

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: October 7, 2008]²

Bill No. and sponsor: HR 5012 (Ms. Ellen Tauscher of California).

Proponent name,³ location: Purcell International, Walnut Creek, CA.

Other bills on product (110th Congress only): None.

Nature of bill: Extension of temporary duty reduction through December 31, 2011.

Retroactive effect: None

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

Artichokes, prepared or preserved by vinegar or acetic acid (provided for in subheading 2001.90.25)

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:

The artichokes covered by HTS subheading 2001.90.25 are prepared or preserved through the use of vinegar or acetic acid, whether or not they also contain salt, mustard, spices, or any sweetening matter; they may contain oil or other additives. According to the Explanatory Notes to the Harmonized System for this subheading, as issued by the World Customs Organization, the products may be imported in bulk form (such as in casks or drums) or in jars, bottles, tins, or other airtight containers (cans) ready for retail sale. Artichokes are grown in the United States, principally in California, but processed or canned artichokes are no longer processed in the United States. Canned artichokes and artichoke hearts prepared or preserved by vinegar or acetic acid are used as a side dish, in other prepared foods such as pasta and pizza toppings, and in salad bars. Most of the canned artichoke imports are reported to be in institutional-size containers used principally in the institutional and food-service trade. Canned artichokes are imported from a number of countries, primarily Spain, Italy, China, Peru,⁴ and Chile.⁵ Of total dutiable imports in 2007 of approximately \$16.8 million, these countries accounted for about \$13.1 million, \$2.2 million, \$515,000, \$430,000, and \$426,000, respectively.

¹ Industry analyst preparing report: Brendan Lynch (202-205-3313); Tariff Affairs: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Imports from Peru are eligible for duty-free entry under both the Generalized System of Preferences (GSP) and the Andean Trade Preference Act (ATPA), pending the implementation of an approved free trade agreement with the United States.

⁵ Originating goods of Chile are eligible for duty-free entry under the United States-Chile Free Trade Agreement (see HTS general note 26(n)). Under the rule of origin applicable to subheading 2001.90.25, prepared or preserved artichokes must be produced from fresh vegetables produced entirely in Chile or in the United States in order to qualify for benefits of the agreement. Importers must claim the tariff preference and provide appropriate documentation for Customs officials.

Estimated effect on customs revenue:

HTS subheading: 2001.90.25					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	10.2%	10.2%	10.2%	10.2%	10.2%
Estimated value <i>dutiable</i> imports ^{1/}	\$17,220,000	\$17,650,500	\$18,100,800	\$18,550,000	\$19,100,000
Customs revenue loss	\$0	\$405,962	\$416,318	\$426,650	\$439,300

^{1/} There is an existing duty reduction under HTS heading 9902.03.90 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009. The estimated customs revenue loss for 2010- 2013 is based on the continuation of the temporary reduction of the general rate of duty from 10.2 percent ad valorem to 7.9 percent ad valorem, a reduction of 2.3 percentage points. These figures do not take into account the potential implementation of the free trade agreement with Peru, because the extent to which imports from Peru might meet the agreement's rules of origin is unknown. Nor does it reflect variations in the quantity of imports that may be able to claim duty-free entry under the GSP or the Andean Trade Preference Act.

Source of estimated dutiable import data: Commission estimates based on official U.S. Government statistics for 2007.

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)	
Purcell International (Proponent) William Purcell, 925-933-6100	4/28/08	No	No	No
California Artichoke Advisory Board Pat Hopper, 831-633-4411	4/28/08	No	No	No
California League of Food Processors Rob Neenan, 916-640-8150	4/28/08	No	No	No

Technical comments:⁶

None.

⁶ 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.

110TH CONGRESS
2D SESSION

H. R. 5012

To extend the temporary suspension of duty on artichokes, prepared or preserved by vinegar or acetic acid.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2008

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on artichokes, prepared or preserved by vinegar or acetic 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. ARTICHOKES, PREPARED OR PRESERVED BY**

4 **VINEGAR OR ACETIC ACID.**

5 (a) IN GENERAL.—Heading 9902.03.90 of the Har-
6 monized Tariff Schedule of the United States is amended
7 by striking “12/31/2009” and inserting “12/31/2011”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies with respect to goods entered, or

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

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