

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 29, 2005]²

Bill No. and sponsor: H.R. 2764 (Mr. Wm. Lacy Clay of Missouri).

Proponent name, location: Sensient Technologies, St. Louis, MO.

Other bills on product (109th Congress only): H.R. 2450.

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

Retroactive effect: None.

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

2-Methyl-5-nitrobenzenesulfonic acid (CAS 121-03-9) (provided for in subheading 2904.90.20).

Check one: No change to HTS heading 9902.02.36 is suggested.
 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 a synthetic organic chemical used as an intermediate to make dyes for paper, leather, plastics, and other materials. The product is imported from China.

Estimated effect on customs revenue:

HTS subheading: <u>2904.90.20</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty					
Col. 1-General rate of duty	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000
Customs revenue loss 1/	\$29,700	\$29,700	\$29,700	\$29,700	\$29,700

1/ The estimated Customs revenue loss for 2005 and 2006 results from a duty suspension under HTS heading 9902.02.36 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

¹ Industry analyst preparing report: Philip Stone (202-205-3424); 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	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Sensient Technologies (Proponent) Jim DeLisi, 908-332-8440	09/14/2005	No	No	No
BASF Functional Polymers Bus. Group Joseph C. Breunig, Fax: 704-587-7903	09/20/2005	No	No	No
Bayer Corporation Karen Niedermeyer, Fax: 412-777-4740	09/20/2005	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	09/20/2005	No	No	No
Color Resources International Inc. Wayne Jones, Fax: 864-862-6824	09/20/2005	No	No	No
CPMA Larry Robinson, Fax: 703-684-1795	09/20/2005	No	No	No
Day-Glo Richard Thornton, Fax: 216-391-1408	09/20/2005	No	No	No
DyStar L.P. Van Hawkins, Fax: 704-561-3005	09/20/2005	No	No	No
ETAD North America Tucker Helms, Fax: 202-296-8120	09/20/2005	No	No	No
Everlight USA, Inc. Scott Chen, Fax: 704-588-0051	09/20/2005	No	No	No
LANXESS Corporation Jamie B. Schaeffer, Fax: 412-809-3614	09/27/2005	No	No	No
Milliken Ray Sanders, Fax: 864-503-1618	09/20/2005	No	No	No
Nation Ford Chemical Co. John Dickson, Fax: 803-548-2683	09/20/2005	No	No	No
Noveon Tom Dirmyer, Fax: 216-447-5720	09/20/2005	No	No	No

Passaic Color John Wojciechowski, Fax: 973-279-3175	09/20/2005	No	No	No
Rohm & Haas Steven Volger, Fax: 215-592-2550	09/20/2005	No	No	No
United Color Tom Nowakowski, Fax: 215-860-8560	09/20/2005	No	No	No

Technical comments:³

The Commission notes that two different HTS headings, 9902.02.36 and 9902.29.23, provide a duty suspension for the subject chemical, and there are bills pending to extend each duty suspension. This bill would extend the duty suspension provided in HTS 9902.02.36, while H.R. 2450 would extend the duty suspension provided in HTS heading 9902.29.23. Only one HTS heading needs to be extended, and the other heading should be deleted from the HTS. The Commission notes that the estimated Customs revenue loss in this report includes the estimate of imports from the proponent of this bill and the estimate from the proponent of H.R. 2450.

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
1ST SESSION

H. R. 2764

To extend the temporary suspension of duty on 2 methyl 5
nitrobenzenesulfonic acid.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2005

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

A BILL

To extend the temporary suspension of duty on 2 methyl
5 nitrobenzenesulfonic 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. 2 METHYL 5 NITROBENZENESULFONIC ACID.**

4 (a) IN GENERAL.—Heading 9902.02.36 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 2 methyl 5 nitrobenzenesulfonic acid) is amended by strik-
7 ing “12/31/2006” and inserting “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 enactment of this Act.

○