

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: March 14, 2006]²

Bill No. and sponsor: H.R. 2676 (Mr. Rush D. Holt of New Jersey)

Proponent name, location: Johnson & Johnson, New Brunswick, NJ.

Other bills on product (109th Congress only): H.R. 2913

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

Retroactive effect: None.

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

3-[(2-Chloro-5-thiazolyl)methyl]tetrahydro-5-methyl-N-nitro-4H-1,3,5-oxadiazin-4-imine
(Thiamethoxam) (CAS No. 153719-23-4) (provided for in subheading 2934.10.90)³

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

Mixtures of (±)-(cis and trans)-1-(2-(2,4-dichlorophenyl)-4-propyl-1,3-dioxalan-2-yl)methyl-
1H-1,2,4-triazole (Propiconazole) (CAS No. 60207-90-1) and 3-iodo-2-propynyl butylcarbamate (CAS
No. 55406-53-6), and application adjuvants (provided for in subheading 3808.20.15)

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

Mixtures of 4,6-dimethyl-N-phenyl-2-pyrimidinamine (Pyrimethanil) (CAS No. 53112-28-0),
(±)-1-[2-(2,4-dichlorophenyl)-2-(2-propenyloxy)ethyl]-1-H-imidazole sulfate (Imazilil sulfate) (CAS No.
73790-28-0) and application adjuvants (Philabuster 400SC) (provided for in subheading 3808.20.15)

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

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

³ This chemical is eligible for a temporary duty reduction from 6.5 percent ad valorem to 3.2 percent ad valorem under HTS heading 9902.03.11, which expires on December 31, 2006. Another bill, H.R. 2913, would suspend the duty on this chemical until December 31, 2008.

(±)-3-[2-[4-(6-Fluoro-1,2-benzisoxazol-3-yl)-1-piperidinyl]ethyl]-6,7,8,9-tetrahydro-9-hydroxy-2-methyl-4H-pyrido[1,2-a]pyrimidin-4-one (CAS No. 144598-75-4) (provided for in subheading 2934.99.39)

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

3-Benzo[b]thien-2-yl-5, 6-dihydro-1,4,2-oxathiazine 4-oxide (Bethoxazin) (CAS No. 163269-30-5) (provided for in subheading 2934.99.12)

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

4-Bromo-2-(4-chlorophenyl)-1-(ethoxymethyl)-5-(trifluoromethyl)-1H-pyrrole-3-carbonitrile (Chlorfenapyr) (CAS No. 122453-73-0) (provided for in subheading 2933.99.17)

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

2-(p-Chlorophenyl)-3-cyano-4-bromo-5-trifluoromethylpyrrole (Econe 028) (CAS No. 122454-29-9) (provided for in subheading 2933.99.97)

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

Mixtures of 4,6-dimethyl-N-phenyl-2-pyrimidinamine (Pyrimethanil) (CAS No. 53112-28-0) and application adjuvants (provided for in subheading 3808.20.15)

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:

Thiamethoxam is a synthetic organic chemical that is used for the treatment of wood and wood products to prevent attack by termites in indoor and weather-protected environments. The proponent imports this product from United Kingdom.

Mixtures of (±)-(cis and trans)-1-(2-(2,4-dichlorophenyl)-4-propyl-1,3-dioxalan-2-yl)methyl)-1H-1,2,4-triazole (Propiconazole) and 3-iodo-2-propynyl butylcarbamate are synthetic organic chemicals that are used to manufacture preservative products for metal-working fluids, leather, wood, paints, coatings, caulks, sealants, adhesives, textiles, fabrics, and canvas. The proponent imports this product from Switzerland.

Mixtures of 4,6-dimethyl-N-phenyl-2-pyrimidinamine (Pyrimethanil), (±)-1-[2-(2,4-dichlorophenyl)-2-(2-propenyloxy)ethyl]-1-H-imidazole sulfate (Imazilil sulfate) and application adjuvants (Philabuster 400SC) are synthetic organic chemicals that are used to treat citrus fruit after harvesting to prevent decay during storage and transit. The proponent imports this product from Germany.

(±)-3-[2-[4-(6-Fluoro-1,2-benzisoxazol-3-yl)-1-piperidinyl]ethyl]-6,7,8,9-tetrahydro-9-hydroxy-2-methyl-4H-pyrido[1,2-a]pyrimidin-4-one is a synthetic organic chemical that is being developed for the treatment of schizophrenia. It is imported from Ireland.

3-Benzo[b]thien-2-yl-5, 6-dihydro-1,4,2-oxathiazine 4-oxide (Bethoxazin) is a synthetic organic chemical anticipated to be used commercially as an additive to paints, coatings, plastics, textiles, fabrics, fibers, and building materials to prevent attack by mold and algae. The proponent imports this product from China.

4-Bromo-2-(4-chlorophenyl)-1-(ethoxymethyl)-5-(trifluoromethyl)-1H-pyrrole-3-carbonitrile (Chlorfenapyr) is a synthetic organic chemical that is used as an active ingredient in the commercial product BOMBORA, which is used to protect wood and wood products from termites and other wood-attacking insects. This product is produced in the United States by the proponent, and shipped to Belgium for chemical quality control, warehousing, and compounding. The proponent then reimports the product from Belgium.

2-(p-Chlorophenyl)-3-cyano-4-bromo-5-trifluoromethylpyrrole (Econea 028) is a synthetic organic chemical that is used in marine and freshwater coatings that prevent the fouling of boat hulls. Econea is manufactured domestically and exported to Belgium for chemical quality control, warehousing, and compounding before the product is reimported from Belgium.

Mixtures of 4,6-dimethyl-N-phenyl-2-pyrimidinamine (Pyrimethanil) and application adjuvants are synthetic organic chemicals that are used for the treatment of citrus fruits, apples, and pears to protect them from fungal decay and spoilage in storage. The proponent imports this product from Germany.

Estimated effect on customs revenue:

All subheadings included in this bill					
	2005	2006	2007	2008	2009
Estimated value <i>dutiable</i> imports	\$7,815,000	\$12,320,000	\$17,425,000	\$25,630,000	\$28,535,000
Customs revenue loss	\$507,975	\$664,300	\$729,625	\$729,950	\$1,009,775

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 2933.99.17					
	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	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Customs revenue loss	\$3,250	\$3,250	\$3,250	\$3,250	\$3,250

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 2933.99.97					
	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	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
Customs revenue loss ^{1/}	\$0	\$0	\$65,000	\$65,000	\$65,000

^{1/} The product in question is not dutiable (until registered with the EPA) under a provision for reimportation of U.S. products.

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 2934.10.90					
	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	\$7,600,000	\$9,900,000	\$9,900,000	\$9,900,000	\$14,200,000
Customs revenue loss ^{1/}	\$494,000	\$643,500	\$643,500	\$643,500	\$923,000

^{1/} A portion of the estimated Customs revenue loss for 2005 and 2006 results from a temporary duty reduction under HTS heading 9902.03.11, which expires on December 31, 2006.

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 2934.99.12					
	2005	2006	2007	2008	2009

HTS subheading: 2934.99.12					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$0	\$100,000	\$100,000	\$100,000	\$100,000
Customs revenue loss <u>1/</u>	\$0	\$6,500	\$6,500	\$6,500	\$6,500

1/ The product in question is not dutiable (until registered with the EPA) as it enters under a “Temporary Importation Bond” (TIB).

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 2934.99.39					
 	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 ^{1/}	\$0	\$2,100,000	\$6,200,000	\$14,400,000	\$15,000,000
Customs revenue loss <u>2/</u>	\$0	\$0	\$0	\$0	\$0

1/ The product is entering in 2005 duty-free under a sample or prototype provision.

2/ This chemical would remain duty-free during 2006-2009, even though the importer would begin importing in larger quantities, as once the chemical is registered with the EPA, it would be eligible to enter under a “Temporary Importation Bond” (TIB).

Source of estimated dutiable import data: Industry and Commission estimates.

HTS subheading: 3808.20.15					
 	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	\$165,000	\$170,000	\$175,000	\$180,000	\$185,000
Customs revenue loss	\$10,725	\$11,050	\$11,375	\$11,700	\$12,025

Source of estimated dutiable import data: Industry and Commission 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)		
Johnson & Johnson (Proponent) Robert Leo email: robert.leo@mscustoms.com	9/12/2005	No	No	No
Abbott Laboratories Claude Burky Fax: 202-783-6631 Elaine Leavenworth Fax: 202-783-6631	9/27/2005	No	No	No
American Chemistry Council Jim O'Connor Fax: 703-741-6922	9/27/2005	No	No	No
Atofina Cerex Charles Kitchin Fax: 703-527-2092	9/27/2005	No	No	No
BASF Corporation Greg Thies Fax: 202-558-5105	9/27/2005	No	No	No
Bayer Julie Van Egmund Fax: 202-737-8909 Karen Niedermeyer Fax: 412-777-4740 Williams Hensley Fax: 202-628-6622	9/27/2005	No	No	No
Biddle Sawyer William Thonack Fax: 212-239-1089	9/27/2005	No	No	No
Bristol-Myers Squibb Co. David Warr Fax: 202-738-2308	9/27/2005	No	No	No
Ciba Specialty Chemicals John Deming Fax: 302-479-5152	9/27/2005	No	No	No
Clariant Corporation Andrew Zamoyski Fax: 401-823-2700	9/27/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202-463-0474	9/27/2005	No	No	No
Dow Chemical/Dow Agro Science Lisa Schroeter Fax: 202-429-3467	9/27/2005	No	No	No
DuPont Helen McMahon Fax: 302-774-1398	9/27/2005	No	No	No

Eastman Chemical Greg Riddle Fax: 703-524-7707 Jorge San Pedro Fax: 703-524-7707	9/27/2005	No	No	No
Endo Labs Camille Ali Jackson Fax: 610-558-9685	9/27/2005	No	No	No
FMC Corporation Jerry Prout Fax: 202-956-5235	9/27/2005	No	No	No
Gilead Sciences Cheryl Myriad Fax: 650-522-5853	9/27/2005	No	No	No
Glaxo Wellcome Sara Froelich Fax: 202-715-1001	9/27/2005	No	No	No
Honeywell International Art Simonetti Fax: 202-662-2675	9/27/2005	No	No	No
Interferon Sciences Samuel Ronel Fax: 732-249-6895	9/27/2005	No	No	No
LANXESS Corporation Jamie B. Schaeffer Fax: 412-809-3614	9/27/2005	No	No	No
Merck & Co. Thomas Bombelles Fax: 202-638-3670	9/27/2005	No	No	No
Monsanto Corporation Linda Strachan Fax: 202-789-1867 Michael Parrish Fax: 202-789-1867	9/27/2005	No	No	No
Niche Pharmaceuticals Steve Brandon Fax: 817-491-3533	9/27/2005	No	No	No
Novartis Tracy Haller Fax: 202-628-4763	9/27/2005	No	No	No
Noveon Tom Dirmyer Fax: 216-447-5720	9/27/2005	No	No	No
Pfizer Philip Ellsworth Fax: 202-347-2044 Katherine Bennett Fax: 202-347-2044	9/27/2005	No	No	No
Procter & Gamble Jim McCarthy Fax: 202-393-4606	9/27/2005	No	No	No
Rhodia Inc. Dominick Cangiana Fax: 609-860-1841	9/27/2005	No	No	No

Schering-Plough Rob Lively Fax: 202-463-8809	9/27/2005	No	No	No
Solutia Sue Cannon Fax: 314-674-1585 Dan Jenkins Fax: 314-674-1585	9/27/2005	No	No	No
Syngenta Mike Blythe Fax: 336-632-6084	9/27/2005	No	No	No
Uniroyal Lloyd Moon Fax: 203-573-4430	9/27/2005	No	No	No
Valent USA Robin Demouth Fax: 925-256-2776	9/27/2005	No	No	No
Watson Pharmaceuticals Sarah Swee Fax: 951-270-1429	9/27/2005	No	No	No

Technical comments:⁴

The Commission suggests that the chemical names in the article description of the first and third headings be modified as provided on page 1 of this report. In addition, the Commission suggests corrected classifications for the chemicals in the second and fourth headings.

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. 2676

To suspend temporarily the duty on certain chemicals and chemical mixtures.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2005

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

A BILL

To suspend temporarily the duty on certain chemicals and chemical mixtures.

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. CERTAIN CHEMICALS AND CHEMICAL MIX-**
4 **TURES.**

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:

9902.09.61	Thiamethoxam (3-[(2-chloro-5-thiazyl)methyl]-5-methyl- <i>N</i> -nitro-1,3,5-oxadiazin-4-imine) (CAS No. 153719-23-4) (provided for in subheading 2934.10.90)	Free	No change	No change	On or before 12/31/2008
9902.09.62	Mixtures of (\pm)-(<i>cis</i> and <i>trans</i>)-1- (2-(2,4-Dichlorophenyl)-4-propyl-1,3-dioxalan-2-yl)methyl)-1 <i>H</i> -1,2,4-triazole (Propiconazole) (CAS No. 60207-90-1), 3-iodo-2-propynyl butylcarbamate (CAS No. 55406-53-6), and application adjuvants (provided for in subheading 6403.99.60)	Free	No change	No change	On or before 12/31/2008
9902.09.63	Mixtures of 4,6-dimethyl- <i>N</i> -phenyl-2-pyrimidinamine (Pyrimethanil) (CAS No. 53112-28-0), (\pm)-1-[2-(2,4-dichlorophenyl)-2-(2-propenyloxy)ethyl]-1- <i>H</i> -imidazole (CAS No. 73790-28-0) and application adjuvants (Philabuster 400SC) (the foregoing provided for in subheading 3808.20.15)	Free	No change	No change	On or before 12/31/2008
9902.09.64	(\pm)-3-[2-[4-(6-Fluoro-1,2-benzisoxazol-3-yl)-1-piperidinyl]ethyl]-6,7,8,9-tetrahydro-9-hydroxy-2-methyl-4 <i>H</i> -pyrido[1,2- <i>a</i>]pyrimidin-4-one (CAS No. 144598-75-4) (provided for under subheading 2934.99.30)	Free	No change	No change	On or before 12/31/2008
9902.09.65	3-Benzo[<i>b</i>]thien-2-yl-5, 6-dihydro-1,4,2-oxathiazine 4-oxide (Bethoxazin) (CAS No. 163269-30-5) (provided for in subheading 2934.99.12)	Free	No change	No change	On or before 12/31/2008
9902.09.66	4-Bromo-2-(4-chlorophenyl)-1-(ethoxymethyl)-5-(trifluoromethyl)-1 <i>H</i> -pyrrole-3-carbonitrile (Chlorfenapyr) (CAS No. 122453-73-0) (provided for in subheading 2933.99.17) ..	Free	No change	No change	On or before 12/31/2008
9902.09.67	2-(<i>p</i> -Chlorophenyl)-3-cyano-4-bromo-5-trifluoromethylpyrrole (Econea 028) (CAS No. 122454-29-9) (provided for in subheading 2933.99.97) ..	Free	No change	No change	On or before 12/31/2008
9902.09.68	Mixtures of 4,6-dimethyl- <i>N</i> -phenyl-2-pyrimidinamine (Pyrimethanil) (CAS No. 53112-28-0) and application adjuvants (provided for in subheading 3808.20.15) ..	Free	No change	No change	On or before 12/31/2008

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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