

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: April 8, 2010]²

Bill No. and sponsor: S. 1960 (Ms. Susan M. Collins of Maine).

Proponent name,³ location: FMC Corporation, Philadelphia, PA.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Propylene glycol alginates (CAS No. 9005-37-2) (provided for in subheading 3913.10.00).

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:

Alginate products are hydrocolloid biopolymers, a family of polysaccharides that are based on alginic acid extracts of brown seaweeds which grow principally in the intertidal zones of cold waters in many countries. The subject propylene glycol alginates are ester derivatives of alginic acid which have been partially reacted with sodium carbonate, and further treated with liquid propylene oxide in a pressure vessel. This product is used principally in food applications, such as bakery fillings, ice cream, salad dressings, sauces, and dairy desserts, where it acts as a thickener and emulsifier. It also serves as a premium beer foam stabilizer to ensure a longer-lasting foam. The product is imported from Chile, China, France, Japan, Norway, and the United Kingdom.

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://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent identified three additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and one beneficiary submitted a written statement that it would benefit from this bill.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3913.10.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports ^a	\$13,700,000	\$14,800,000	\$16,000,000	\$17,000,000	\$18,000,000
Customs revenue loss ^b	\$575,400	\$621,600	\$672,000	\$714,000	\$756,000

a/ Dutiable import estimates were based on Commission and industry estimates; discounted for U.S. imports under provisions of the U.S.-Chile FTA, and imports of nonsubject alginate products.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

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)	
FMC Corporation (Proponent) Jerry Prout, 202-956-5209, Jerry.Prout@fmc.com	11/13/2009	No	No	No
Bayer Corporation Karen Niedermeyer, karen.niedermeyer.b@bayer.com	11/17/2009	No	No	No
Cargill, Inc. Fabrice Bohin, Fabrice_BOHIN@cargill.com	11/20/2009	No	No	No
Danisco Niels Thestrup, niels.thestrup@danisco.com	11/23/2009	No	No	No
Dow Chemical Company Lisa Schroeter, LMSchroeter@dow.com	11/15/2009	No	No	No
Ingredients Solutions, Inc. Donna Ravin, donnar@ingredientssolutions.com	11/23/2009	No	No	No
International Specialty Products Corporation Daniel Goldstein, dgoldstein@ispcorp.com	11/15/2009	No	No	No
Kimica America, Inc. Lina, Skripskaite, sales@kimica-america.com	11/23/2009	No	No	No
Lanxess Corporation Jamie Schaeffer, jamie.schaeffer@lanxess.com	11/17/2009	No	No	No
MCT INTERNATIONAL Max Turnipseed, mctint@att.net	11/15/2009	No	No	No
Samwon, Inc. 323-269-6002	11/25/2009	No	No	No
SNP, Inc. Pat Phillips, Pat@SNPINC.com	11/23/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
WuXi ApTec, Inc. Joseph Hughes, joseph.hughes@wuxiapptec.com	11/24/2009	No	No	No

Technical comments:⁴ None.

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.

111TH CONGRESS
1ST SESSION

S. 1960

To suspend temporarily the duty on propylene glycol alginates.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

Ms. COLLINS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on propylene glycol alginates.

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. PROPYLENE GLYCOL ALGINATES.**

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:

“	9902.01.00	Propylene glycol alginates (CAS No. 9005–37–2) (pro- vided for in subheading 3913.10.00)	Free	No change	No change	On or before 12/31/2011	”.
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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 the enactment of this Act.

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