

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-
10 dustry currently provides approximately 50,000,000

1 pounds of dried garlic for the United States market
2 and has the capacity to increase production.

3 (2) Dried garlic imported from China accounts
4 for approximately 140,000,000 pounds of the total
5 amount sold in the United States market.

6 (3) Dried garlic is classifiable under subheading
7 0712.90.40 of the Harmonized Tariff Schedule of
8 the United States, with a duty rate of 29.8 percent.

9 (4) Chinese companies have found apparent
10 loopholes in the Harmonized Tariff Schedule and are
11 importing dehydrated garlic at much lower tariff
12 rates, causing direct harm to the United States do-
13 mestic industry.

14 (5) Imports of Chinese dehydrated garlic under
15 the subheading for dried garlic, 0712.90.40, have
16 decreased approximately 70 percent over the past
17 few years, but there has not been a corresponding
18 change in United States consumption or imports
19 from other locations.

20 (6) Importers of Chinese dried garlic are now
21 engaging in limited further processing of the product
22 and importing it as a “further processed vegetable”
23 classifiable under subheading 2005.99.97, at a duty
24 rate of 11.2 percent.

1 (7) Importers of Chinese dried garlic are also
2 adding minimal amounts of other dehydrated vegeta-
3 bles, such as onion, to the dehydrated garlic and im-
4 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.**

13 It is the sense of Congress that—

14 (1) the duty rate on dried garlic was set at 29.8
15 percent to support United States domestic producers
16 of dried garlic and create a more level playing field
17 when competing against low-cost dried garlic im-
18 ported from China;

19 (2) the use of these loopholes in the Har-
20 monized Tariff Schedule of the United States is di-
21 rectly harming United States domestic dried garlic
22 producers, their employees, and the farmers that
23 grow garlic in support of this domestic industry; and

24 (3) the use of these loopholes in the Har-
25 monized Tariff Schedule of the United States has

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-
22 hydrated Onion and Garlic Association (ADOGA)
23 standards for roasted or toasted garlic.”.

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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