

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress ¹**

[Date approved: October 5, 2005]²

Bill No. and sponsor: H.R. 1916 (Mr. Kenny C. Hulshof of Missouri)

Proponent name, location: BASF Corporation, Florham Park, NJ 07932.

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

Nature of bill: Temporary duty suspension through 12/31/2008.

Retroactive effect: None.

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

5-Amino-1-[2,6-dichloro-4-(trifluoromethyl)phenyl]-4-[(1R,S)-(trifluoromethyl)-sulfinyl]-1*H*-pyrazole-3-carbonitrile (Fipronil) (CAS No. 120068-37-3) (provided for in subheading 2933.19.23)

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:

Fipronil is a synthetic organic chemical used as an insecticide on corn and commercial turf. It is also used to control fleas and ticks on animals. BASF imports Fipronil from France.

¹ Industry analyst preparing report: Philip Stone (202-205-3424); 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: 2933.19.23					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$7,692,000	\$7,692,000	\$7,692,000	\$7,692,000	\$7,692,000
Customs revenue loss <u>1/</u>	\$499,980	\$499,980	\$499,980	\$499,980	\$499,980

1/ A portion of the estimated revenue loss for 2005 and 2006 results from a current reduction of duty from 6.5 percent ad valorem to 5.6 percent ad valorem under HTS heading 9902.29.98, a reduction of 0.9 percentage points that expires on December 31, 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?
		(Yes/No)		
BASF Corporation (proponent) Tom Coleman, 202-682-9462 Greg Theis, Fax: 202-558-5101	08/18/2005	No	No	No
Valent USA Robin Demouth, Fax: 925-256-2776	08/18/2005	No	No	No
Syngenta Mike Blythe, Fax: 336-632-6084	08/18/2005	No	No	No
Monsanto Corporation Michael Parrish, Fax: 202-789-1867	08/18/2005	No	No	No
FMC Corporation Jerry Prout, Fax: 202-956-5235	08/18/2005	No	No	No
DuPont Helen McMahon, Fax: 302-774-1398	08/18/2005	No	No	No
Crop Life America Lawrence Norton, Fax: 202-463-0474	08/18/2005	No	No	No

Bayer Williams Hensley, Fax: 202-628-6622	08/18/2005	No	No	No
AtoFina Cerex Charles Kitchin, Fax: 703-527-2092	08/18/2005	No	No	No
Dow Agro Science Margaret Rogers, Fax: 202- 429-3467	08/18/2005	No	No	No

Technical comments:³

There is already an existing temporary reduction of duty on this product under HTS heading 9902.29.98. The Commission suggests that the new duty suspension be enacted using this heading number. This could be accomplished by deleting heading 9902.29.98, and by using that heading number for the new duty suspension in this bill.⁴ The new duty suspension should use the article description on page 1 of this report, which correctly italicizes the chemical name and provides the common name, Fipronil, in parentheses after the chemical name, as well as the correct HTS number.

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 Specifically, line 1 on page 2 of the bill could be amended to read "...amended by striking heading 9902.29.98 and inserting in lieu thereof the following. . .". In addition, the heading number used in the bill, 9902.05.61, should be deleted and replaced with 9902.29.98.

109TH CONGRESS
1ST SESSION

H. R. 1916

To suspend temporarily the duty on 5-Amino-1-[2,6-dichloro-4-(trifluoromethyl)phenyl]-4-[(1R,S)-(trifluoromethyl)sulfinyl]-1H-pyrazole-3-carbonitrile.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

A BILL

To suspend temporarily the duty on 5-Amino-1-[2,6-dichloro-4-(trifluoromethyl)phenyl]-4-[(1R,S)-(trifluoromethyl)sulfinyl]-1H-pyrazole-3-carbonitrile.

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. 5-AMINO-1-[2,6-DICHLORO-4-**
4 **(TRIFLUOROMETHYL)PHENYL]-4-[(1R,S)-**
5 **(TRIFLUOROMETHYL)-SULFINYL]-1H-PYR-**
6 **AZOLE-3-CARBONITRILE.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“ 9902.05.61	5-Amino-1-[2,6-dichloro-4-(trifluoromethyl)phenyl]-4-[(1R,S)-(trifluoromethyl)sulfinyl]-1H-pyrazole-3-carbonitrile (CAS No. 120068-37-3) (provided for in subheading 2933.19.37) ..	Free	No change	No change	On or before 12/31/2008	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of enactment of this Act.

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