MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: June 9, 2006]

Bill No. and sponsor: S. 2386 (Mrs. Blanche Lincoln of Arkansas, and Mr. Mark Pryor of Arkansas).

Proponent name, location: Eastman Chemical Co., Batesville AK.

Other bills on product (109th Congress only): H.R. 2095.


Retroactive effect: None.

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

1-Fluoro-2-nitrobenzene (CAS No. 1493-27-2) (provided for in subheading 2904.90.30).

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 synthetic organic chemical, 1-fluoro-2-nitrobenzene, is a yellow liquid with an almond odor. It is used as a raw material in the production of an intermediate chemical, which is then used to produce a pharmaceutical. The subject product is imported principally from France.

Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2904.90.30</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Estimated value dutiable imports</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$8,250</td>
<td>$8,250</td>
<td>$8,250</td>
<td>$8,250</td>
<td>$8,250</td>
</tr>
</tbody>
</table>

Source of estimated dutiable import data: Industry estimates.

1 Industry analyst preparing report: Stephen Wanser (202-205-3363); Tariff Affairs contact: David Michels (202-205-3440).

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>Claim US makes same or competing product(s)?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastman Chemical Co. (Proponent) Jorge San Pedro, Fax: 703-524-7707</td>
<td>03/20/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Eli Lilly Kathy Karol, Fax: 202-624-9460</td>
<td>03/20/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Endo Labs Camille Ali Jackson, Fax: 610-558-9685</td>
<td>03/20/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Novartis Tracy Haller, Fax: 202-628-4763</td>
<td>03/20/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Pfizer Katherine Bennet, Fax: 202-347-2044</td>
<td>03/20/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rhodia, Inc. Dominick Cangiana, Fax: 609-860-1841</td>
<td>03/20/2006</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 in order to correct the spelling in the chemical name.

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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.
To suspend temporarily the duty on 1-Flouro-2-nitrobenzene.

IN THE SENATE OF THE UNITED STATES

MARCH 8, 2006

Mrs. LINCOLN (for herself and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on 1-Flouro-2-nitrobenzene.

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

SECTION 1. 1-FLOURO-2-NITROBENZENE.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking heading 9902.29.04 and inserting the following new heading:

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 9902.29.04 1-Flouro-2-nitrobenzene (CAS No. 1493-27-2) (provided for in subheading 2904.90.30) Free No change No change On or before 12/31/2009 ``.
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(b) Effective Date.—The amendment made by subsection (a) applies to goods entered, or withdrawn from
1 warehouse for consumption, on or after the 15th day after
2 the date of enactment of this Act.