

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 10, 2006]²

Bill No. and sponsor: S. 2744 (Mr. Jack Reed of Rhode Island and Mr. Lincoln Chafee of Rhode Island).

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

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

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

Retroactive effect: None.

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

Isobutyl 4-hydroxybenzoate (CAS No. 4247-02-3) and its sodium salt (CAS No. 84930-15-4) (provided for in subheading 2918.29.65).

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:

Isobutyl 4-hydroxybenzoate and its sodium salt are preservatives widely used in the cosmetics and personal care industry with some more limited applications in pharmaceutical products, food, and other types of healthcare products. These products are imported from the United Kingdom.

Estimated total effect on customs revenue:

HTS subheading: 2918.29.65					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$1,250,000	\$1,250,000	\$1,500,000	\$1,750,000	\$2,000,000
Customs revenue loss	\$81,250	\$81,250	\$97,500	\$113,750	\$130,000

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.

Estimated effect on customs revenue for isobutyl 4-hydroxybenzoate (CAS No. 4247-02-3):

HTS subheading: <u>2918.29.65</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$750,000	\$750,000	\$900,000	\$1,050,000	\$1,200,000
Customs revenue loss	\$48,750	\$48,750	\$58,500	\$68,250	\$78,000

Source of estimated dutiable import data: Industry estimates.

Estimated effect on customs revenue for the sodium salt of isobutyl 4-hydroxybenzoate (CAS No. 84930-15-4):

HTS subheading: <u>2918.29.65</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$500,000	\$500,000	\$600,000	\$700,000	\$800,000
Customs revenue loss	\$32,500	\$32,500	\$39,000	\$45,500	\$52,000

Source of estimated dutiable import data: 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)		
Clariant Corporation (Proponent) Andrew Zamoyski, 202-415-9159	06/05/2006, 06/09/2006, 06/15/2006, 06/27/2006	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	06/14/2006	No	No	No
American Chemistry Council Jim O'Connor, Fax: 703-741-6922	06/14/2006	No	No	No
BASF Corp. Greg Thies, 202-904-2332	06/14/2006	No	No	No

Bayer Corp. Karen Niedermeyer, Fax: 412-777-4740 Julie Van Egmund, Fax: 202-737-8909	06/14/2006	No	No	No
Biddle Sawyer Corp. William Thonack, Fax: 212-239-1089	06/14/2006	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	06/14/2006	No	No	No
Chemtura Carly Seymour, 202-463-8493	06/14/2006	No	No	No
Ciba Specialty Chemicals Corp. John Deming, Fax: 302-479-5152	06/14/2006	No	No	No
Dupont Helen McMahon, Fax: 302-355-2994	06/14/2006	No	No	No
Eastman Chemical Jorge San Pedro, Fax: 703-524-7707	06/14/2006	No	No	No
Eli Lilly Kathryn Karol, Fax: 202-624-9460	06/14/2006	No	No	No
Firmenich, Inc. Laura Heybur, Fax: 609-452-8063	06/14/2006	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	06/14/2006	No	No	No
Givaudian-Roure Co. Diane Koenig, Fax: 973-448-6532	06/14/2006	No	No	No
GlaxoSmithKline Sara Froehlich, Fax: 202-715-1001	06/14/2006	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	06/14/2006	No	No	No
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	06/14/2006	No	No	No
Int'l Flavors & Fragrance Tom Kinlin, Fax: 732-335-2244	06/14/2006	No	No	No
Kalsec, Inc. Bob Monk, Fax: 269-349-1558	06/14/2006	No	No	No
Koch Industries Ron Osman, Fax: 361-242-8353	06/14/2006	No	No	No
Lonza, Inc. Ray Esposito, Fax: 201-696-3487	06/14/2006	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	06/14/2006	No	No	No
Monsanto Linda Strachan, Fax: 202-789-1867	06/14/2006	No	No	No

Noveon Tom Dirmyer, Fax: 216-447-5720	06/14/2006	No	No	No
Penta Mfg. Co. George Volpe, Fax: 973-740-1839	06/14/2006	No	No	No
Pfizer Philip Ellsworth, Fax: 212-309-5317	06/14/2006	No	No	No
Procter & Gamble Jim McCarthy, Fax: 202-393-4606	06/14/2006	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	06/14/2006	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	06/14/2006	No	No	No
Solutia Sue Cannon, Fax: 314-674-1585	06/14/2006	No	No	No
Uniroyal Chemical Lloyd Moon, Fax: 203-573-4430	06/14/2006	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 be used in a single new heading in order to reflect the proper chemical names and nomenclature.

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
2^D SESSION

S. 2744

To suspend temporarily the duty on isobutyl parahydroxybenzoic acid and its sodium salt.

IN THE SENATE OF THE UNITED STATES

MAY 4, 2006

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

A BILL

To suspend temporarily the duty on isobutyl parahydroxybenzoic acid and its sodium salt.

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. ISOBUTYL PARAHYDROXYBENZOIC ACID AND**
4 **ITS SODIUM SALT.**

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 headings:

“	9902.09.04	4-Hydroxybenzoic acid, isobutylester (CAS No. 4247-02-3) and its sodium salt (CAS No. 84930-15-4) (provided for in subheading 2918.29.65)	Free	No change	No change	On or before 12/31/2009
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9902.09.05	Isobutyl parahydroxybenzoic acid and its sodium salt (CAS No. 87930-15-4) (provided for in subheading 2918.29.65)	Free	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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