

116TH CONGRESS 1ST SESSION H. R. 4448

To address loopholes in the Harmonized Tariff Schedule of the United States that allow companies to avoid the duty rate applicable to dehydrated garlic.

IN THE HOUSE OF REPRESENTATIVES

September 20, 2019

Mr. Panetta introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To address loopholes in the Harmonized Tariff Schedule of the United States that allow companies to avoid the duty rate applicable to dehydrated garlic.

- 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. SHORT TITLE.
- 4 This Act may be cited as the "Giving Agriculture Re-
- 5 lief from Loopholes in International Commerce Act" or
- 6 the "GARLIC Act".
- 7 SEC. 2. FINDINGS.
- 8 Congress finds the following:
- 9 (1) The United States domestic dried garlic in-
- dustry currently provides approximately 50,000,000

- pounds of dried garlic for the United States market and has the capacity to increase production.
 - (2) Dried garlic imported from China accounts for approximately 140,000,000 pounds of the total amount sold in the United States market.
 - (3) Dried garlic is classifiable under subheading 0712.90.40 of the Harmonized Tariff Schedule of the United States, with a duty rate of 29.8 percent.
 - (4) Chinese companies have found apparent loopholes in the Harmonized Tariff Schedule and are importing dehydrated garlic at much lower tariff rates, causing direct harm to the United States domestic industry.
 - (5) Imports of Chinese dehydrated garlic under the subheading for dried garlic, 0712.90.40, have decreased approximately 70 percent over the past few years, but there has not been a corresponding change in United States consumption or imports from other locations.
 - (6) Importers of Chinese dried garlic are now engaging in limited further processing of the product and importing it as a "further processed vegetable" classifiable under subheading 2005.99.97, at a duty rate of 11.2 percent.

- 1 (7) Importers of Chinese dried garlic are also
 2 adding minimal amounts of other dehydrated vegeta3 bles, such as onion, to the dehydrated garlic and im4 porting it as "other mixed vegetables" classifiable
 5 under subheading 0712.90.85, at a duty rate of 8.3
 6 percent.
- 7 (8) The dried garlic products imported from 8 China under subheadings 2005.99.97 and 9 0712.90.85 are still marketed and sold in the United 10 States as dried garlic and directly compete against 11 United States-produced dried garlic.

12 SEC. 3. SENSE OF CONGRESS.

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- 13 It is the sense of Congress that—
 - (1) the duty rate on dried garlic was set at 29.8 percent to support United States domestic producers of dried garlic and create a more level playing field when competing against low-cost dried garlic imported from China;
 - (2) the use of these loopholes in the Harmonized Tariff Schedule of the United States is directly harming United States domestic dried garlic producers, their employees, and the farmers that grow garlic in support of this domestic industry; and
 - (3) the use of these loopholes in the Harmonized Tariff Schedule of the United States has

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1	resulted in a loss of approximately \$40,000,000 in
2	revenue to the United States over the past 2 years
3	alone.
4	SEC. 4. ADDITION OF U.S. NOTES AND NEW SUBHEADINGS
5	RELATED TO DEHYDRATED GARLIC.
6	(a) Addition of U.S. Note.—The Additional U.S.
7	Notes to chapter 7 of the Harmonized Tariff Schedule of
8	the United States are amended by inserting in numerical
9	sequence the following:
10	"6. In the assessment of duty on dried garlic,
11	the presence of other vegetables mixed with the
12	dried garlic shall not remove the product from sub-
13	heading 0712.90.40 unless the percentage of garlic,
14	by weight, is less than 50 percent.
15	"7. In the assessment of duty on dried garlic,
16	the application of additional heat to dried garlic does
17	not constitute further processing such that the dried
18	garlic would be excluded from subheading
19	0712.90.40 unless the resulting dried garlic has an
20	extractable color (optical index) of $1000 + /-500$ as
21	set forth under Section IV.C.5 of the American De-

hydrated Onion and Garlic Association (ADOGA)

standards for roasted or toasted garlic.".

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1 SEC. 5. EFFECTIVE DATE.

- 2 This Act and the amendments made by this Act
- 3 shall—
- 4 (1) take effect on the 30th day after the date
- 5 of the enactment of this Act; and
- 6 (2) apply to articles entered, or withdrawn from
- 7 warehouse for consumption, on or after such 30th

8 day.

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