

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: June 13, 2008]²

Bill No. and sponsor: H.R. 4965 (Mrs. Sue Myrick of North Carolina).

Proponent name,³ location: Clariant Corporation, Mount Holly, NC.

Other bills on product (110th Congress only): H.R. 3671 (Mr. Richard H. Baker of Louisiana).

Nature of bill: Extension of temporary duty reduction through December 31, 2011.

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.
 Different from that in bill as introduced (see Technical comments section).

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

The subject product is a synthetic organic chemical that is used as a raw material to make flavor and fragrance chemicals, as well as other chemical intermediates. It is imported from China, France, and Japan.

Estimated effect on customs revenue:

| HTS subheading: 2918.30.90 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% |
| Estimated value <i>dutiable</i> imports | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 |
| Customs revenue loss ^{1/} _{2/} | \$0 | \$315,000 | \$315,000 | \$315,000 | \$315,000 |

^{1/} There is an existing duty reduction under HTS heading 9902.11.01 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

^{2/} The estimated customs revenue loss for 2010-2013 is based on a temporary reduction of the general rate of duty from 3.7 percent ad valorem to 1.6 percent ad valorem, a reduction of 2.1 percentage points. Source of estimated dutiable import data: Commission estimates.

¹ Industry analyst preparing report: L. Johnson (202-205-3351); Tariff Affairs contact: D. Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

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 | 04/04/2008 | No | No | No |
| Bayer Karen Niedermeyer, Fax: 412-777-4740 | 04/04/2008 | No | No | No |
| Biddle Sawyer William Thonack, Fax: 212-239-1089 | 04/04/2008 | No | No | No |
| Ciba Specialty Chemicals John Deming, Fax: 302-479-5152 | 04/04/2008 | No | No | No |
| DuPont Elaine Olsen, Fax: 302-892-7343 | 04/04/2008 | No | No | No |
| Eastman Chemical Co. Greg Riddle, Fax: 703-524-7707 Jorge San Pedro, Fax: 703-524-7707 | 04/04/2008 | No | No | No |
| Honeywell International Art Simonetti, Fax: 202-662-2675 | 04/04/2008 | No | No | No |
| Monsanto Linda Strachan, Fax: 202-789-1867 Michael Parrish, Fax: 202-789-1867 | 04/04/2008 | No | No | No |
| Noveon Tom Dirmyer, Fax: 214-415-6001 | 04/04/2008 | No | No | No |
| Rhodia Inc. Dominick Cangiano, Fax: 609-860-1841 | 04/04/2008 | No | No | No |
| Solutia Sue Cannon, Fax: 314-674-1585 Dan Jenkins, Fax: 314-674-1585 | 04/04/2008 | No | No | No |
| Uniroyal Lloyd Moon, Fax: 203-573-4430 | 04/04/2008 | No | No | No |

Technical comments:⁴

The Commission staff notes that H.R. 3671 and H.R. 4965 cover the same product. H.R. 3671 would temporarily suspend the duty on the subject product, whereas H.R. 4965 would extend the existing temporary duty reduction. Only one bill should be enacted.

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.

110TH CONGRESS
2^D SESSION

H. R. 4965

To extend the temporary suspension of duty on Glyoxylic acid.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2008

Mrs. MYRICK introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on Glyoxylic
acid.

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. GLYOXYLIC ACID.**

4 (a) **IN GENERAL.**—Heading 9902.11.01 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Glyoxylic acid) is amended by striking “12/31/2009” and
7 inserting “12/31/2011”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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

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