

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 26, 2006]²

Bill No. and sponsor: S. 3304 (Mr. Frank R. Lautenberg of New Jersey).

Proponent name, location: International Flavors & Fragrances Inc., New York, NY.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Dimethyl malonate (CAS No. 108-59-8) (provided for in subheading 2917.19.70).

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:

Dimethyl malonate is a synthetic organic chemical intermediate that is used in the production of a broad range of products, including dyes, pigments, flavors, fragrances, and pharmaceuticals. Dimethyl malonate is imported from China and Germany.

Estimated effect on customs revenue:

HTS subheading: <u>2917.19.70</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	4.0%	4.0%	4.0%	4.0%	4.0%
Estimated value <i>dutiable</i> imports	\$10,000,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000
Customs revenue loss 1/	\$400,000	\$380,000	\$380,000	\$380,000	\$380,000

1/ The proponent states that 70 percent of the imported material is eligible for duty drawback.

Source of estimated dutiable import data: 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://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

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)	
International Flavors & Fragrances Inc. (Proponent) Tom Kinlin, Fax: 732-335-2244 Jim Smith, 202-835-0740	07/25/2006 07/31/2006 08/07/2006	No	No	No
Apollo Color, Inc. Dave Klebine, Fax: 815-741-2599	08/28/2006	No	No	No
BASF Corp. Phil Webb, Fax: 704-587-8252 Cenan Ozmeral, Fax: 704-587-7903	08/28/2006	No	No	No
Bayer Corp. Karen Niedermeyer, Fax: 412-777-4740	08/28/2006	No	No	No
Blackman Uhler Jeter Starnes, Fax: 864-596-1524	08/28/2006	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	08/28/2006	No	No	No
Ciba Specialty Chemicals Corp. John Demming, 302-479-5499	08/28/2006	No	No	No
Clariant Corporation Andrew Zamoyiski, Fax: 202-248-9043	08/28/2006	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	08/28/2006	No	No	No
Color Resources International, Inc. Wayne Jones, Fax: 864-862-6824	08/28/2006	No	No	No
CPMA Larry Robinson, Fax: 703-684-1795	08/28/2006	No	No	No
Day-Glo Richard Thornton, Fax: 216-391-1408	08/28/2006	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	08/28/2006	No	No	No
DyStar L.P. Van Hawkins, Fax: 704-561-3005	08/28/2006	No	No	No
Eli Lilly Kathryn Karol, Fax: 202-624-9460	08/28/2006	No	No	No
Engelhard Steve Camenisch, Fax: 502-775-7205 Dave Bushnell, Fax: 301-654-8336	08/28/2006	No	No	No
ETAD Tucker Helms, Fax: 202-296-8120	08/28/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Everlight USA, Inc. Scott Chen, Fax: 704-588-0051	08/28/2006	No	No	No
Fanwood Chemical Jim DeLisi, Fax: 908-322-8494	08/28/2006	No	No	No
Firmenich, Inc. Laura Heybur, Fax: 609-452-8063	08/07/2006	No	No	No
Fujifilm Imaging Colorants, Inc. Mike Gill, Fax: 202-628-5116 Pat McGlinchey, Fax: 302-477-8103	08/28/2006	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104 Richard Caldwell, Fax: 973-790-7104	08/28/2006	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	08/28/2006	No	No	No
Givaudian-Roure Co. Diane Koenig, Fax: 973-448-6532	08/07/2006	No	No	No
GlaxoSmithKline William Schuyler, Fax: 202-715-1001	08/28/2006	No	No	No
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	08/28/2006	No	No	No
Kalsec, Inc. Bob Monk, Fax: 269-382-3060	08/07/2006	No	No	No
Koch Industries Ron Osman, Fax: 361-242-8353	08/07/2006	No	No	No
LANXESS Corp. Seth Tomei, 412-809-3664 Jamie Schaeffer, 412-809-3666	08/28/2006	No	No	No
Lonza, Inc. Ray Esposito, Fax: 201-696-3487	08/28/2006	No	No	No
Magruder Chemical Co., Inc. Evan Weissglass, Fax: 973-242-4087	08/28/2006	No	No	No
Mason Color Works, Inc. Ann Mason Herdman, Fax: 330-385-4488 Carol Mason Cronin, Fax: 330-385-4488	08/28/2006	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	08/28/2006	No	No	No
Milliken Ray Sanders, Fax: 864-503-1618	08/28/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Monsanto Linda Strachan, Fax: 202-789-1867 Michael Parrish, Fax: 202-789-1867	08/28/2006	No	No	No
National Paint & Coatings Assn. Bob Branand, Fax: 202-546-3959	08/28/2006	No	No	No
NFC John Dickson, Fax: 803-548-2683	08/28/2006	No	No	No
Passaic Color John Wojciechowski, Fax: 973-279-3175	08/28/2006	No	No	No
Penta Mfg. Co. George Volpe, Fax: 973-740-1839	08/07/2006	No	No	No
Pfizer Philip Ellsworth, Fax: 212-309-5317	08/28/2006	No	No	No
PMC Inc. Gordon McCullough, Fax: 513-482-7884	08/28/2006	No	No	No
Procter & Gamble Jim McCarthy, Fax: 202-393-4606	08/28/2006	No	No	No
Rohm and Haas Steven Volger, Fax: 215-592-2550	08/28/2006	No	No	No
Roma Color, Inc. Stuart E. Booth, Fax: 508-676-9011 Andrew Blum, Fax: 508-676-9011	08/28/2006	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	08/28/2006	No	No	No
Sun Chemical Paul W. Klein, Fax: 513-681-3419 Ed Faulkner, Fax: 513-632-1531	08/28/2006	No	No	No
United Color Tom Nowakowski, Fax: 215-860-8560	08/28/2006	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the correct capitalization and to provide the correct 8-digit level HTS number.

³ 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.

109TH CONGRESS
2^D SESSION

S. 3304

To suspend temporarily the duty on Dimethyl Malonate.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

A BILL

To suspend temporarily the duty on Dimethyl Malonate.

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. DIMETHYL MALONATE.**

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:

“	9902.29.18		Dimethyl Malonate (CAS No. 108–59–8) (provided for in subheading 2917.19.7050)		Free		No change		No change		On or before 12/31/2009	”.
---	------------	--	--	--	------	--	-----------	--	-----------	--	----------------------------	----

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.

○