

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 14, 2008]²

Bill No. and sponsor: H.R. 4515 (Mrs. Carolyn McCarthy of New York and Mr. Steve Chabot of Ohio).

Proponent name,³ location: Forest Laboratories, Inc., New York, NY.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2012.

Retroactive effect: None.

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

2-Hydroxypropylmethyl cellulose containing a hydroxypropyl content between 7-17% by weight and a methoxyl content between 28-30% by weight (CAS No. 9004-65-3) (provided for in subheading 3912.39.00).

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 cellulose ether polymer in white powder form which swells in water, producing clear to opalescent, viscous, colloidal solutions. This polymer is known generically as hydroxypropyl methylcellulose in the industry trade. It is used as an excipient (inactive ingredient) in drug formulations. It may also be used as a protective surface coating for tableted drugs, or as a sustained release (time release) agent in certain drugs. The product is also used extensively in food products as a thickening agent, stabilizer, and emulsifier; as a thickener in paint stripping preparations; and as a binder in colored pencil lead and other items. The proponent imports the product from Ireland; imports by other domestic firms are known to originate from Belgium, Germany, Korea, and other countries.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

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

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

HTS subheading: <u>3912.39.00</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports	\$1,112,402	\$2,120,210	\$2,130,106	\$2,119,427	\$2,000,000
Customs revenue loss	\$46,721	\$89,049	\$89,464	\$89,016	\$84,000

Source of estimated dutiable import data: U.S. industry estimates.

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?
		(Yes/No)		
Forest Laboratories, Inc. (Proponent) Courtney Morgan, 202-628-4700	3/7/2008	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	3/7/2008	No	No	No
American Chemistry Council Marty Durbin, Fax: 703-741-6097	3/7/2008	No	No	No
Apollo Color, Inc. Dave Klebine, Fax: 815-741-2599	3/7/2008	No	No	No
BASF Frank Arditel, Fax: 732-321-0250 Greg Thies, Fax: 202-558-5101 David Bushnell, Fax: 301-654-8336	3/7/2008	No	No	No
Bayer Chemicals Julie Van Egmund, Fax: 202-73.7-8909 Karen L. Niedermeyer, Fax: 412-777-4740	3/7/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	3/7/2008	No	No	No
Chemtura Corp. Matt Mattingley, Fax: 202-463-8497 Lloyd Moon, Fax: 203-573-2686	3/7/2008	No	No	No
Ciba Specialty Chemicals Robert Hurley, Fax: 202-289-3588 Michelle Forte, Fax: 914-785-4831	3/7/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Clariant Corp. Andy Zamoyiski, Fax: 202-248-9043 Mike Carroll, Fax: 704-370-6969	3/7/2008	No	No	No
Dow Chemicals Lisa Schroeter, 202-429-3467	3/7/2008	No	No	No
DuPont Helen C. McMahon, Fax: 302-355-2994	3/7/2008	No	No	No
Emerald Performance Chemicals Tom Dirmyer, Fax: 330-315-6480	3/7/2008	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104	3/7/2008	No	No	No
Honeywell Art Simonetti, Fax: 202-662-2675	3/7/2008	No	No	No
Huntsman Corp. John Deming, Fax: 302-479-5499	3/7/2008	No	No	No
Monsanto Corp. Grant Erdel, Fax: 202-789-1867	3/7/2008	No	No	No
PMC Inc. Gordon McCollough, Fax: 513-482-7884	3/7/2008	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	3/7/2008	No	No	No
Solutia, Inc. Kassie D. Wooten, Fax: 314-674-1585	3/7/2008	No	No	No
Sun Chemical Corp. Steve Schmidt, Fax: 513-681-4960	3/7/2008	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description should be modified as shown on page 1 of this report in order to remove the language relating to viscosity.

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.

110TH CONGRESS
1ST SESSION

H. R. 4515

To suspend temporarily the duty on 2-Hydroxypropylmethylcellulose.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2007

Mrs. MCCARTHY of New York (for herself and Mr. CHABOT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 2-Hydroxypropylmethylcellulose.

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. 2-HYDROXYPROPYLMETHYLCELLULOSE.**

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

“	9902.____	2-Hydroxypropylmethyl cellulose containing a hydroxypropyl content between 7–17% by weight, a methoxyl content between 28–30% by weight, and viscosity of 30–70 cps (CAS No. 9004–65–3) (provided for in subheading 3912.39.00)	Free	No change	No change	On or before 12/31/2012	”.
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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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