

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. 1962 (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 reduction through December 31, 2011.

Retroactive effect: None.

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

Sodium alginate (CAS No. 9005-38-3) (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 sodium alginate salt product is the main form of alginate in use. Its main uses are in food, industrial, and pharmaceutical applications. It is used to thicken solutions or stabilize aqueous suspensions and emulsions and can provide instant gelling in fabricated foods such as onion rings, act as a binder in restructured food products, and is also heat-stable in fruit-filled bakery gel applications. In pharmaceuticals, it is used as an excipient (carrier and controlled release agent) in drugs, and as a component in medical devices and personal care items. 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 did not identify any additional beneficiaries of 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	\$27,500,000	\$29,700,000	\$32,000,000	\$34,000,000	\$36,000,000
Customs revenue loss ^{b c}	\$577,500	\$623,700	\$672,000	\$714,000	\$756,000

a/ Dutiable import estimates were based on Commission and industry estimates; discounted for duty-free 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.

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 4.2 percent ad valorem to 2.1 percent ad valorem, a reduction of 2.1 percentage points.

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

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
SNP, Inc. Pat Phillips, Pat@SNPINC.com	11/23/2009	No	No	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. 1962

To reduce temporarily the duty on sodium alginate.

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 reduce temporarily the duty on sodium alginate.

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. SODIUM ALGINATE.**

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	Sodium alginate (CAS No. 9005-38-3) (provided for in subheading 3913.10.00)	2.1%	No change	No change	On or before 12/31/2011	”.
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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 the enactment of this Act.

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