MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

Bill No. and sponsor: H.R. 1609 (Mr. Holt).

Proponent name, location: Nutrinova (headquarters)
Somerset, NJ

Other bills on product (109th Congress only): S. 700 (Mr. Lautenberg).

Nature of bill: Temporary duty reduction to 1.4% until 12/31/2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):
Potassium sorbate (CAS No. 24634-61-5) (Provided for in subheading 2916.19.10).

Check one: X Same as that in bill as introduced
___ Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:
The subject chemical is a white powder chiefly used as an antimicrobial in food and beverage products.
The chemical is imported primarily from China, Japan, and Germany.

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1 Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).
2 Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2916.19.10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Col. 1-General rate of duty (AVE) 1/</td>
</tr>
<tr>
<td>Estimated value of dutiable imports</td>
</tr>
<tr>
<td>Customs revenue loss 2/</td>
</tr>
</tbody>
</table>

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

2/ The AVE for this product during the period is 3.1 percent. The new provision would have an AVE of 1.4 percent during the period. The difference between these two rates is 1.7 percent, and the revenue loss shown reflects that figure.

Source of estimated dutiable import data: Industry estimates.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>US production of same or competitive product claimed?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrinova Nutrition Specialties &amp; Food Ingredients (Proponent) Robert R. Carpenter (202) 443-8685</td>
<td>5/19/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Aceto Corporation Marketing Mgr., FAX (516) 627-6093</td>
<td>5/31/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Alfa Aesar Marketing Mgr., FAX (978) 521-6366</td>
<td>5/31/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>American Tartaric Products, Inc. Marketing Mgr., FAX (914) 834-4611</td>
<td>5/31/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ashland Distributing Company Fine Ingredients Division Marketing Mgr., FAX (614) 790-4427</td>
<td>5/31/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Technical comments:³ None.

³ 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.
H. R. 1609

To reduce until December 31, 2008, the duty on potassium sorbate.

IN THE HOUSE OF REPRESENTATIVES

April 13, 2005

Mr. Holt introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reduce until December 31, 2008, the duty on potassium sorbate.

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

SECTION 1. POTASSIUM SORBATE.

(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:

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\[ 9902.06.26 \quad \text{Potassium sorbate (CAS No. 24634-61-5) (provided for in subheading 2916.19.10)} \quad 1.4\% \quad \text{No change} \quad \text{No change} \quad \text{On or before 12/31/2008} \]
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or
withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.