UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 111th Congress [1]

[Date approved: July 20, 2010][2]

Bill No. and sponsor: S. 2079 (Mrs. Barbara Boxer of California).

Proponent name,[3] location: Sambazon, Inc., San Clemente, CA.

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)):

> Acai (other than mixtures), pulp, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (provided for in HTS subheading 2008.99.80).

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:

The acai berry is a dark purple fruit that grows only in the Amazon rain forest. Brazil is the only source of imports.[4] The acai berry is highly perishable. The fruit begins to break down immediately after harvest and loses its nutritional characteristics within 36 hours. As a result, once the berry is harvested it is almost immediately processed into a pulp. While the product can then be further processed into a juice, the product form most commonly imported, and the one described in this bill, is the pulp.

Once the pulp is imported, it is further processed into products fit for human consumption, such as juices, sorbets, and other supplements. These products have been growing in popularity because of the nutritional value that the acai berry and its derivative products contain, including high levels of antioxidants, vitamins, proteins, and amino acids.

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[1] Industry analyst preparing report: Brendan Lynch (202-205-3313); Tariff Affairs contact: Jan Summers (202-205-2605).
[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 more than ten additional beneficiaries of this bill. USITC staff attempted to contact the additional beneficiaries and received responses from four, indicating that they would likely benefit from the bill..
[4] Although Brazil is a designated beneficiary country for purposes of the Generalized System of Preferences (GSP), the pertinent HTS subheading is designated as a GSP-eligible category only for products of least-developed beneficiary developing countries.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2008.99.80:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	9.6%	9.6%	9.6%	9.6%	9.6%
Estimated value ***dutiable*** imports [a]	$10,000,000	$10,500,000	$10,500,000	$11,000,000	$11,000,000
Customs revenue loss [b]	$960,000	$1,008,000	$1,008,000	$1,056,000	$1,056,000

a/ Dutiable import estimates based on industry information provided by industry sources and Commission estimates.
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)		
Sambazon, Inc. (Proponent) Ryan Black, 949-498-8618	12/02/2009	No	No	No
Wonderfruit Kate Ruez, 858-361-2224	12/01/2009	No	No	No
Monavie Marshall Starr, 801-208-1084	12/01/2009	No	No	No
Amazon Mania Ron Manto, 305-992-7309	12/01/2009	No	No	No

Technical comments:[5]

It is suggested that the article description of the proposed heading be worded as shown on page 1, to be more consistent with normal HTS usage and to correct the referenced HTS subheading.

[5] 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.

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111TH CONGRESS
1ST SESSION

S. 2079

To reduce temporarily the duty on açai, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

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A BILL

To reduce temporarily the duty on açai, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AÇAI, OTHERWISE PREPARED OR PRESERVED, WHETHER OR NOT CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR SPIRIT, NOT ELSEWHERE SPECIFIED OR INCLUDED.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is

amended by inserting in numerical sequence the following new heading:

“	9902.01.00	Other: Açai, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included (provided for in subheading 2008.99.8000)	Free	No change	No change	On or before 12/31/2011	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

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