



June 4, 2002

The Honorable William M. Thomas, Chairman
Committee on Ways and Means
U.S. House of Representatives
ATTN: Hearing Clerk
Washington, DC 20515

Dear Mr. Chairman,

I am writing on behalf of International Flavors and Fragrances (IFF) to express support for enactment of legislation that would temporarily suspend duty on Benzenepropanal, 4-(1,1-Dimethylethyl)-Alpha-Methyl-, a product that IFF imports because there is no domestic producer. The IFF trade name for the product is Lilestralis.

Representative Rush Holt has introduced H.R. 4326 that would suspend the duty on Lilestralis until December 31, 2006. Unlike most of the other duty suspension bills being considered by the committee, Mr. Holt's bill has an effective date of December 31, 2001. There had been a suspension of duty on Lilestralis that expired at the end of 2001, and we understand that in such cases it is not unusual to reach back to provide for uninterrupted suspension of duty.

I note that the May 3, 2002 Advisory from the Committee on Ways and Means Subcommittee on Trade does not reference the retroactive provision in Mr. Holt's bill and simply wanted to draw the distinction to the attention of the committee.

I understand that the Ways and Means Committee is currently considering many duty suspension bills for enactment, and we at IFF ask for the committee's favorable consideration of H.R. 4326, to include the effective date of December 31, 2001.

Attached for your consideration is a data sheet on Lilestralis that provides considerable information on the product and on duty payment history and projections.

Thank you for your consideration of this request.

Sincerely yours,

William G. Dalton
VP – Global Public Affairs

International Flavors and Fragrances– Duty Suspension Data Sheet

Bill Numbers and Sponsors:

S. 2095 by Senator Robert Torricelli
H.R. 4326 by Representative Rush Holt

Summary of the Bill as Introduced:

A bill to suspend until December 31, 2006 the duty on benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl-.

HTS Subheading:

9902.29.57 (provided for in subheading 2912.29.60)

CAS Number:

80-54-6

Chemical Nomenclature: benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl-

Product Name: IFF-Lilestralis, BASF-Lysmeral, Givaudan-Lilial

Generic Name:

Color Index Number, if applicable:

International Flavors and Fragrances Contact:

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IFF location, if different from contact location, where the product will undergo further processing or handling.

None

Country of Origin of the Imported Product:

United Kingdom

Other Companies importing this product. BASF-Lysmeral, Givaudan-Lilial. Both are European based producers.

Physical Description of the Imported Product and Its use:

The product's chemical name is benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl-. This product is a petroleum-based aroma chemical with a lily-like floral aroma. It is a

raw material used in the manufacture of various fragrances. It also has applications as an intermediate in certain agrochemical products. International Flavors and Fragrances (IFF) produces this product under the trade name "Lilestralis."

Economic Impact of Duty Relief: *The 6% duty relief under HTS subheading 9902.29.57 expires December 31, 2001. The 2002 duty reverts to subheading 2912.29.60*

	2002	2003	2004	2005	2006
General rate of duty (AVE)	6.7%	6.1%	5.5%	5.5%	5.5%
Estimated value dutiable imports	\$6,400,000	\$6,600,000	\$6,900,000	\$7,200,000	\$7,400,000
Customs revenue loss	\$428,800	\$402,600	\$379,500	\$396,000	\$407,000

Revenues Paid:

	1996	1997	1998	1999	2000
Duty paid by IFF	\$335,000	\$442,000	\$492,648	\$408,452	\$300,772
Duty Rate	9%	9%	9%	6 mos @ 9% 6 mos @ 6%	6%

Structure of Domestic Industry:

- 1. Name and location of any domestic manufacturer of the product:**
Givaudan Roure of Clifton, New Jersey had been the only domestic producer, but that production was shut down in 1998. All U.S. demand will be met by imports from foreign producers.
- 2. Other products, and their manufacturers, that may compete with the imported product:**
- 3. Organizations or companies that are likely to support enactment of the bill:**
Givaudan Roure of Clifton, New Jersey; BASF of Ludwigshafen, Germany.

Number of the Congress and the Bill of any previous duty suspensions or reductions of the product:

Congress: 105th
Bill Number: S. 1801, introduced by Senator Frank Lautenberg (D-NJ) on March 19, 1998.

Bill Number: H.R.3431, introduced by Representative Marge Roukema (R-NJ) on March 10, 1998

Congress: 106th
Bill Number H.R. 435; bill became PL 106-36