

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress ¹**

[Date approved: May 3, 2010]²

Bill No. and sponsor: S. 2316 (Mr. Sherrod Brown of Ohio et al.).

Proponent name,³ location: Sun Chemical Corp., Cincinnati, OH.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None.

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

1-Hydroxy-2-naphthoic acid (CAS No. 86-48-6) (provided for in subheading 2918.29.04).

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 product is a chemical intermediate that is used for the manufacture of organic pigments. The product is imported from India⁵ and China.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2918.29.04:

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|----------|----------|----------|----------|----------|
| Col. 1-General rate of duty | | | | | |
| Col. 1-General rate of duty | 5.8% | 5.8% | 5.8% | 5.8% | 5.8% |
| Estimated value <i>dutiable</i> imports ^a | \$55,000 | \$55,000 | \$55,000 | \$55,000 | \$55,000 |
| Customs revenue loss ^b | \$3,190 | \$3,190 | \$3,190 | \$3,190 | \$3,190 |

a/ Dutiable import estimates were based on industry information.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

¹ Industry analyst preparing report: Jack Greenblatt (202-205-3353); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor identified two additional beneficiaries of the bill. USITC staff sent inquiries to the additional beneficiaries and received a response from each company. Each company submitted a written representation that it would benefit from the bill.

⁴ Heading 9902.25.19 expired on December 31, 2009.

⁵ Although India is a designated beneficiary of the Generalized System of Preferences (GSP), imports of the subject product are eligible for duty-free treatment under the GSP program only if they are imported from countries that are designated as least-developed beneficiary developing countries, and India has not been designated as a least-developed beneficiary developing country.

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) | |
| Sun Chemical Corp. (Proponent) Stephen Schmidt, 513-681-5950 x 359 | 12/09/2009 | No | No | No |
| Apollo Colors Dave Klebine, dklebine@apollocolors.com | 12/17/2009 | No | No | No |
| BASF Corp. Thierry Chevrier, thierry.chevrier@basf.com | 12/17/2009 | No | No | No |
| Clariant Corporation Andy Zamoyski, az@azamoyski.com | 12/17/2009 | No | No | No |
| Day-Glo Corporation Eugene Crnjac, ecrnjac@dayglo.com | 12/17/2009 | No | No | No |
| Dystar L.P. Bob Schilling, Schilling.Bob@DyStar.com | 12/17/2009 | No | No | No |
| EC Pigments, Michael Barden, 508-676-3481 x 137 | 12/17/2009 | No | No | No |
| Emerald Materials (Noveon, Hilton Davis) Joe Kern, joe.kern@emeraldmaterials.com | 12/17/2009 | No | No | No |
| ETAD C. Tucker Helmes, 202-721-4154 | 12/17/2009 | No | No | No |
| Fanwood Chemical Inc. V.M. (Jim) DeLisi, JdeLisi@fanwoodchemical.com | 12/17/2009 | No | No | No |
| Fuji Film Imaging Colorants Inc. (Avecia) Michele Smith, michele.smith@fujifilmic.com | 12/17/2009 | No | No | No |
| Honeywell International Art Simonetti, art.simonetti@honeywell.com | 12/17/2009 | No | No | No |
| Milliken Industries Ray Saunders, 864-503-1618 | 12/17/2009 | No | No | No |
| Nations Ford Chemical John Dickson, dicksonj@nationfordchem.com | 12/17/2009 | No | No | No |
| Passaic Color & Chemical Wylie Royce, w_royce@msn.com | 12/17/2009 | No | No | No |
| Sensient Color Inc. Jill Sylte, Jill.Sylte@sensient-tech.com | 12/17/2009 | No | No | No |
| The Flint Group Dan VanKampen, dan.vankampen@pigments.flintgrp.com | 12/17/2009 | No | No | No |

Technical comments:⁶ None.

⁶ 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.

111TH CONGRESS
1ST SESSION

S. 2316

To extend temporarily the suspension of duty on alpha Oxy Naphthoic Acid.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. BROWN (for himself and Mr. VOINOVICH) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To extend temporarily the suspension of duty on alpha Oxy
Naphthoic 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. ALPHA OXY NAPHTHOIC ACID.**

4 (a) IN GENERAL.—Heading 9902.25.19 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 alpha Oxy Naphthoic Acid) is amended by striking the
7 date in the effective column period and inserting “12/31/
8 2011”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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