

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 6, 2008]²

Bill No. and sponsor: H.R. 5384 (Mr. Henry Brown of South Carolina).

Proponent name,³ location: Symrise Inc., Goose Creek, SC.

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

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

1,2-Hexanediol (CAS No. 6920-22-5) (provided for in subheading 2905.39.90).

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 subject product is a synthetic organic chemical that is used as a cosmetics additive. The product is imported from Germany.

Estimated effect on customs revenue:

HTS subheading: <u>2905.39.90</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty					
Col. 1-General rate of duty	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$70,000	\$70,000	\$80,000	\$90,000	\$100,000
Customs revenue loss	\$3,850	\$3,850	\$4,400	\$4,950	\$5,500

Source of estimated dutiable import data: U.S. industry estimates.

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

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

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

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Symrise Inc. (Proponent) Brett Garson, brettg@sda-inc.com	5/6/2008 5/7/2008	No	No	No
Arkema Charles Kitchen, Fax: 215-419-7075	5/13/2008	No	No	No
Avecia Mike Gill, MGill@crowell.com	5/13/2008	No	No	No
BASF Corp. Greg Thies, Fax: 202-558-5101	5/13/2008	No	No	No
Ciba Specialty Chemicals Corp. Robert Hurley, Fax: 202-289-3588	5/13/2008	No	No	No
Clariant Corporation Andrew Zamoyski, Fax: 202-248-9043	5/13/2008	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	5/13/2008	No	No	No
Dixie Chemical Co. Malcolm Johnson, mjohnson@dixiechemical.com	5/20/2008	Yes	Yes	Yes
Dow Chemical Max Turnipseed, Fax: 225-383-0590	5/13/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	5/13/2008	No	No	No
Firmenich, Inc. Laura Heybur, Fax: 609-452-8063	5/14/2008	No	No	No
Givaudan Fragrances Corp. Diane Koenig, Fax: 973-448-6624	5/14/2008	No	No	No
International Flavors & Fragrance Tom Kinlin, Fax: 732-335-2244	5/14/2008	No	No	No
Kalsec, Inc. Ted Lupina, tlupina@kalsec.com	5/14/2008	No	No	No
Koch Industries Ron Osman, Fax: 361-242-8353	5/14/2008	No	No	No
LANXESS Jamie Schaeffer, Fax: 412-809-3614	5/13/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Lubrizol Gregory Perun, glp@lubrizol.com	5/13/2008	No	No	No
Penta Mfg. Co. George Volpe, Fax: 973-740-1839	5/14/2008	No	No	No
Sigma-Aldrich Co. Cynthia Hening, 414-438-3850, x-5396 Jared Fenton, jared.fenton@sial.com	5/13/2008 5/14/2008	No	No	No

Technical comments:⁴

The Commission staff recommends that the article description on page 1 of this report be used in the proposed new heading in order to insert hyphen between "1,2" and "Hexanediol".

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.

Email from Dixie Chemical opposing H.R. 5384 (see last paragraph)

-----Original Message-----

From: Johnson, Mal [mailto:MJOHNSON@dxservice.com]

Sent: Tuesday, May 20, 2008 10:34 AM

To: Gately, Andrew

Cc: jennifer.mccadney@mail.house.gov

Subject: 1,2-Octanediol CAS # 11179-86-8

Dear Mr. Gately;

Dixie Chemical began commercial production of 1,2-octanediol in 2006. We made a significant investment in research time and plant equipment related to this product. We strongly oppose the suspension of import duties on this product as requested in H.R. 5377. I have previously submitted information to the US Dept. of Commerce, the House Ways and Means Committee and Congressman Ted Poe (TX) regarding our opposition to the bill. There are two domestic manufacturers of this product so I do not see any advantage to encouraging foreign competition at the expense of American manufacturing companies.

I understand that Symrise and Congressman Henry Brown (SC) may also have submitted a duty suspension bill for 1,2-hexanediol (CAS # 6920-22-5). We oppose this bill since we will begin commercial production later this year.

Thank you for your consideration of our position;

Malcolm Johnson

Malcolm P. Johnson, Ph.D.
Vice President Marketing
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110TH CONGRESS
2^D SESSION

H. R. 5384

To suspend temporarily the duty on 1,2 Hexanediol.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2008

Mr. BROWN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 1,2 Hexanediol.

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. 1,2 HEXANEDIOL.**

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:

“	9902.01.00	1,2 Hexanediol (CAS No. 6920-22-5) (provided for in subheading 2905.39.90)	Free	No change	No change	On or before 12/31/2011	”.
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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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