MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

[Date approved: October 6, 2005]

Bill No. and sponsor: H.R. 2120 (Mr. Jerry Weller of Illinois).

Proponent name, location: BASF Corporation
Florham Park, NJ 07932

Other bills on product (109th Congress only): None.

Nature of bill: To suspend the duty through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):
Lycopene 10% (CAS No. 502-65-8) (provided for in subheading 2106.90.95).

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 compound is an organic antioxidant used to produce dietary supplements.
The subject compound is imported from Germany and Switzerland. There are multiple importers of lycopene at various concentrations.

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1 Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).
2 Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2106.90.95</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Estimated value <strong>dutiable</strong> imports</td>
<td>$600,000</td>
<td>$600,000</td>
<td>$600,000</td>
<td>$600,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$60,000</td>
<td>$60,000</td>
<td>$60,000</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

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>BASF Corporation (proponent)</td>
<td>07/20/2005, 07/25/2005, 07/28/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bayer Corporation</td>
<td>07/20/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ciba Specialty Chemicals</td>
<td>07/20/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DuPont Chemical</td>
<td>07/20/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Technical comments:

The Commission suggests that the article description on page 1 of this report be used because it omits unnecessary information from the article description.

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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. 2120

To suspend temporarily the duty on Lycopene 10% 25kg 4G 3.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2005

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

A BILL

To suspend temporarily the duty on Lycopene 10% 25kg 4G 3.

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

SECTION 1. LYCOPENE 10% 25KG 4G 3.

(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:

<table>
<thead>
<tr>
<th>9902.06.13</th>
<th>Lycopene 10% 25kg 4G 3</th>
<th></th>
<th>Free</th>
<th>No change</th>
<th>No change</th>
<th>On or before 12/31/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>(CAS No. 502–65–8)</td>
<td>provided for in subheading 2106.90.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(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 enactment of this Act.