

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 26, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3323 (Mr. Robert Menendez of New Jersey).

**Proponent name, location:** International Specialty Products, Wayne, NJ.

**Other bills on product (109<sup>th</sup> Congress only):** S. 2965 (Mr. Rick Santorum of Pennsylvania).

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

**Retroactive effect:** None.

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

Alginic acid, its salts and esters (provided for in subheading 3913.10.00).<sup>3</sup>

**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:**

Alginate products, which include alginic acid, its salts and esters, are derived from various seaweeds that are harvested from coastal areas around the globe. Alginate products are typically sold as white to yellowish-brown, essentially odorless, free-flowing powder. Alginates serve as excellent thickening, emulsifying, and stabilizing agents in various food products, including salad dressings and dairy products, in pharmaceuticals, and as film forming agents. These hydrophilic<sup>4</sup> colloidal products are also used in toothpaste and cosmetics, for textile sizing, and in a variety of other specialty consumer applications. The product is imported principally from the United Kingdom, Japan, Norway, China, Chile,<sup>5</sup> and France, in order of importance. The proponent imports from the United Kingdom and Japan. Import demand grew at an average annual rate of 22 percent per year during 2002-05.

<sup>1</sup> Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

<sup>3</sup> Proponent wishes to include all alginates as subject products to this bill; Propylene glycol alginate (CAS No. 9005-37-2), an alginate ester, represents only one of a multiplicity of alginate products. Staff interview with Ms. Jane Gordon, International Specialty Products, Wayne, NJ, July 10, 2006.

<sup>4</sup> Hydrophilic products have a strong affinity for binding or absorbing water, which results in swelling and formation of reversible gels.

<sup>5</sup> Alginates imported from Chile are duty free.

**Estimated effect on customs revenue:**

<b>HTS subheading: 3913.10.00</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports	\$32,000,000	\$37,000,000	\$42,000,000	\$47,000,000	\$52,000,000
Customs revenue loss	\$1,344,000	\$1,554,000	\$1,764,000	\$1,974,000	\$2,184,000

Source of estimated dutiable import data: Commission and industry estimates.

**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 Specialty Products (Proponent) Jane Gordon, 973-628-3509 William J. Morley, 202-296-6222	07/10/2006	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	07/06/2006	No	No	No
Cargill Health and Food Technology Angela Poorman, 866-456-8872	07/14/2006	No	No	No
Cargill, Inc. Glen Johnston, 952-742-0457	07/06/2006	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	07/07/2006	No	No	No
DuPont Elaine Olsen, 302-992-2263	07/07/2006	No	No	No
FMC Corporation Jerry Prout, 202-956-5209	07/13/2006	Yes	Yes	Yes
LANXESS Corporation Jamie Schaeffer, 412-809-3666	07/06/2006	No	No	No

**Technical comments:<sup>6</sup>**

Based on conversations with the proponent, the Commission recommends that the article description on page 1 of this report be used in the proposed new heading in order to expand the article description to include alginic acid, and its salts and esters.

<sup>6</sup> 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  
2D SESSION

# S. 3323

To suspend temporarily the duty on Propylene Glycol Alginates (PGA) be eliminated.

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IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

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## A BILL

To suspend temporarily the duty on Propylene Glycol Alginates (PGA) be eliminated.

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. PROPYLENE GLYCOL ALGINATES (PGA).**

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:

“ | 9902.39.13 | Propylene Glycol Alginates (provided for  
| in subheading 3913.10.00) ..... | Free | No change | No change | On or before  
| 12/31/2009 | ”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall apply to all imported applicable goods

1 entered, or withdrawn from warehouse for consumption,  
2 on or after the 15th day after the date of the enactment  
3 of this Act.

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