



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Oleo Capsicum (CAS No. 8023-77-6) (provided for in subheading 3301.90.10)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
- Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject product is an oleoresin used as a flavoring and seasoning additive and in batters and breadings. It is imported from India. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3301.90.10				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.8	3.8	3.8	3.8	3.8
Estimated value of <i>dutiable</i> imports (\$)	11,300,000	11,500,000	11,700,000	11,900,000	12,100,000
Customs revenue loss (\$)	429,400	437,000	444,600	452,200	459,800

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

None

VI. Continuation

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	McCormick & Co. (Interested entity) John McCormick	410-771-7110	No	No	No
2	3M Greg Walters	202-414-3008	No	No	No
3	Air Products Richard F. Goodstein	202-639-0840	No	No	No
4	Albaugh Stuart Feldstein	515-964-9444	No	No	No
5	Arkema David Kunz	202-263-3491	No	No	No
6	Ashland Frank Fusiak	973-628-4123	No	No	No
7	BASF Richard J. Salamone	973-895-8316	No	No	No
8	Bayer Steve Johnsen	412-777-5616	No	No	No
9	Celanese Samuel Ramirez	972-443-4689	No	No	No
10	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
11	Clariant Andrew Zamoyski	202-415-9159	No	No	No
12	ColorChem Steven Printz	770-993-5500, x18	No	No	No
13	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
14	DSM Sheetal Bhadekar	973-257-8323	No	No	No
15	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
16	Dow Chemical Co. Lisa Schroeter	202-429-3407	No	No	No
17	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No
18	DuPont Elaine M. Olsen	302-992-2263	No	No	No

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DyStar L.P. Megan Malone	202-344-4621	No	No	No
20	Eastman Brent Perry	202-347-9547	No	No	No
21	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
22	Evonik Russell Mait	804-452-5711	No	No	No
23	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
24	FMC Jerry Prout	202-956-5209	No	No	No
25	Honeywell Art Simonetti	202-662-2671	No	No	No
26	Huntsman Robert F. Hurley	202-289-9800	No	No	No
27	Kalsec George Todd	269-349-9711	Yes	Yes	Yes
28	Kemira Rajesh Sharma	678-819-4577	No	No	No
29	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
30	Lonza Joe Robinson	201-316-9364	No	No	No
31	Milliken Kathi Dutilh	202-775-0084	No	No	No
32	Monsanto James K. Travis	202-383-2864	No	No	No
33	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
34	Nufarm Americas Joel Junker	206-621-7878	No	No	No
35	PPG Industries Bill Ries	412-434-1717	No	No	No
36	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
37	Purolite Gary Thundercliffe	484-384-2708	No	No	No

38	Rezolex Louis Biad	575-527-1730	No	No	No
39	Rhodia Jackie Guscott	609-860-3379	No	No	No
40	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
41	SOCMA Robert E. Branand	202-345-2717	No	No	No
42	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
43	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
44	Solutia Kassie Wooton	314-674-3297	No	No	No
45	Solvay Andrew K. Jones	856-251-3412	No	No	No
46	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
47	Syngenta Mike Blythe	336-632-2824	No	No	No
48	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
49	Valent Robin Demouth	925-256-2758	No	No	No

June 21, 2012

Brian Allen
Office of Industries, Chemicals and Textiles Division
U.S. International Trade Commission
500 E Street SW
Washington, DC 20436

Dear Mr. Allen,

Thank you for contacting Kalsec and allowing us to comment on the proposed 112th Congress, 2d session, House of Representative Bills, H.R. 4956, H.R. 4957, H.R. 4958, H.R. 4959, H.R. 4960, H.R. 4961 and H.R. 4962, to suspend, temporarily, the rate of duty on seven oleoresins. In response to your questions about the impact to the industry on the temporary suspension of the rate of duty on these oleoresins, we are disclosing whether Kalsec extracts these oleoresins in the United States and whether we have any opposition to the passage of these bills.

Oleoresin turmeric (H.R. 4956) and oleoresin ginger (H.R. 4961) and are not extracted by Kalsec in the United States. Kalsec does not object to the temporary suspension of the rate of duty for these oleoresins.

Oleoresin black pepper (H.R. 4957), oleoresin white pepper (H.R. 4958), oleoresin cassia (H.R. 4959) and oleoresin celery (H.R. 4962) are extracted by Kalsec in the United States using spices imported from other countries. Kalsec opposes the temporary suspension of the rate of duty for these oleoresins.

Oleoresin capsicum (H.R. 4960) is extracted by Kalsec in the United States, using hot chili peppers grown in the United States. We are particularly concerned about this product. We have made a significant investment in growing and producing in the US because we have been unable to find reliable sources that meet regulatory requirements for residual pesticides and adulterants. Any additional relief to our competition abroad will discourage production of compliant material. Kalsec opposes the temporary suspension of the rate of duty for these oleoresins.

Please contact us if you require any additional information. Thank you again for the opportunity to comment on these proposed bills.

Regards,



George Todd
CEO and Chairman

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112TH CONGRESS
2D SESSION

H. R. 4960

To suspend temporarily the rate of duty on Oleo Capsicum.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mr. RUPPERSBERGER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the rate of duty on Oleo Capsicum.

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. OLEO CAPSICUM.**

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	Oleo Capsicum (CAS No. 8023-77-6) (provided for in subheading 3301.90.10)	Free	No change	No change	On or before 12/31/2015	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to articles entered, or withdrawn

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

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