

TARIFF CLASSIFICATION OF CERTAIN SUGARS, SIRUPS,  
AND MOLASSES

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DECEMBER 30 (legislative day, DECEMBER 28), 1970.—Ordered to be printed

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Mr. LONG, from the Committee on Finance,  
submitted the following

## REPORT

[To accompany H.R. 7626]

The Committee on Finance, to which was referred the bill (H.R. 7626) to amend the Tariff Schedules of the United States with respect to the tariff classification of certain sugars, sirups, and molasses, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

## PURPOSE

The purpose of H.R. 7626 is to amend item 155.40 (relating to molasses, including dried molasses, for use other than the commercial extraction of sugar or human consumption) of the Tariff Schedules of the United States (TSUS) by broadening the article description to make certain other products derived from sugarcane and sugar beets dutiable at the existing rate (0.102 cent per pound of total sugars) imposed by such item. Further, the bill would establish a procedure for making such duty treatment applicable to such products which were entered after August 30, 1963, and before the date of enactment. Finally H.R. 7626 would provide for the liquidation or reliquidation of certain specified entries of sugar at Philadelphia at the rate of 0.012 cent per pound of total sugars.

## GENERAL STATEMENT

Invert or high-test molasses, the principal product covered by this bill, is produced from the concentrated juice or sap of the sugar beet or sugarcane (in the form of sucrose) by treating it to convert part of the sucrose into invert sugar. By such treatment, crystallization is prevented, and the product may be stored for considerable periods of

time. This product is usually used for other than human consumption or commercial extraction of sugars. Its primary uses are for the distillation of alcohol, as livestock feed, and other industrial uses.

Prior to August 31, 1963 (the effective date of the TSUS), imports of "invert or high-test molasses" were dutiable at the rate of duty applicable under paragraph 502 of the former tariff schedules (section 1 of the Tariff Act of 1930) to molasses imported for use other than the commercial extraction of sugar for human consumption. The assessment of duty at this rate was based on the "similitude" provision in paragraph 1559 of such section 1. The same duty treatment, by similitude, was also accorded to certain other products containing over 6 percent by weight of soluble nonsugar solids which products resulted from a manipulation in bonded warehouse consisting of the admixing of sugars and molasses. The Bureau of Customs practices based on similitude under such paragraph 1559 were not of public record, and these particular similitude practices were not called to the attention of the Tariff Commission when it drafted item 155.40 of the new tariff schedules. As a result, the products which were covered by such practices are presently dutiable under the TSUS at rates considerably higher than the rate of 0.012 cent per pound of total sugars imposed under item 155.40.

In the absence of the change in classification as proposed by H.R. 7626, as amended, imports of these products will remain dutiable at rates considerably higher than they were prior to the new tariff schedules.

#### PROVISIONS OF THE BILL

The first section of the bill as reported by your committee would amend the item description for item 155.40 to include: "sugars, sirups, molasses, and mixtures thereof; all the foregoing derived from sugarcane or sugar beets and containing soluble nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to over 6 percent by weight of the total soluble solids, if imported for use other than (a) the commercial extraction of sugar, or (b) human consumption." The item description as provided in the bill as reported will provide greater clarity and certainty in classification and in particular, will avoid a conflict with the definition of liquid sugar as set forth in the Sugar Act of 1948 (7 U.S.C. 1101(f)).

Section 2 of the reported bill provides that the amendment made by the first section will be effective on or after the date of enactment of the bill. Section 2 further provides that the entries of articles described under 155.40 (as amended by the first section of the bill) which were made after August 30, 1963, and before the date of enactment, may be liquidated or reliquidated as though such entries or withdrawals had been made on the date of enactment. This provision for retroactive liquidation or reliquidation is subject to a request being filed therefor with the customs officer concerned on or before the 120th day after enactment.

Section 3 of the bill, as amended, provides for the liquidation or reliquidation of certain entries of sugar at Philadelphia, Pa., at the rate of duty of 0.012 cent per pound of total sugars, upon the furnishing of appropriate evidence that the sugar was not used for human consumption or for the commercial extraction of sugar.

A misunderstanding between the Bureau of Customs and the importer making the entries of the sugar products referred to in section 3 with regard to warehouse manipulation privileges and the requirements as to end use resulted in a higher duty assessment than that originally indicated by the Bureau of Customs or anticipated by the importer. The Committee on Finance agrees with the Committee on Ways and Means of the House that in this instance, the rate of duty of 0.012 cents per pound of total sugars should be assessed providing the importer furnishes appropriate evidence as to end use.

Favorable reports on H.R. 7626 were received from the Departments of State, Treasury, Agriculture, Labor, and Commerce, and the Office of the Special Representative for Trade Negotiations. An informative report was received from the Tariff Commission.

### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

## TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED

### SCHEDULE I.—ANIMAL AND VEGETABLE PRODUCTS

#### Part 10.—Sugar; Cocoa; Confectionery

Item	Articles	Rates of Duty	
		1	2
155.40	<p><b>[</b>Molasses, including dried molasses, imported for use other than (a) the commercial extraction of sugar, or (b) human consumption<b>]</b> <i>Sugars, sirups, molasses, and mixtures thereof, all the foregoing derived from sugar cane or sugar beets and containing soluble nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to over 6% by weight of the total soluble solids, if imported for use other than (a) the commercial extraction of sugar, or (b) human consumption.</i></p>	0.12¢ per lb. of total sugars.	0.03¢ per lb. of total sugars.

