

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 24, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3041 (Mr. Lindsey Graham of South Carolina).

**Proponent name, location:** LANXESS Corp., Pittsburgh, PA.

**Other bills on product (109<sup>th</sup> Congress only):** S. 3831

**Nature of bill:** Temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

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

Benzoyl chloride (CAS No. 98-88-4) (provided for in subheading 2916.32.20).

**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:**

Benzoyl chloride is a synthetic organic chemical intermediate that is used in the synthesis of peroxides, resins, rubber chemicals, and stabilizers and in various other applications in the personal care/pharmaceutical and food industries. The subject product is imported from France and Germany.

**Estimated effect on customs revenue:**

HTS subheading: <u>2916.32.20</u>					
	2006	2007	2008	2009	2010
<del>Col. 1-General rate of duty</del>					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$8,750,000	\$9,500,000	\$11,000,000	\$11,000,000	\$11,000,000
Customs revenue loss	\$568,750	\$617,500	\$715,000	\$715,000	\$715,000

Source of estimated dutiable import data: Industry estimates.

<sup>1</sup> Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](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	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
LANXESS Corp. (Proponent) Jamie Schaeffer, 412-809-3666 Steve Ziehm, 202-872-8181	07/17/2006 07/24/2006	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	07/17/2006	No	No	No
American Chemistry Council Jim O'Connor, Fax: 703-741-6922	07/17/2006	No	No	No
Arkema Inc. Rusty Powell, 215-419-7000	07/17/2006	No	No	No
Bayer Corp. Karen Niedermeyer, 412-777-2058 Julie Van Egmund, Fax: 202-737-8909	07/17/2006	No	No	No
Biddle Sawyer Corp. William Thonack, Fax: 212-239-1089	07/17/2006	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	07/17/2006	No	No	No
Ciba Specialty Chemicals Corp. John Demming, Fax: 302-479-5152	07/17/2006	No	No	No
Clariant Corporation Andrew Zamoyski, 202-415-9159	07/17/2006	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	07/17/2006	No	No	No
Eastman Chemical Jorge San Pedro, Fax: 703-524-7707 Greg Riddle, Fax: 703-524-7707	07/17/2006	No	No	No
Eli Lilly Kathryn Karol, Fax: 202-624-9460	07/17/2006	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	07/17/2006	No	No	No
GlaxoSmithKline Sara Froehlich, Fax: 202-715-1001	07/17/2006	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	07/17/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	07/17/2006	No	No	No
Lonza, Inc. Ray Esposito, Fax: 201-696-3487	07/17/2006	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	07/17/2006	No	No	No
Monsanto Linda Strachan, Fax: 202-789-1867	07/17/2006	No	No	No
Noveon Tom Dirmyer, Fax: 216-447-5720	07/17/2006	No	No	No
Pfizer Philip Ellsworth, Fax: 212-309-5317	07/17/2006	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	07/17/2006	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	07/17/2006	No	No	No
Solutia Sue Cannon, Fax: 314-674-1585 Dan Jenkins, Fax: 314-674-1585	07/17/2006	No	No	No
Uniroyal Chemical Lloyd Moon, Fax: 203-573-4430	07/17/2006	No	No	No
Velsicol Chemical Corp. John Kenny, Fax: 847-298-9018	07/17/2006 07/19/2006 07/27/2006	Yes	Yes	Yes

**Technical comments:**<sup>3</sup>

None.

<sup>3</sup> 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.

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3041

To suspend temporarily the duty on Benzoyl Chloride.

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IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

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

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## A BILL

To suspend temporarily the duty on Benzoyl Chloride.

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. REDUCTION OF DUTY ON BENZOYL CHLORIDE.**

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:

“	9902.29.12	Benzoyl Chloride (CAS No. 98–88–4) (provided for in subheading 2916.32.20)	Free	No change	No change	On or before 12/31/2009	”.
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8        (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply 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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