

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 5013 (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 otherwise than by vinegar or acetic acid, not frozen (provided for in subheading 2005.99.80)

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 2005.99.80 are prepared or preserved through the use of substances other than vinegar, acetic acid, or sugar and are not frozen. According to the Explanatory Notes to the Harmonized System for this subheading, as issued by the World Customs Organization, vegetables of this heading are preserved in water, tomato sauce, or other ingredients and may be imported in any type of container; they may be whole, cut, or crushed and may also be homogenized or imported in mixtures, such as salads. Artichokes are grown in the United States, principally in California, but canned artichokes are no longer produced in the United States. Canned artichokes and artichoke hearts may be used as a side dish, in other prepared foods such as pasta and pizza toppings, and in salad bars and dips. Most canned artichoke imports are reported to be in institutional-size containers used principally in the institutional and food-service trade. Processed artichokes of this subheading are imported from a number of countries, including Spain, Chile,⁴ Italy and China. Of total dutiable imports in 2007 of approximately \$39.3 million, these countries accounted for about \$19.8 million, \$10.6 million, \$6.2 million, and \$2.1 million, respectively.

¹ Industry analyst preparing report: Brendan Lynch (202-205-3313); Tariff Affairs contact: 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 other specific additional beneficiaries.

⁴ 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 2005.99.80, 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: 2005.99.80					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	14.9%	14.9%	14.9%	14.9%	14.9%
Estimated value <i>dutiable</i> imports ^{1/}	\$40,000,000	\$40,800,000	\$41,600,000	\$42,400,000	\$43,250,000
Customs revenue loss ^{2/}	\$0	\$448,800	\$457,600	\$466,400	\$475,750

^{1/} There is an existing duty reduction to 13.8 percent under HTS heading 9902.03.89 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 14.9 percent ad valorem to 13.8 percent ad valorem, a reduction of 1.1 percentage points. These figures take into account the special tariff-rate quota provided to originating goods of Chile and assume that the in-quota quantity would not be filled. The figures do not take into account the potential implementation of the approved free trade agreement with Peru, because the extent to which imports from Peru might meet the agreement's rules of origin is unknown. 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:⁵

None.

⁵ 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. 5013

To extend the temporary suspension of duty on artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen.

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 otherwise than by vinegar or acetic acid, not frozen.

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 OTH-**
4 **ERWISE THAN BY VINEGAR OR ACETIC ACID,**
5 **NOT FROZEN.**

6 (a) IN GENERAL.—Heading 9902.03.89 of the Har-
7 monized Tariff Schedule of the United States is amended
8 by striking “12/31/2009” and inserting “12/31/2011”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 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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