

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 9, 2008]²

Bill No. and sponsor: H.R. 5370 (Mr. J. Gresham Barrett of South Carolina).

Proponent name,³ location: Fujifilm Manufacturing USA, Inc., Greenwood, 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)):

Succinylated gelatin (provided for under subheading 3503.00.55).

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 obtained from the partial hydrolysis of collagen derived from natural sources such as skin, connective tissue, and bones of animals. Gelatin is used in food products (e.g., desserts and confectionery products), pharmaceuticals (e.g., hard and soft capsules), and to make silver halide emulsion photographic film and paper, as well as numerous smaller specialized applications. Derivatives of gelatin are for specialized, typically non-food, applications, and can include gelatin tannate, bromotannate, and succinylated gelatin.

Gelatin and its derivatives are imported from Brazil, France, India, Argentina, Canada, United Kingdom, and a host of other countries.⁴ In 2007, approximately 45 percent of gelatin imports entered the United States duty-free under the Generalized System of Preferences.

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.

⁴ Imports of the subject product from Argentina, Brazil, and India are eligible for duty-free treatment under the Generalized System of Preferences. Imports of the subject product from Canada may be eligible for duty-free access to the U.S. market under NAFTA.

Estimated effect on customs revenue:

HTS subheading: 3503.00.55					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE) ^{1/}	4.3%	4.3%	4.3%	4.3%	4.3%
Estimated value <i>dutiable</i> imports	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000
Customs revenue loss	\$2,795,000	\$2,795,000	\$2,795,000	\$2,795,000	\$2,795,000

^{1/} The AVE is the ad valorem equivalent of a specific or compound duty rate that is expressed as a percent, using the most recent import data available. For gelatin in HTS subheading 3503.00.55, the column 1 rate of duty is 2.8¢/kg + 3.8 percent ad valorem. For the year 2007, this works out to an AVE of 4.3 percent ad valorem.

Source of estimated dutiable import data: Commission estimates based on official U.S. Government statistics.

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)		
Fujifilm Manufacturing USA, Inc. (Proponent) Mike Gill, mgill@crowell.com	5/19/2008	No	No	No
Atlantic Gelatin J. Magnifico, jmagnifico@kraft.com	6/16/2008	No	No	No
Eastman Gelatine Corp. Ed Hurley, 978-573-3700	6/18/2008	No	No	No
Eastman Kodak Company W. Brendan Harrington, 202-857-3400	6/18/2008	No	No	No
GELITA North America Rob Mayberry, Fax: 712-943-3372	6/16/2008	No	No	No
Nitta Gelatin Canada, Inc. Raymond Mertz, Fax: 416-532-6231	6/16/2008	No	No	No
PB Leiner Cheryl Michaels, cheryl.michaels@pbleiner.com	6/17/2008	No	No	No
Rousselot, Inc. Larry Jeske, larry.jeske@rousselot.com	6/26/2008	No	No	No

Technical comments:⁵

The proponent has indicated that Fuji desires a duty suspension on three specialized varieties of gelatin used to make photographic film and paper. No information is available on any of these varieties, other than that they are succinylated gelatin. The proponent was unwilling to provide any further information; consequently, the Commission staff recommends that the article description on page 1 of this report be used in a single new heading.

⁵ 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
2D SESSION

H. R. 5370

To suspend temporarily the duty on certain gelatins.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2008

Mr. BARRETT 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 certain gelatins.

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. CERTAIN GELATINS.**

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 headings:

“	9902.01.00	Gelatin (CAS No. 68915–24–2) (provided for in sub-heading 3503.00.55)	Free	No change	No change	On or before 12/31/2011	”.
	9902.01.00	Gelatin (CAS No. 68915–24–2) (provided for in sub-heading 3503.00.55)	Free	No change	No change	On or before 12/31/2011	
	9902.01.00	Gelatin (CAS No. 68915–24–2) (provided for in sub-heading 3503.00.55)	Free	No change	No change	On or before 12/31/2011	

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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