

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 26, 2006]²

Bill No. and sponsor: S. 3360 (Mr. William H. Frist of Tennessee).

Proponent name, location: Eastman Chemical Company, Kingsport, TN.

Other bills on product (109th Congress only): None.

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

Retroactive effect: None.

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

Salol (phenyl salicylate) (CAS No. 118-55-8) (provided for in subheading 2918.23.10).

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:

Phenyl salicylate is a synthetic organic chemical that is used as a medicinal, a pharmaceutical intermediate and as an ultraviolet absorber/stabilizer in some plastic applications. The subject product is imported primarily from China, Germany, Japan, and Switzerland.

Estimated effect on customs revenue:

HTS subheading: <u>2918.23.10</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Customs revenue loss	\$48,750	\$48,750	\$48,750	\$48,750	\$48,750

Source of estimated dutiable import data: Official U.S. Government statistics.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); 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	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Eastman Chemical Company (Proponent) Jorge San Pedro, 703-524-7653	08/10/2006 08/18/2006	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	08/24/2006	No	No	No
Alfa Aesar Darryl Sanders, 978-521-6342	08/23/2006	No	No	No
BASF Corp. Greg Thies, Fax: 202-558-5101	08/24/2006	No	No	No
Bayer Corp. Karen Niedermeyer, Fax: 412-777-4740	08/24/2006	No	No	No
Biddle Sawyer Corp. William Thonack, Fax: 212-239-1089	08/24/2006	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	08/24/2006	No	No	No
Chemtura Carly Seymour, Fax: 202-463-8497	08/24/2006	No	No	No
Ciba Specialty Chemicals Corp. John Demming, Fax: 302-479-5152	08/24/2006	No	No	No
Clariant Corporation Andrew Zamoyiski, Fax: 202-248-9043	08/24/2006	No	No	No
Dow Lisa Schroeter, Fax: 202-429-3467	08/24/2006	No	No	No
Dupont Helen McMahon, Fax: 302-355-2994	08/24/2006	No	No	No
Eli Lilly Kathryn Karol, Fax: 202-624-9460	08/24/2006	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	08/24/2006	No	No	No
GlaxoSmithKline William Schuyler, Fax: 202-715-1001	08/24/2006	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	08/24/2006	No	No	No
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	08/24/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Lonza, Inc. Ray Esposito, Fax: 201-696-3487	08/24/2006	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	08/24/2006	No	No	No
Monsanto Linda Strachan, Fax: 202-789-1867 Michael Parrish, Fax: 202-789-1867	08/24/2006	No	No	No
Pfizer Philip Ellsworth, Fax: 212-309-5317	08/24/2006	No	No	No
Procter & Gamble Jim McCarthy, Fax: 202-393-4606	08/24/2006	No	No	No
Rhodia Dominick Cangiano, Fax: 609-860-2256	08/24/2006	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	08/24/2006	No	No	No
Solutia Sue Cannon, Fax: 314-674-1585 Dan Jenkins, Fax: 314-674-1585	08/24/2006	No	No	No

Technical comments:³

The Commission recommends using the article description on page 1 of this report to conform more closely to the existing HTS description.

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
2^D SESSION

S. 3360

To suspend temporarily the duty on phenyl salicylate (benzoic acid, 2-hydroxy-, phenyl ester).

IN THE SENATE OF THE UNITED STATES

JUNE 5, 2006

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

A BILL

To suspend temporarily the duty on phenyl salicylate (benzoic acid, 2-hydroxy-, phenyl ester).

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. PHENYL SALICYLATE (BENZOIC ACID, 2-HY-**
4 **DROXY-, PHENYL ESTER).**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.29.11	Phenyl salicylate (benzoic acid, 2-hydroxy-, phenyl ester) CAS No. 118-55-8) (provided for in subheading 2918.23.10)	Free	No change	No change	On or before 12/31/2009	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of enactment of this Act.

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