UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress ¹

[Date approved: November 10, 2005]²

Bill No. and sponsor: H.R. 2493 (Mr. Robin Hayes of North Carolina).

Proponent name, location: Clariant Corporation, Coventry, RI.

Other bills on product (109th Congress only): H.R. 1959, H.R. 2244, and S. 1476.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Glyoxylic acid (CAS No. 298-12-4) (provided for in subheading 2918.30.90).

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

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

Glyoxylic acid is a synthetic organic chemical used to produce synthetic vanillin and ethyl vanillin. These substances are in turn used as preservatives or fragrance and flavoring additives in a variety of foods, perfumes and personal care products. The subject product is imported from France.

Estimated effect on customs revenue:

HTS subheading: <u>2918.30.90</u>									
	2005	2006	2007	2008	2009				
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%				
Estimated value <i>dutiable</i> imports	\$22,900,000	\$23,100,000	\$24,250,000	\$24,250,000	\$24,250,000				
Customs revenue loss	\$847,300	\$854,700	\$897,250	\$897,250	\$897,250				

Source of estimated dutiable import data: Industry estimates.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); 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.

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)						
Clariant Corporation (Proponent) Andrew Zamoyski, 401-823-2230	8/02/2005 8/04/2005 9/13/2005	No	No	No				
BASF Corp. Tom Coleman, 202-289-3900	8/12/2005 9/13/2005	No	No	No				
Bayer Corp. Karen Niedermeyer, 412-777-2058	8/12/2005 9/13/2005	No	No	No				
Ciba Specialty Chemicals Corp. John Deming, 202-857-5200	8/12/2005 9/13/2005	No	No	No				
E. I. du Pont de Nemours and Company Elaine Olsen, 302-992-2263	8/12/2005 9/13/2005	No	No	No				
Eli Lilly Kathryn Karol, 202-393-7950	8/15/2005 9/13/2005	No	No	No				
Lonza, Inc. Ray Esposito, 201-316-9200	8/15/2005 9/13/2005	No	No	No				

Technical comments:³

There is already an existing (although expired) provision for glyoxylic acid under HTS heading 9902.29.13. The Commission suggests that heading 9902.29.13 be used for the proposed duty suspension by striking the effective date and inserting "12/31/2008" in lieu thereof. If the duty suspension in HTS heading 9902.29.13 is extended, then the three House bills on glyoxylic acid, H.R. 1959, H.R. 2244 and H.R. 2493, would not need to be enacted separately.

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.

H. R. 2493

To suspend temporarily the duty on Glyoxylic Acid 50%.

IN THE HOUSE OF REPRESENTATIVES

May 19, 2005

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

A BILL

To suspend temporarily the duty on Glyoxylic Acid 50%.

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- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. GLYOXYLIC ACID 50%.
- 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:

"	9902.05.70	Glyoxylic Acid 50% (CAS No. 79–14–1) (provided for					
		in 2918.30.90)	Free	No change	No change	On or before 12/31/2008	,,,

- 8 (b) Effective Date.—The amendment made by
- 9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

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