

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 22, 2010]²

Bill No. and sponsor: S. 2407 (Mrs. Kay R. Hagan of North Carolina).

Proponent name,³ location: FMC Corp., Philadelphia, PA.

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

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

Retroactive effect: None.

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

Lithium carbonates (CAS No. 554-13-2) (provided for in subheading 2836.91.00).

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 used in the manufacture of lithium batteries, pharmaceuticals, aluminum, glass, and tiles. The product is also used in nucleonics. The product is imported from Argentina,⁴ Chile,⁵ China, and Canada.⁶

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

⁴ Imports of the subject product from Argentina are eligible for duty-free treatment under the Generalized System of Preferences. Imports of the subject product from Argentina exceed the competitive need limits in the GSP statute. However, Argentina received a competitive need limit waiver for this product in 2007. 72 Fed Reg 35895, 35901 (June 29, 2007); see also USITC, Advice Concerning Possible Modifications to the U.S. GSP, 2006 Review, Pub. 3919, Ch. 3 (Apr. 2007).

⁵ Imports of the subject product from Chile are eligible for duty-free treatment under the U.S.-Chile Free Trade Agreement.

⁶ Imports of the subject product from Canada are eligible for duty-free treatment under the North American Free Trade Agreement.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2836.91.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports ^a	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss ^{b c}	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000

a/ Dutiable import estimates were based on U.S. Government statistics and Commission and industry estimates. As noted in footnote 4 of this report, Argentina received a competitive need limit for imports of the subject product. If Argentina lost duty-free treatment under GSP because the competitive need limit waiver were revoked or withdrawn, then the annual value of Customs revenue loss during 2010-2014, based on industry estimates, would range from about \$420,000 to about \$490,000.

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

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 3.7 percent ad valorem to 2.3 percent ad valorem, a reduction of 1.4 percentage points.

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)		
FMC Corp. (Proponent) Jerry Prout, 202-956-5209	02/22/2010	Yes	Yes	No
Alfa Aesar/Johnson Matthey Rafi Dekermendjian, 800-343-0660	03/02/2010	No	No	No
Chemetall Foote Corp. Ronald France, 704-734-2727	03/01/2010	Yes	Yes	Yes
GFS Chemicals John Long, 740-881-5501	03/02/2010	No	No	No
Western Lithium Ethan Saxon, 202-414-6169	03/02/2010	Yes	Yes	Yes

Technical comments:⁷

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading in order to include the CAS registry number.

⁷ 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. 2407

To reduce temporarily the duty on lithium carbonates.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To reduce temporarily the duty on lithium carbonates.

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. LITHIUM CARBONATES.**

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	Lithium carbonates (provided for in subheading 2836.91.00)	2.3%	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 enactment of this Act.

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