

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R. 1882 (Mr. Cleaver).

Proponent name, location: Bayer CropScience
St. Louis, MO 63111

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

Nature of bill: Temporary duty suspension through December 31, 2008.³

Retroactive effect: None.

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

1-(4-Chlorophenyl)-4,4-dimethyl-3-pentanone (CAS No. 66346-01-8) (provided for in subheading 2914.70.40)

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:

1-(4-Chlorophenyl)-4,4-dimethyl-3-pentanone is a synthetic organic chemical used in the production of specific agricultural fungicides for the control of diseases on peanuts and grasses. There is no known domestic production of this chemical, which is imported from Germany.

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3352).

² Access to an electronic copy of this memorandum is available at <http://www.usitc.gov/billrpts.htm>

³ A temporary duty reduction to a rate of 3.5 percent ad valorem is in effect until December 31, 2006.

Estimated effect on customs revenue:

HTS subheading: <u>2914.70.40</u>					
 	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	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000
Customs revenue loss <u>2/</u>	\$67,500 <u>3/</u>	\$67,500 <u>3/</u>	\$206,250	\$206,250	\$206,250

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.

2/ The customs revenue loss for 2005-2006 reflects the difference between the current temporary reduced duty rate of 3.5 percent and the duty-free rate if this legislation is enacted.

3/ Revenue losses for 2005 and 2006.

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?
AtoFina Cerexagri Charles Kitchin-fax: 703-527-2092	7/12/2005	No	No	No
Aventis Jean Reimers- fax: 202-628-6622	7/12/2005	No	No	No
BASF Corp. Greg Theis- fax: 202-558-5101	7/12/2005	No	No	No
Bayer CropScience Williams Hensley-fax: 202-628-6622	7/6/2005	No	No	No
Crop Life America Lawrence Norton- fax: 202-463-0474	7/12/2005	No	No	No
Dow Agro Science Margaret Rogers- fax: 202-429-3467	7/12/2005	No	No	No
E.I. DuPont Nancy Johnson- fax: 202-728-3649	7/12/2005	No	No	No

E.I. DuPont Elaine Olson- fax: 302-992-2263	7/12/2005	No	No	No
FMC Corp. Jerry Prout- fax: 202-956-5235	7/12/2005	No	No	No
Griffin Corp. James Whatley- fax: 800-248-5154	7/12/2005	No	No	No
Monsanto Corp. Michael Parrish- fax: 202-789-1867	7/12/2005	No	No	No
Monsanto Corp. Linda Strachan- fax: 202-789-1867	7/12/2005	No	No	No
Syngenta Mike Blythe- fax: 336-632-6084	7/12/2005	No	No	No
Valent USA Robin Demouth- fax: 925-256-2776	7/12/2005	No	No	No

Technical comments:⁴

There is an existing duty reduction from 5.5% to 3.5% for this chemical under heading 9902.02.53 through December 31, 2006.. The Commission suggests that this bill be rewritten to amend heading 9902.02.53 to strike the effective date and insert "12/31/2008" in lieu thereof, and to strike the General rate and insert "Free" in lieu thereof.

⁴ 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.

109TH CONGRESS
1ST SESSION

H. R. 1882

To suspend temporarily the duty on Alkylketone.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

A BILL

To suspend temporarily the duty on Alkylketone.

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. ALKYLKETONE.**

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:

“	9902.05.76	1-(4-chlorophenyl)-4, 4-di- methyl-3-pentanone (CAS No. 66346-01-8) (provided for in subheading 2914.70.40)	Free	No change	No change	On or before 12/31/2008	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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

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