

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 29, 2005]²

Bill No. and sponsor: H.R. 2603 (Mr. Lee Terry of Nebraska).

Proponent name, location: Syngenta Crop Protection, Inc., Greensboro NC.

Other bills on product (109th Congress only): H.R. 2254, H.R. 2256.

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

Retroactive effect: None.

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

α-Cyano(3-phenoxyphenyl)methyl 3-(2,2-dichloroethenyl)-2,2-dimethylcyclopropanecarboxylate
(cypermethrin) (CAS No. 52315-07-8) (provided for in subheading 2926.90.30)

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 product is a synthetic organic termiticide. Cypermethrin is used in and around buildings against a wide range of crawling, flying and wood destroying pests. The product is imported from India.

¹ Industry analyst preparing report: Stephen Wanser (202-205-3363); 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: 2926.90.30					
	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	\$2,326,648	\$7,550,397	\$7,852,413	\$8,166,509	\$2,734,794
Customs revenue loss 1/	\$151,232	\$490,776	\$499,413	\$499,790	\$167,369

1/ The estimated Customs revenue loss for 2005 and 2006 is based on a suspension of the 6.5 percent ad valorem duty. The estimated Customs revenue loss for 2007 is based on a reduction of duty from 6.5 percent ad valorem to 0.14 percent ad valorem, a reduction of 6.36 percentage points. The estimated Customs revenue loss for 2008 and 2009 is based on a reduction of duty from 6.5 percent ad valorem to 0.38 percent ad valorem, a reduction of 6.12 percentage points.

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?
Syngenta Crop Protection, Inc. (Proponent) Mike Blythe, Fax: 336-632-6084	09/20/2005	No	No	No
BASF Corp. Greg Thies, Fax: 202-558-5101	09/12/2005	No	No	No
Bayer CropScience Mike Gill, 202-508-8843	09/12/2005	No	No	No
Atofina Cerex Charles Kitchin, Fax: 703-527-2092	09/12/2005	No	No	No
Crop Life America Lawrence Norton, Fax: 202-463-0474	09/12/2005	No	No	No
Dow Chemical/Dow Agro Science Lisa Schroeter, Fax: 202-429-3467	09/12/2005	No	No	No
DuPont Nancy Johnson, Fax: 202-728-3649	09/12/2005	No	No	No

FMC Corp. Jerry Prout, Fax: 202-956-5235	09/12/2005	No	No	No
LANXESS Corp. James Schaeffer, Fax: 412-809-3614	09/12/2005	No	No	No
Monsanto Corp. Michael Parrish, Fax: 202-789-1867	09/12/2005	No	No	No
Valent USA Robin Demouth, Fax: 925-256-2776	09/12/2005	No	No	No

Technical comments:³

The Commission notes that H.R. 2603, H.R. 2254 and H.R. 2256 are nearly identical, in that duty suspensions are proposed for Cypermethrin in H.R. 2254 and H.R. 2603, and for zeta-Cypermethrin in H.R. 2256. The differences between the two products are of a stereochemical nature and not something easily administrable by U.S. Customs. In fact, the two products have the same CAS Number and are classified in the same HTS subheading. As H.R. 2254 relates to Cypermethrin with no special stereochemical configuration, this duty suspension would also cover zeta-Cypermethrin. Therefore, the Commission suggests that, if the duty suspension in H.R. 2254 or H.R. 2603 is enacted, then the duty suspension in H.R. 2256 would not be needed.

The Commission suggests that the proposed article description on page 1 of this report be used in the proposed new heading in order to correct spacing and arrangement in the chemical name.

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.

109TH CONGRESS
1ST SESSION

H. R. 2603

To reduce temporarily the duty on Cypermethrin Technical.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2005

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

A BILL

To reduce temporarily the duty on Cypermethrin Technical.

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. CYPERMETHRIN TECHNICAL.**

4 (a) CALENDAR YEAR 2006.—

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

“	9902.90.15	A-cyano-(3-phenoxyphenyl)methyl-cis, trans-3-(2,2-dichloroethenyl)-2,2-dimethylcyclopropanecarboxylate (Cypermethrin Technical) (CAS No. 52315-07-8) (provided for in sub-heading 2926.90.30)	Free	No change	No change	On or before 12/31/2006	”.
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1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) applies to goods entered, or with-
3 drawn from warehouse for consumption, on or after
4 the 15th day after the date of enactment of this Act.

5 (b) CALENDAR YEAR 2007.—

6 (1) IN GENERAL.—Heading 9902.90.15 of the
7 Harmonized Tariff Schedule of the United States, as
8 added by subsection (a), is amended—

9 (A) by striking “Free” and inserting
10 “0.14%”; and

11 (B) by striking “On or before 12/31/2006”
12 and inserting “On or before 12/31/2007”.

13 (2) EFFECTIVE DATE.—The amendments made
14 by paragraph (1) shall take effect on January 1,
15 2007.

16 (c) CALENDAR YEAR 2008.—

17 (1) IN GENERAL.—Heading 9902.90.15 of the
18 Harmonized Tariff Schedule of the United States, as
19 added by subsection (a) and amended by this sec-
20 tion, is further amended—

21 (A) by striking “0.14%” and inserting
22 “0.38%”; and

23 (B) by striking “On or before 12/31/2007”
24 and inserting “On or before 12/31/2008”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by paragraph (1) shall take effect on January 1,
3 2008.

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