

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 110<sup>th</sup> Congress <sup>1</sup>**

[Date approved: October 6, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 5377 (Mr. Henry Brown of South Carolina).

**Proponent name,<sup>3</sup> location:** Symrise Inc., Goose Creek, SC.

**Other bills on product (110<sup>th</sup> Congress only):** None.

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

**Retroactive effect:** None.

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

1,2-Octanediol (CAS No. 1117-86-8) (provided for in subheading 2905.39.90).

**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 an organic chemical that is used as an ingredient in skin care products, coatings, adhesives, and inks. The product is imported from Germany.

**Estimated effect on customs revenue:**

HTS subheading: <u>2905.39.90</u>					
	2009	2010	2011	2012	2013
<del>Col. 1-General rate of duty</del>					
Col. 1-General rate of duty	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$735,150	\$760,500	\$783,315	\$806,789	\$830,973
Customs revenue loss 1/	\$0	\$41,828	\$43,082	\$44,373	\$45,704

1/ There is an existing duty suspension under HTS heading 9902.24.48 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: U.S. industry estimates.

**Contacts with domestic firms/organizations (including the proponent):**

<sup>1</sup> Industry analyst preparing report: Andrew Gately (202-205-3437); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/](http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/).

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

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Symrise Inc. (Proponent) Brett Garson, brettg@sda-inc.com	05/15/2008	No	No	No
Abbott Laboratories Claude Burcky, Fax: 202-783-6631 Elaine Leavenworth, Fax: 202-783-6631	05/19/2008	No	No	No
American Chemistry Council Marty Durbin, Fax: 703-741-6097	05/19/2008	No	No	No
Apollo Color Dave Klebine, Fax: 815-741-2599	05/19/2008	No	No	No
BASF Frank Arditei, Fax: 704-587-8252 Dave Bushnell, Fax: 301-654-8336 Cenan Ozmeral, Fax: 704-587-7903 Greg Thies, Fax: 202-558-5101 Phil Webb, Fax: 704-587-8252	05/19/2008	No	No	No
Bayer Julie Van Egmund, Fax: 202-737-8909 Karen L. Niedermeyer, Fax: 412-777-4740	05/19/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	05/19/2008	No	No	No
Blackman Uhler Jeter Starnes, Fax: 864-596-1524	05/19/2008	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	05/19/2008	No	No	No
Carey Industries Raymond Carey, Fax: 704-391-1881	05/19/2008	No	No	No
Chemtura Lloyd Moon, Fax: 203-573-2686	05/19/2008	No	No	No
Ciba Specialty Chemicals Michelle Forte, Fax: 914-785-4831 Robert Hurley, Fax: 202-289-3588	05/19/2008	No	No	No
Clariant Andrew Zamoyski, Fax: 202-248-9043	05/19/2008	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	05/19/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Color Resources International Wayne Jones, Fax: 864-862-6824	05/19/2008	No	No	No
CPMA Larry Robinson, Fax: 703-684-1795	05/19/2008	No	No	No
Day-Glo Eugene Crnjac, Fax: 216-391-1408	05/19/2008	No	No	No
Dixie Chemical Malcolm Johnson, mjohanson@dixiechemical.com	05/20/2008	Yes	Yes	Yes
Dow Chemical Lisa Schroeter, Fax: 202-429-3467	05/19/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	05/19/2008	No	No	No
Dystar Ron Pedemonte, Fax: 704-561-3005	05/19/2008	No	No	No
Eastman Chemical Gregg Riddle, Fax: 212-835-1621	05/19/2008	No	No	No
EC Pigments Andrew Blum, Fax: 508-676-9011 Stuart Booth, Fax: 508-676-9011 John White, Fax: 508-676-9011	05/19/2008	No	No	No
Eli Lilly Kathy Karol, Fax: 202-624-9460	05/19/2008	No	No	No
Emerald Performance Materials Tom Dirmyer, Fax: 330-315-6480	05/19/2008	No	No	No
Endo Pharmaceuticals Albert McCorwick, Fax: 484-840-4277	05/19/2008	No	No	No
Everlight USA Scott Chen, Fax: 704-588-0051	05/19/2008	No	No	No
ETAD Tucker Helms, Fax: 202-296-8120	05/19/2008	No	No	No
Fanwood Chemical Jim DeLisi, Fax: 908-322-8494	05/19/2008	No	No	No
Firmenich Laura Heybur, Fax: 609-452-8063	05/19/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Fujifilm Imaging Colorants Mike Gill, Fax: 202-628-5116 Pat McGlinchey, Fax: 302-477-8103	05/19/2008	No	No	No
Galaxie Chemical Richard Caldwell, Fax: 973-790-7104 Michael Santoro, Jr., Fax: 973-790-7104	05/19/2008	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	05/19/2008	No	No	No
Givaudan Fragrances Diane Koenig, Fax: 973-448-6624	05/19/2008	No	No	No
Glaxo SmithKline William Schuyler, Fax: 202-715-1001	05/19/2008	No	No	No
Honeywell Art Simonetti, Fax: 202-662-2675	05/19/2008	No	No	No
Huntsman International John Deming, Fax: 302-479-5499	05/19/2008	No	No	No
Interferon Sciences Samuel Ronel, Fax: 732-249-6895	05/19/2008	No	No	No
International Flavors and Fragrances Tom Kinlin, Fax: 732-335-2244	05/19/2008	No	No	No
Ivanhoe Industries William Tuszynski, w.tuszynski@ivanhoeindustries.com	05/23/2008	Yes	Yes	Yes
Koch Industries Ron Osman, Fax: 361-242-8353	05/19/2008	No	No	No
LANXESS Jamie Schaeffer, Fax: 412-809-3614 Seth Tomei, Fax: 412-809-3614	05/19/2008	No	No	No
Lonza, Inc. Cheryl Prescott, Fax: 201-696-3558	05/19/2008	No	No	No
Mason Color Works Carol Mason Cronin, Fax: 330-385-4488 Ann Mason Herdmann, Fax: 330-385-4488	05/19/2008	No	No	No
MG Group Matt Mattingley, Fax: 703-670-9313	05/19/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Merck Thomas Bombelles, Fax: 202-638-3670	05/19/2008	No	No	No
Milliken Ray Sanders, Fax: 864-503-1618	05/19/2008	No	No	No
Monsanto Grant Erdel, Fax: 202-789-1867	05/19/2008	No	No	No
NFC John Dickson, Fax: 803-548-2683	05/19/2008	No	No	No
Niche Pharmaceuticals Steve Brandon, Fax: 817-491-3533	05/19/2008	No	No	No
Novartis Tracy Haller, Fax: 202-628-4763	05/19/2008	No	No	No
Passaic Color John Wojciechowski, Fax: 973-279-3175	05/19/2008	No	No	No
Penta Manufacturing George Volpe, Fax: 973-740-1839	05/19/2008	No	No	No
Perstorp Polyols Jeff Jones, Fax: 419-729-3291	05/19/2008	No	No	No
Pfizer Katherine Bennett, Fax: 202-347-2044	05/19/2008	No	No	No
PMC Specialties Group Zetta Bouligaraki, Fax: 513-482-7373	05/19/2008	No	No	No
Procter and Gamble Jim McCarthy, Fax: 202-393-4606	05/19/2008	No	No	No
Rhodia Dominick Cangiano, Fax: 609-860-2256	05/19/2008	No	No	No
Rohm & Haas Jeff Hurwitz, Fax: 703-741-5884	05/19/2008	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	05/19/2008	No	No	No
Solutia Kassie Wooton, Fax: 314-674-1585	05/19/2008	No	No	No
Sun Chemical Ed Faulkner, Fax: 513-632-1537	05/19/2008	No	No	No
Tennant Debbie Thoms, Fax: 763-513-1710	05/19/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Total Specialty Chemical Tad Acker, 203-966-1505	05/19/2008	No	No	No
Union Carbide Jim Murray, Fax: 202-347-1684	05/19/2008	No	No	No
United Color Tom Nowakowski, Fax: 215-860-8560	05/19/2008	No	No	No
Watson Sara Swee, Fax: 951-270-1429	05/19/2008	No	No	No

**Technical comments:<sup>4</sup>**

None.

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<sup>4</sup> 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.

Dear Mr. Gatley;

Dixie Chemical began commercial production of 1,2-octanediol in 2006. We made a significant investment in research time and plant equipment related to this product. We strongly oppose the suspension of import duties on this product as requested in H.R. 5377. I have previously submitted information to the US Dept. of Commerce, the House Ways and Means Committee and Congressman Ted Poe (TX) regarding our opposition to the bill. There are two domestic manufacturers of this product so I do not see any advantage to encouraging foreign competition at the expense of American manufacturing companies.

I understand that Symrise and Congressman Henry Brown (SC) may also have submitted a duty suspension bill for 1,2-hexanediol (CAS # 6920-22-5). We oppose this bill since we will begin commercial production later this year.

Thank your consideration of our position;

Malcolm Johnson

Malcolm P. Johnson, Ph.D.  
Vice President Marketing  
Dixie Chemical Company  
(713) 863-1947  
mjohnson@dixiechemical.com  
[www.dixiechemical.com](http://www.dixiechemical.com)

Dear Mr. Gatley,

Ivanhoe Industries Inc. has become aware of HR 5377, a bill submitted by Congressman Henry Brown (SC) to extend the duty suspension on 1,2-octanediol (CAS 11179-86-8 ) through 2011. Ivanhoe Industries has submitted a statement in opposition to this measure to the House Ways and Means Committee, US Department of Commerce and Congressman Patrick Murphy (PA). Ivanhoe has been supplying commercial quantities of this product since 2005. Although we do not have manufacturing facilities of our own, we have contracted production to a US toll-manufacturing firm. All production is made in the United States using domestically produced raw materials. Both Ivanhoe and our manufacturing partner have invested significant technical and commercial resources to develop this business.

Ivanhoe is one two domestic companies supplying 1,2-octanediol manufactured in the United States. As such, we strongly oppose the intent of HR 5377 to provide a tariff advantage to overseas producers to the detriment of American producers. We appreciate your understanding and consideration of our position. I would be happy to discuss this at your convenience should you have any questions.

Regards,  
William Tuszynski, Ph.D.  
Managing Partner & CFO  
Ivanhoe Industries, Inc.  
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*Celebrating our 25th Anniversary*

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5377

To extend the temporary suspension of duty on 1,2 Octanediol.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2008

Mr. BROWN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To extend the temporary suspension of duty on 1,2 Octanediol.

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. 1,2 OCTANEDIOL.**

4 (a) **IN GENERAL.**—Heading 9902.24.48 of the Har-  
5 monized Tariff Schedule of the United States (relating to  
6 1,2 Octanediol) is amended by striking the date in the ef-  
7 fective period column and inserting “12/31/2011”.

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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