

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: November 8, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2502 (Mr. Jim McCrery of Louisiana).

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

**Other bills on product (109<sup>th</sup> 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)):**

(2-Chloroethyl)phosphonic acid (Ethepon) (CAS No. 16672-87-0) (provided for in subheading 2931.00.90).

**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 subject chemical is a synthetic organic chemical used as a plant-growth regulator on crops such as cotton and tobacco. The proponent imports the product from China.

**Estimated effect on customs revenue:**

HTS subheading: <u>2931.00.90</u>					
	2005	2006	2007	2008	2009
<del>Col. 1-General rate of duty</del>					
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000
Customs revenue loss	\$240,500	\$240,500	\$240,500	\$240,500	\$240,500

Source of estimated dutiable import data: Industry estimates.

<sup>1</sup> Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**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?
BASF Corporation (Proponent) Tom Coleman, 202-289-3900	9/13/2005	No	No	No
Bayer CropScience Jean Reimers, 202-756-3779	9/13/2005 9/22/2005	No	No	No
E. I. du Pont de Nemours and Company Elaine Olsen, 302-992-2263	9/13/2005	No	No	No
FMC Corp. Jerry Prout, 202-956-5219	9/13/2005	No	No	No
Monsanto Corp. Linda Strachan, 202-383-2849	9/13/2005	No	No	No
Syngenta Crop Protection Mike Blythe, 336-632-6000	9/13/2005	No	No	No
Valent BioSciences Corp. Robin Demouth, 925-256-2758	9/13/2005	No	No	No

**Technical comments:<sup>3</sup>**

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading as it reflects the proper chemical name.

<sup>3</sup> 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.

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2502

To suspend temporarily the duty on Phosphonic acid (2-chloroethyl)  
(Ethephon).

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IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2005

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

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## A BILL

To suspend temporarily the duty on Phosphonic acid (2-  
chloroethyl) (Ethephon).

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. PHOSPHONIC ACID (2-CHLOROETHYL)**  
4        **(ETHEPHON).**

5        (a) IN GENERAL.—Subchapter II of chapter 99 of  
6        the Harmonized Tariff Schedule of the United States is  
7        amended by inserting in numerical sequence the following  
8        new heading:

“	9902.08.12	Phosphonic acid (2- chloroethyl) (Ethephon) (CAS No. 16672-87-0) (provided in subheading 2931.00.90) .....	Free	No change	No change	On or before 12/31/2008	”.
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1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of the enactment of this Act.

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