

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. 1895 (Mr. Cleaver).

Proponent name, location: Bayer Crop Science
1275 Pennsylvania Ave., NW
Suite 801
Washington, DC, 20004

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

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

Retroactive effect: None.

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

Heading 9902.01.51 is amended by striking "12/31/2006" and inserting "12/31/2008".

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

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

The chemical, iprodione, imported from France, is the active ingredient in a fungicide. The fungicide stops fungi at several phases of development including spore germination, mycelia growth, and spore production.

¹ Industry analyst preparing report: Jack Greenblatt (202-205-3353); 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: 2933.21.00					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$8,705,250	\$8,705,250	\$8,705,250	\$8,705,250	\$8,705,250
Customs revenue loss <u>2/</u>	\$208,926	\$208,926	\$208,926	\$208,926	\$208,926

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 presented is based on a reduction of duty from 6.5 % to 4.1%, as provided in HTS subheading 9902.01.51 which would be extended by the legislation. However, based on information provided by the proponent, the intention of the bill was to seek a further reduction to a duty rate of 0.8%. The annual Customs revenue loss at a duty rate of 0.8% for the period of the bill would be \$496,199. Please see Technical Comments for additional comments on this matter.

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?
Bayer Crop Science (proponent) Mike Gill Tel: 202-508-8843	7/14/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax: 703- 527- 2092	7/14/2005	No	No	No
Aventis Jean Rimers Fax: 202- 628- 6622	7/14/2005	No	No	No
BASF Corp Greg Theis Fax: 202- 682- 9459	7/14/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202- 463 0474	7/14/2005	No	No	No
Dow Agro Science Margaret Rogers Fax: 202-429-3467	7/14/2005	No	No	No

E.I. duPont Elaine Olsen Fax: 302- 892- 7343	7/14/2005	No	No	No
FMC Corp Jerry Prout. Fax: 202- 956- 5235	7/14/2005	No	No	No
Syngenta. Mike Blythe Fax: 336- 632- 6084	7/14/2005	No	No	No
Valent USA. Robin Demouth Fax: 925- 256- 2776	7/14/2005	No	No	No

Technical comments:³

The bill as drafted would extend the current reduce duty of 4.1% ad valorem through December 31, 2008. However, the fact sheet provided by the proponent states that the bill would temporarily reduce the general column 1 rate of duty to 0.8%.⁴ If that is the intent of the bill’s sponsor, the Commission suggests that language be included that amends heading 9902.01.51 by striking the General rate and inserting “0.8%” in lieu thereof. Based on information provided by the proponent, the annual Customs revenue loss at a duty rate of 0.8% for the period of the bill would be \$496,199.

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 Mike Gill, Bayer Crop Science, *Fact Sheet, Duty Suspension Information for HRs 1892, 1894, 1895 and 1899*, Jul. 11, 2005.

109TH CONGRESS
1ST SESSION

H. R. 1895

To extend the temporary suspension of duty on Iprodione.

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 extend the temporary suspension of duty on Iprodione.

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. IPRODIONE.**

4 (a) IN GENERAL.—Heading 9902.01.51 of the Har-
5 monized Tariff Schedule of the United States is amended
6 by striking “12/31/2006” and inserting “12/31/2008”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies to goods entered, or withdrawn from
9 warehouse for consumption, on or after the 15th day after
10 the date of enactment of this Act.