



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

(2,5-Dioxo-4-imidazolidinyl) urea (Allantoin) (CAS No. 97-59-6) (provided for in subheading 2933.21.00)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
- Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject product is used in the production of skin protectants in the cosmetics and skin care industries. It is imported from China. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	2933.21.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6.5	6.5	6.5	6.5	6.5
Estimated value of <i>dutiable</i> imports (\$)	100,000	110,000	110,000	120,000	120,000
Customs revenue loss (\$)	6,500	7,150	7,150	7,800	7,800

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

None

VI. Continuation

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	3V (Interested entity) Andrew Rogers	843-520-5137	No	No	No
2	3M Greg Walters	202-414-3008	No	No	No
3	Air Products Richard F. Goodstein	202-639-0840	No	No	No
4	Albaugh Stuart Feldstein	515-964-9444	No	No	No
5	Arkema David Kunz	202-263-3491	No	No	No
6	Ashland Frank Fusiak	973-628-4123	Yes	Yes	Yes
7	BASF Richard J. Salamone	973-895-8316	No	No	No
8	Bayer Steve Johnsen	412-777-5616	No	No	No
9	Celanese Samuel Ramirez	972-443-4689	No	No	No
10	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
11	Clariant Andrew Zamoyski	202-415-9159	No	No	No
12	ColorChem Steven Printz	770-993-5500, x18	No	No	No
13	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
14	DSM Sheetal Bhadekar	973-257-8323	No	No	No
15	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
16	Dow Lisa Schroeter	202-429-3407	No	No	No
17	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No
18	DuPont Elaine M. Olsen	302-992-2263	No	No	No

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DyStar L.P. Megan Malone	202-344-4621	No	No	No
20	Eastman Brent Perry	202-347-9547	No	No	No
21	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
22	Evonik Russell Mait	804-452-5711	No	No	No
23	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
24	FMC Jerry Prout	202-956-5209	No	No	No
25	Honeywell Art Simonetti	202-662-2671	No	No	No
26	Huntsman Robert F. Hurley	202-289-9800	No	No	No
27	Kemira Rajesh Sharma	678-819-4577	No	No	No
28	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
29	Lonza Joe Robinson	201-316-9364	No	No	No
30	Milliken Kathi Dutilh	202-775-0084	No	No	No
31	Monsanto James K. Travis	202-383-2864	No	No	No
32	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
33	Nufarm Americas Joel Junker	206-621-7878	No	No	No
34	PPG Industries Bill Ries	412-434-1717	No	No	No
35	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
36	Purolite Gary Thundercliffe	484-384-2708	No	No	No
37	Rhodia Jackie Guscott	609-860-3379	No	No	No

38	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
39	SOCMA Robert E. Branand	202-345-2717	No	No	No
40	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
41	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
42	Solutia Kassie Wooton	314-674-3297	No	No	No
43	Solvay Andrew K. Jones	856-251-3412	No	No	No
44	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
45	Syngenta Mike Blythe	336-632-2824	No	No	No
46	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
47	Valent Robin Demouth	925-256-2758	No	No	No

Brian J. McGrath
Vice President, Product Management

Ashland Specialty Ingredients
8145 Blazer Drive
Wilmington, DE 19808
Tel: 302-594-7622, Fax: 302-594-6225

June 25, 2012

The Honorable Dave Camp
Chairman – U.S. House Ways and Means Committee
1102 Longworth House Office Building
Washington DC 20515

The Honorable Sander Levin
Ranking Member – U.S. House Ways and Means Committee
1102 Longworth House Office Building
Washington DC 20515

RE: H.R.5759

Dear Chairman Camp and Ranking Member Levin:

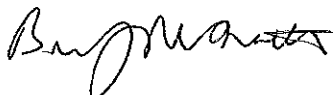
We are sending this letter regarding H.R.. 5759 which seeks to temporarily suspend the import duty on Allantoin (HTUS 9902.01.00)

Ashland Specialty Ingredients ("ASI"), a unit of Ashland Inc. that is head-quartered in Delaware, is a domestic manufacturer of Allantoin at its Chatham, NJ facility.

ASI has revenues of roughly \$25 million a year on sales of the product and derivatives. The suspension of tariffs on this product would negatively affect ASI's revenue and employment of approximately 15 manufacturing workers and 10 corporate support personnel (Sales, Marketing, R&D, Customer Service).

We believe that since the product is presently being manufactured in the United States, suspension of the import duty on Allantoin would harm U.S. industry and workers and, therefore, would not meet the qualifications for duty suspension. We appreciate your attention to this matter of importance to our company and would be happy to provide any further information you may require.

Sincerely,



CC: Elizabeth Nesbitt, International Trade Commission
Raymond Cantrell, International Trade Commission

US International Trade Commission
500 E Street, SW
Washington, DC 20436

112TH CONGRESS
2D SESSION

H. R. 5759

To suspend temporarily the duty on Allantoin.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2012

Mr. SCOTT of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on Allantoin.

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. ALLANTOIN.**

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:

“	9902.01.00	(2,5-Dioxo-4-imidazolidinyl) urea (Allantoin) (CAS No. 97-59-6) (provided for in sub-heading 2933.21.00)	Free	No change	No change	On or before 12/31/2015	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to articles entered, or withdrawn

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

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