

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 26, 2005]²

Bill No. and sponsor: H.R. 53 (Mrs. Capito)

Proponent name, location: Kincaid, Inc.
P.O. Box 549
Nitro, WV 25143

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

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Chloroneb (1,4-dichloro-2,5-dimethoxybenzene) (CAS No. 2675-77-6) (provided for in subheading 2909.30.30).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

This synthetic organic chemical, 1,4-dichloro-2,5-dimethoxybenzene (Chloroneb), is a white crystalline product used as a fungicide. It is used at planting time to control seedling diseases of beans, cotton, and soybeans, as well as snow mold, Pythium blight, and brown patch on turfgrass. Currently, there is no U.S. production of Chloroneb. Kincaid, Inc., was the last domestic producer of this fungicide and now imports it from two sources in Japan.

There are competing fungicides in the domestic market that are registered for certain diseases on the same crops and grasses as Chloroneb. These products are manufactured by multinational firms usually in another country and then shipped here to be formulated for the domestic consumer.

¹ Industry analyst preparing report: Ed Cappuccilli (202-205-3368); 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.

Estimated effect on customs revenue:

HTS subheading: 2909.30.30					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Customs revenue loss	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Kincaid, Inc. (Proponent) R. Kincaid Telephone: 304-343-3050	06/06/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092	06/03/2005	No	No	No
Aventis Jean Reimers Fax: 202-628-6622	06/03/2005	No	No	No
BASF Corp. Greg Theis 202-682-9459	06/03/2005	No	No	No
Bayer CropScience William Hensley Fax: 202-628-6622	06/10/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202-463-0474	06/03/2005	No	No	No

Dow AgroScience Margaret Rogers Fax: 202-429-3467	06/03/2005	No	No	No
E.I. duPont Elaine Olsen Fax: 302-774-1398	06/03/2005	No	No	No
FMC Sidney McDaniel Fax:215-299-6954	06/03/2005	No	No	No
FMC Corp. Jerry Trout Fax: 202-956-5235	06/03/2005	No	No	No
Griffin Corp. James Whatley Fax: 800-248-5154	06/03/2005	No	No	No
Griffin Corp. Stephen Glennon Fax: 800-248-5154	06/03/2005	No	No	No
Syngenta Mike Blythe Fax: 336-632-6084	06/03/2005	No	No	No
Valent USA Robin Demouth Fax:925-256-2776	06/03/2005	No	No	No

Technical comments:³

The Commission recommends that the suggested article description provided on page 1 of this report be used in the proposed new heading, as it provides for the correct chemical name as well as the correct HTS subheading .⁴

The Commission also suggests that the phrase “No change” be inserted in lieu of “Free” in the special subcolumn of the proposed new heading.

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.

⁴ Telephone conversation with Mr. Brian Kincaid, Kincaid, Inc., on June 10, 2005.

109TH CONGRESS
1ST SESSION

H. R. 53

To suspend temporarily the duty on chloroneb.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Mrs. CAPITO introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on chloroneb.

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. CHLORONEB.**

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:

“	9902.05.33	Chloroneb (CAS No. 2675-77-6) (provided for in sub-heading 2931.00.30)	Free	Free	No change	On or before 12/31/2008	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies with respect to goods entered, or

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

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