MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

[Date approved: September 28, 2006]

Bill No. and sponsor: S. 3225 (Mr. Robert Menendez of New Jersey).

Proponent name, location: Association of Food Industries, Neptune, NJ.

Other bills on product (109th Congress only): None.3


Retroactive effect: None.

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

Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen (provided for in subheading 2005.90.80)

Check one: X 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:

Artichokes are grown in the United States, principally in California, but are no longer processed here to produce canned artichokes. Canned artichokes and artichoke hearts prepared or preserved otherwise than by vinegar or acetic acid are used as a canned-vegetable side dish, in other prepared foods, such as pasta and pizza toppings, and in salad bars. Most of the canned artichoke imports are reported to be in institutional-size containers used principally in the institutional and food-service trade. Canned artichokes are imported principally from Spain, Chile, and Italy.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2005.90.80</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>14.9%</td>
<td>14.9%</td>
<td>14.9%</td>
<td>14.9%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Estimated value &lt;br&gt;dutiable imports 1/</td>
<td>$52,113,625</td>
<td>$53,155,898</td>
<td>$54,219,016</td>
<td>$55,303,396</td>
<td>$56,409,464</td>
</tr>
<tr>
<td>Customs revenue loss 2/</td>
<td>$573,250</td>
<td>$584,715</td>
<td>$596,409</td>
<td>$608,337</td>
<td>$620,504</td>
</tr>
</tbody>
</table>

1/ These figures are the estimated dutiable values; they were calculated by adding together the dutiable import values of goods from Spain, Chile, and Italy in 2005 and projecting a 2-percent rise each year above the previous year’s total.

2/ The estimated customs revenue loss for 2006 reflects the existing duty reduction under HTS heading 9902.03.89 that expires on December 31, 2006. The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 14.9 percent ad valorem to 13.8 percent ad valorem, a reduction of 1.1 percentage points.


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>Association of Food Industries (Proponent) Bob Bauer, 732-922-3008</td>
<td>08/14/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>California Artichoke Advisory Board Pat Hopper, 831-633-4411</td>
<td>08/11/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>California League of Food Processors Bill Grigg, 916-444-9260</td>
<td>08/14/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Schreiber Foods International Howard Schreiber, 201-327-3535</td>
<td>08/11/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Technical comments: 4 None.

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.
To extend temporarily the reduction of duty on artichokes prepared or preserved otherwise than by vinegar or acetic acid, not frozen.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Mr. MENENDEZ introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend temporarily the reduction of duty on artichokes prepared or preserved otherwise than by vinegar or acetic acid, not frozen.

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

SECTION 1. EXTENSION OF REDUCTION OF DUTY ON ARTICHOKES PREPARED OR PRESERVED OTHERWISE THAN BY VINEGAR OR ACETIC ACID, NOT FROZEN.

(a) In General.—Heading 9902.03.89 of the Harmonized Tariff Schedule of the United States (relating to artichokes prepared or preserved otherwise than by vin-
egar or acetic acid, not frozen) is amended by striking “12/31/2006” and inserting “12/31/2009”.

(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.