes are characterized by excellent impact resistance, good weather stability, and gloss. End users of this product include the automotive, furniture, appliance and building product industries. The product is imported from Germany.

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: 3909.50.50					
	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	\$1,040,000	\$1,040,000	\$1,144,000	\$1,400,000	\$1,500,000
Customs revenue loss ^{1/}	\$65,520	\$65,520	\$72,072	\$88,200	\$94,500

^{1/} The Commission notes that the title of the bill indicates that it would temporarily reduce the duty on the subject product. In fact, the rate of duty that is set forth in proposed HTS heading 9902.05.94 is the same rate that applies under HTS subheading 3909.50.50. If the bill were enacted as drafted, it would not reduce the general rate of duty, and there would be no Customs revenue loss. If the proposed HTS heading were modified to provide a duty suspension, then the estimated Customs revenue loss would be the amount shown in the table above.

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)		
Bayer MaterialScience LLC (Proponent) Ms. Karen L. Niedermeyer, 412-777-2058	9/13/2005	No	No	No
BASF Corporation Mr. Greg Thies, 202-558-5100	9/16/2005	No	No	No
Celanese Corporation Mr. Bob Carpenter, 202-637-3469	9/16/2005	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400 Ms. Jan Neuenfeldt, 989-636-8427	9/16/2005	No	No	No
DuPont Ms. Elaine M. Olsen, 302-992-2263	9/16/2005	No	No	No
Huntsman Corporation Ms. Susan M. Sage, 248-322-7331 Mr. Peter De Vries, peter_de_vries@huntsman.com	9/16/2005	No	No	No

LANXESS Corporation Mr. Seth Tomei, 412-809-3664	9/13/2005	No	No	No
Lyondell Chemical Company Mr. Ted Gormanos, 713-309-2349	9/16/2005	No	No	No
Solutia, Inc. Mr. Bob Hurley, 202-289-9800	9/16/2005	No	No	No

Technical comments:³

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

The Commission also notes that the title of the bill indicates that it would temporarily reduce the duty on the subject product. In fact, the rate of duty that is set forth in proposed HTS heading 9902.05.94 is the same rate that applies under HTS subheading 3909.50.50. If the bill were enacted as drafted, it would not reduce the general rate of duty, and there would be no Customs revenue loss. If the proposed HTS heading were modified to provide a duty suspension, then the estimated Customs revenue loss would be the amount shown in the table on page 2 of this report.

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. 2432

To reduce temporarily the duty on Crelan (self-blocked cycloaliphatic polyuretdione).

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2005

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

A BILL

To reduce temporarily the duty on Crelan (self-blocked cycloaliphatic polyuretdione).

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. CRELAN (SELF-BLOCKED CYCLOALIPHATIC**
4 **POLYURETDIONE).**

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:

“	9902.05.94	Self-blocked cycloaliphatic polyuretdione (CAS No. 189020-69-7) (provided for in subheading 3909.50.50) ..	6.3%	No change	No change	On or before 12/31/2009	”.
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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 enactment of this Act.

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