

SUSPENSION OF DUTY ON CAPROLACTAM MONOMER IN WATER SOLUTION

JULY 13, 1973.—Ordered to be printed

Mr. LONG, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 6394]

The Committee on Finance, to which was referred the bill (H.R. 6394) to suspend the duty on caprolactam monomer in water solution until the close of December 31, 1973, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 6394, is to extend from December 31, 1972, to December 31, 1973, the temporary suspension of duty on imports of caprolactam monomer in water solution.

GENERAL STATEMENT

The committee bill, like the House bill, would continue the temporary suspension of the duty on caprolactam monomer in water solution from December 31, 1972 to December 31, 1973.

Under Public Law 92-587, the duty on imports of caprolactam monomer was suspended from August 16, 1972 to December 31, 1972. This temporary duty suspension was in response to the short supply situation in the United States. The severe short supply of caprolactam monomer has been due in large measure to the fact that a new plant designed to add 100 million pounds to the U.S. production capacity of one of the three domestic producers has not come on-stream as planned because of technical difficulties. In order to supply the needs of its customers, the domestic producer is importing unrefined caprolactam to be further processed in units of its new plant that are operational. The two remaining domestic sources cannot supply the

additional unrefined caprolactam required by the customers of the firm importing caprolactam.

Caprolactam monomer, a benzenoid chemical, is principally used as an intermediate in the preparation of Nylon 6, which in turn is used in the manufacture of synthetic fibers, molding resins, and non-woven fibers.

Caprolactam monomer is normally subject to a compound rate of duty of 1.5 cents per pound plus 10 percent ad valorem. Imports of caprolactam monomer which are "competitive" with a domestic product are assessed duty at the ad valorem rate based on the American selling price of the domestic product.

The committee is satisfied that the conditions supporting the original suspension of duties have continued and that the extension of the duty suspension for one year from December 31, 1972, is warranted. Favorable reports on H.R. 6394 were received from interested executive branch agencies and an informative report was received from the U.S. Tariff Commission.

In view of the termination of the suspension of duty on December 31, 1972, the bill also provides that the entry or withdrawal of any articles which was made after December 31, 1972, and before the date of enactment of H.R. 6394 may be liquidated or reliquidated as though such entry or withdrawal had been made on the date of enactment of. Such liquidation or reliquidation of any entry or withdrawal is subject to a request being filed therefor with the customs officer concerned on or before the 90th day after the date of enactment.

COSTS OF CARRYING OUT THE BILL AND EFFECT ON THE REVENUES OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill and the effect on the revenues of the bill. The committee estimates that the provisions of this bill will result in an additional revenue loss of no more than \$1.9 million per year (based on imports in 1972) and will result in no additional administrative costs.

VOTE OF COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act, as amended, the following statement is made relative to the vote of the committee on reporting the bill. This bill was ordered favorably reported by the committee without a rollcall vote and without objection.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
907.50	Caprolactam monomer in water solu- tion (provided for in item 903.70, part 1B, schedule 4)	Free.....	No change.....	On or before 12/31/73.

