

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: S. 2246 (Mr. Lautenberg)

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

Other bills on product (108th Congress only): H.R. 4267 (Mr. Holt)

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 as an intermediate.

The chemical is mainly imported 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

Staff recommends that the term “Sorbic Acid” in the proposed article description be amended to read “Sorbic acid”.

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.

July 19, 2004

Renee Johnson
U.S. International Trade Commission
Office of Industries, Agriculture Division
500 E Street SW, Room 514
Washington, D.C. 20436

Subject: S 2446/HR 4398

Dear Renee:

I am writing to express our organization's opinion on the proposed legislation referenced above. If the tariff calculation is changed so that the rate is applied on the drained weight of the imported cherries that will effectively reduce the tariff charges by as much as 50%. In turn, the cost to import cherries will go down and could reduce the market price offered for cherries grown in the United States.

Oregon growers would be negatively affected by the change. Some varieties of cherries are grown specifically for the brine market. Sweet cherries that do not make grade to sell in the fresh market due to size or quality issues can also be sold for brine. This allows a grower to recoup some of the costs of growing and harvesting a crop instead of showing a loss.

As Chairman of the Oregon Sweet Cherry Commission and on behalf of Oregon Sweet Cherry producers, I request that the change in the tariff calculation be dropped from this legislation. Thank you.

Sincerely yours,

Bryce Molesworth, Chair
Oregon Sweet Cherry Commission
2667 Reed Rd.
Hood River, OR 97031
541-386-5761
nickerson9@earthlink.net

108TH CONGRESS
2D SESSION

S. 2246

To reduce temporarily the duty on certain sorbic acid.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2004

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

A BILL

To reduce temporarily the duty on certain 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. SORBIC ACID.**

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:

“	9902.28.11	Sorbic Acid (Cas No. 110-44-1) (provided for in subheading 2916.19.20)	1.5%	No change	No change	On or before 12/31/2006	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies with respect to goods entered, or

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

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