

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: March 17, 2008]²

Bill No. and sponsor: H.R. 3671 (Mr. Richard H. Baker of Louisiana).

Proponent name,³ location: Rhodia Inc., Cranbury, NJ.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2012.

Retroactive effect: None.

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

Glyoxylic acid (CAS No. 298-12-4) (provided for in subheading 2918.30.90).

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:

Glyoxylic acid is a synthetic organic chemical that is used as a raw material to produce several major flavor and fragrance chemicals (vanillin and ethyl vanillin) as well as other synthetic organic intermediate chemicals. The proponent imports this product from France.

Estimated effect on customs revenue:

HTS subheading: <u>2918.30.90</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty					
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Customs revenue loss 1/	\$800,000	\$1,850,000	\$1,850,000	\$1,850,000	\$1,850,000

1/ A portion of the estimated customs revenue loss for 2009 reflects the existing duty reduction under HTS heading 9902.11.01 that expires on December 31, 2009.

Source of estimated dutiable import data: Commission estimates.

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

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 http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ 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)		
Rhodia Inc. (Proponent) Rick Valentine Tel: 202-661-3802 rick.valentine@klgates.com	11/19/2007	No	No	No
Abbott Laboratories Elaine Leavenworth Fax: 202-783-6631	12/19/2007	No	No	No
Allegheny Color Corp. Mary Gallisdorfer Fax: 814-772-1559	12/19/2007	No	No	No
American Chemistry Council Jim O'Connor Fax: 703-741-6922	12/19/2007	No	No	No
Apollo Color, Inc. Dave Klebine Fax: 815-744-2599	12/19/2007	No	No	No
BASF Corp. Phil Webb Fax: 704-587-8252	12/19/2007	No	No	No
BASF Englehard Steve Carmenisch Fax: 502-775-7205	12/19/2007	No	No	No
Bayer Corp. Karen Niedermeyer Fax: 412-777-4740	12/19/2007	No	No	No
Biddle Sawyer William Thonack Fax: 212-239-1089	12/19/2007	No	No	No
Blackman Uhler Jeter Starnes Fax: 864-596-1501	12/19/2007	No	No	No
CPMA Larry Robinson Fax: 703-684-1795	12/19/2007	No	No	No
Chemtura Lloyd Moon Fax: 203-573-4430	12/19/2007	No	No	No
Clariant Corp. Andrew Zamoyski Fax: 401-823-2700	12/19/2007	No	No	No
Day-Glo Corp. Richard Thompson Fax: 216-391-1408	12/19/2007	No	No	No
Diacolor-Pope, Inc. Norman Russo Fax: 973-279-1256	12/19/2007	No	No	No
DuPont Helen McMahon Fax: 302-774-1398	12/19/2007	No	No	No
Eastman Chemical Jorge San Pedro Fax: 703-524-7707	12/19/2007	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Fanwood Chemical Jim DeLisi Fax: 908-322-8494	12/19/2007	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr. Fax: 973-790-7104	12/19/2007	No	No	No
Honeywell International Art Simonetti Fax: 202-662-2675	12/19/2007	No	No	No
LANXESS Corporation Jamie B. Schaeffer Fax: 412-809-3614	12/19/2007	No	No	No
Magruder Color Co., Inc. Evan Weissglass Fax: 973-242-4087	12/19/2007	No	No	No
Mason Color Works Ann Mason Herdman Fax: 330-385-4488	12/19/2007	No	No	No
Monsanto Corporation Linda Strahan Fax: 202-789-1867	12/19/2007	No	No	No
National Paint & Coatings Assn. Bob Branand Fax: 202-546-3959	12/19/2007	No	No	No
Nation Ford Chemical Co. (NFC) John Dickson Fax: 803-548-2683	12/19/2007	No	No	No
Noveon Tom Dirmyer Fax: 216-447-5720	12/19/2007	No	No	No
PMC Specialties Group, Inc. Gordon McCullough Fax: 513-482-7884	12/19/2007	No	No	No
Roma Color, Inc. Stuart Booth Fax: 508-676-9011	12/19/2007	No	No	No
Solutia Sue Cannon Fax: 314-674-1585	12/19/2007	No	No	No
Sun Chemical Ed Faulkner Fax: 513-632-1531	12/19/2007	No	No	No

Technical comments:⁴

The Commission staff suggests that the existing heading, 9902.11.01, be used for the new duty suspension by changing the rate of duty from “1.6%” to “Free” and by modifying the effective date.

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.

110TH CONGRESS
1ST SESSION

H. R. 3671

To suspend temporarily the duty on glyoxylic acid.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2007

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

A BILL

To suspend temporarily the duty on glyoxylic acid.

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. GLYOXYLIC ACID.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.04.91	Glyoxylic acid (CAS No. 298–12–4) (provided for in subheading 2918.30.90)	Free	No change	No change	On or before 12/31/2012	”.
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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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