

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 108th Congress ¹**

[Date approved: August 6, 2004]²

Bill No. and sponsor: H.R. 4267 (Mr. Holt)

Proponent name, location: Nutrinova, Somerset, NJ
Robert R. Carpenter (202) 443-8685

Other bills on product (108th Congress only): S. 2246 (Mr. Lautenberg)

Nature of bill: Temporary duty reduction to 1.5% until 12/31/2006.

Retroactive effect: None.

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

Sorbic acid (CAS No. 110-44-1) (provided for in subheading 2916.19.20)

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

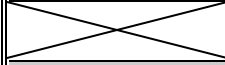
The subject chemical is used mainly as a preservative in food and beverage products and is used as an intermediate chemical.

The chemical is imported mainly from China, Germany, Japan, Korea, and Denmark.

¹ Industry analyst preparing report: Rob Randall (202-205-3366); Tariff Affairs contact: Dave Beck (202-205-2603).

² Access to an electronic copy of this memorandum is available at <http://www.usitc.gov/billrpts.htm> Access to a paper copy is available at the Commission's Law Library (202-205-3287) or at the Commission's Main Library (202-205-2630).

Estimated effect on customs revenue:

HTS subheading: <u>2916.19.10</u>					
	2004	2005	2006	2007	2008
Col. 1-General rate of duty (AVE) <u>1/</u>	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Customs revenue loss <u>2/</u>	\$540,000	\$540,000	\$540,000	\$0	\$0

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

2/ Customs revenue loss based on proposed duty reduction to 1.5% through 2006.

Source of estimated dutiable import data: "Commission estimates."

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Nutrinova Nutrition Specialties & Food Ingredients (Proponent) Robert R. Carpenter (202) 443-8685	May 19, 2004	No	No	No
Aceto Corporation Marketing Mgr., FAX (516) 627-6093	June 1, 2004	No	No	No
Alfa Aesar Marketing Mgr. FAX (978) 521-6366	June 1, 2004	No	No	No
American International Chemical, Inc. Marketing Mgr., FAX (508) 655-0927	June 1, 2004	No	No	No
American Tartaric Products, Inc. Marketing Mgr., FAX (914) 834-4611	June 1, 2004	No	No	No
Ashland Distributing Company Fine Ingredients Division Marketing Mgr., FAX (614) 790-4427	June 1, 2004	No	No	No

Charkit Chemical Corp. Marketing Mgr., FAX (203) 655-8643	June 1, 2004	No	No	No
Eastman Chemical Co. Marketing Mgr., FAX (423) 229-1673	June 10, 2004	No	No	No
F B C Industries, Inc. Bob Bloom, (847) 839-0880	June 14, 2004	No	No	No
Hawkins, Inc. Marketing Mgr., FAX (612) 331-5304	June 1, 2004	No	No	No
International Sourcing Inc. Marketing Mgr., FAX (201) 560-1156	June 1, 2004	No	No	No
JLM Marketing, Inc. Marketing Mgr., FAX (813) 632-3301	June 1, 2004	No	No	No
Jodawnco Inc. Marketing Mgr., FAX (760) 741-7491	June 1, 2004	No	No	No
Jungbunzlauer Inc. Marketing Mgr., FAX (617) 964-2921	June 1, 2004	No	No	No
Los Angeles Chemical Co. Marketing Mgr., FAX (323) 773-0909	June 1, 2004	No	No	No
Mays Chemical Company Marketing Mgr., FAX (317) 558-2069	June 1, 2004	No	No	No
Parchem Trading Ltd. Marketing Mgr., FAX (914) 997-1025	June 1, 2004	No	No	No
Penta Manufacturing Co. Marketing Mgr., FAX (973) 740-1839	June 1, 2004	No	No	No
Rit-Chem Co. Inc. Marketing Mgr., FAX (914) 769-1408	June 1, 2004	No	No	No
Ruger Chemical Co. Inc. Marketing Mgr., FAX (814) 238-1567	June 1, 2004	No	No	No
Spectrum Chemical Mfg. Corp. Marketing Mgr., FAX (877) 901-4582	June 1, 2004	No	No	No
V.L. Clark Chemical Co. Marketing Mgr., FAX (636) 583-5218	June 1, 2004	No	No	No
Vopak USA Inc. Marketing Mgr., FAX (425) 889-4100	June 1, 2004	No	No	No

Wego Chemical & Mineral Corp. Bert Eshaghpour (516) 487-3510	June 1, 2004	No	No	No
Westco Chemicals Inc. Marketing Mgr., FAX (818) 255-3650	June 1, 2004	No	No	No

Technical comments:³ None.

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.

108TH CONGRESS
2D SESSION

H. R. 4267

To reduce until December 31, 2006, the duty on sorbic acid.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2004

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

A BILL

To reduce until December 31, 2006, the duty on sorbic acid.

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. TEMPORARY REDUCTION OF DUTY ON SORBIC**
4 **ACID.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.34.11	Sorbic acid (CAS No. 110-44-1) (provided for in sub-heading 2916.19.20)	1.5%	No change	No change	On or before 12/31/2006	”.
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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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