

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: April 2, 2010]²

Bill No. and sponsor: S. 1863 (Ms. Mary L. Landrieu of Louisiana).

Proponent name,³ location: Chemtura Corporation, Middlebury, CT.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None.

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

Ethyl 3-trichloromethyl-1,2,4-thiadiazol-5-yl ether (Etridiazole) (CAS No. 2593-15-9) (provided for in subheading 2934.99.90) and any mixtures (preparations) containing etridiazole as the active ingredient (provided for in subheading 3808.92.50).

Check one: ___ Same as that in bill as introduced.
 X 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 chemical fungicide that is used in proprietary formulations to control pathogens such as pythium and phytophthora. It is used on avocados, strawberries, certain turf grasses and ornamentals, cotton, barley, wheat, beans, soybeans, peanuts, beets, sorghum, safflower, corn, peas and rice. The subject product is imported from Germany.

Estimated total effect on customs revenue for the bill:

	2010	2011	2012	2013	2014
Customs revenue					
loss ^a	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000

a/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2934.99.90:

¹ Industry analyst preparing report: Stephen Wanser (202-205-3363); Tariff Affairs contact: David G. Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor did not identify any additional beneficiaries of this bill.

⁴ Heading 9902.01.59 expired on December 31, 2009.

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports ^a	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
Customs revenue loss ^b	\$45,500	\$45,500	\$45,500	\$45,500	\$45,500

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3808.92.50:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports ^a	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
Customs revenue loss ^b	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Chemtura Corporation (Proponent) Matt Mattingley, 202-841-5601 matt@mattingleygroup.com	11/20/2009	No	No	No
Arkema Inc. (Atofina) Brian Sowa, 202-467-5459 Brian@strategicmi.com	11/20/2009	No	No	No
BASF Corp. Greg Thies, 202-299-7240 gregory.theis@basf.com	11/20/2009	No	No	No
Bayer CropScience, LLP Jean Reimers, 202-756-3779 jean.reimers@bayercropscience.com	11/20/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
CropLife America Doug Nelson, 202-872-3880 dnelson@croplifeamerica.org	11/20/2009	No	No	No
Dow AgroSciences Max Turnipseed, 225-338-0310 mctint@att.net Lisa Schroeter, 202-429-3407 lmschroeter@dow.com	11/20/2009	No	No	No
DuPont Elaine Olsen, 302-992-2263 elaine.m.olsen@usa.dupont.com	11/20/2009	No	No	No
FMC Corp. Jerry Prout, 202-956-5209 jerry.prout@fmc.com Steve Ziehm, 202-872-8181 sziehm@igc.com	11/20/2009	No	No	No
Gowan Company Cindy Baker, 928-819-1554 cbaker@gowanco.com George Rolofson, 336-580-1116 grolofson@triad.rr.com	11/20/2009	No	No	No
Monsanto Corp. Michael Parrish, 202-383-2859 michael.parrish@monsanto.com	11/20/2009	No	No	No
Nufarm Limited Joel R. Junker, 206-621-7878 joel@jrjtradelaw.com emily@jrjtradelaw.com	11/20/2009	No	No	No
Solutia Inc. Kassie Wooton, 314-674-3297 kdwoot@solutia.com Robert Hurley The Accord Group, 202-289-9800 rhurley@theaccordgroup.com	11/20/2009	No	No	No
Syngenta Crop Protection, Inc. Angus Kelly, 202-632-6084 angus.kelly@syngenta.com	11/20/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
United Phosphorous Inc. Diane Fago, 610- 491-2816 diane.fago@uniphos.com	11/20/2009	No	Yes	No
Valent USA Corp. Robin Demouth, 925-256-2758 robin.demouth@valent.com	11/20/2009	No	No	No

Technical comments:⁵

As drafted, S. 1863 would extend the temporary duty suspension that was provided for under HTS heading 9902.01.61. However, terrazole, the product named in the title of S. 1863 and in lines 3 and 6 of S. 1863, is provided for in HTS heading 9902.01.59. Therefore, the effective date of HTS heading 9902.01.59 should be amended to extend the temporary duty suspension for terrazole (also known as etridiazole). The Commission staff notes that S. 1865 would extend the temporary duty suspension that was provided for under HTS heading 9902.01.61.

The Commission staff suggests that the article description of HTS heading 9902.01.59 be amended to use the article description on page 1 of this report because it contains the correct chemical name.

⁵ 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.

111TH CONGRESS
1ST SESSION

S. 1863

To extend the temporary suspension of duty on Terrazole.

IN THE SENATE OF THE UNITED STATES

OCTOBER 26, 2009

Ms. LANDRIEU introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend the temporary suspension of duty on Terrazole.

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. TERRAZOLE.**

4 (a) IN GENERAL.—Heading 9902.01.61 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Terrazole) is amended by striking the date in the effective
7 period column and inserting “12/31/2011”.

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