

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 8, 2010]²

Bill No. and sponsor: S. 2003 (Mr. Saxby Chambliss of Georgia).

Proponent name,³ location: BASF Corporation, Research Triangle Park, NC.

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

Nature of bill: Temporary duty reduction through December 31, 2011.⁴

Retroactive effect: None.

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

Methyl 2-[1-(4-chlorophenyl)pyrazol-3-yloxymethyl]-N-methoxycarbanilate (Pyraclostrobin) (CAS No. 175013-18-0) (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:

The subject product is a synthetic organic fungicide that is imported from Germany. It is used on a variety of agricultural products, including soybeans, fruits, and vegetables. The product is formulated into both solid and liquid formulations and is packaged and distributed within and outside the United States.

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://www.usitc.gov/tariff_affairs/congress_reports/.

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

⁴ Heading 9902.01.21 had provided a temporary duty reduction for the subject product that expired on December 31, 2009.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 2933.19.23:

| | 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 | \$156,276,452 | \$164,469,833 | \$164,469,833 | \$164,469,833 | \$164,469,833 |
| Customs revenue loss ^{b c} | \$468,829 | \$493,409 | \$493,409 | \$493,409 | \$493,409 |

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.

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 6.2 percent ad valorem, a reduction of 0.3 percentage points.

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) | | |
| BASF Corp. (Proponent) Greg Thies, 202-299-7240 gregory.thies@basf.com | 11/20/2009 | No | No | No |
| Arkema Inc. (Atofina) Brian Sowa, 202-467-5459 Brian@strategicmi.com | 11/20/2009 | No | No | No |
| Bayer CropScience, LLP Jean Reimers, 202-756-3779 jean.reimers@bayercropscience.com Michael Gill, 508-8843 Mgill@crowell.com | 11/20/2009 | No | No | No |
| Chemtura Corporation Matt Mattingley, 202-841-5601 matt@mattingleygroup.com | 11/20/2009 | No | No | 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 |

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
| | | (Yes/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 |
| Makhteshim Agan of North America, Inc. Scott Rawlins, 443-762-5377 scottr@manainc.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, 202-289-9800 rhurley@theaccordgroup.com | 11/20/2009 | No | No | No |
| Syngenta Crop Protection, Inc. Angus Kelly, Fax: 336-632-6084 angus.kelly@syngenta.com | 11/20/2009 | No | No | No |
| United Phosphorous Inc. Diane Fago, 610- 491-2816 diane.fago@uniphos.com | 11/20/2009 | No | No | No |
| Valent USA Corp. Robin Demouth, 925-256-2758 robin.demouth@valent.com | 11/20/2009 | No | No | No |

Technical comments:⁵

The Commission staff notes that HTS heading 9902.01.21 had provided a temporary duty reduction for the subject product that expired on December 31, 2009. Instead of enacting a new duty reduction for the subject product, heading 9902.01.21 should be used to renew the duty reduction. Heading 9902.01.21 should be amended by: (1) deleting the article description and inserting the article description on page 1 of this report (which provides the correct chemical name); (2) deleting “6%” and inserting “6.2%”; and (3) modifying the date in the effective period column.

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. 2003

To reduce temporarily the rate of duty on Methyl N-(2-[[1-(4-chlorophenyl)-1H-pyrazol-3-yl]-oxymethyl] phenyl)-N-methoxycarbanose.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

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

A BILL

To reduce temporarily the rate of duty on Methyl N-(2-[[1-(4-chlorophenyl)-1H-pyrazol-3-yl]-oxymethyl] phenyl)-N-methoxycarbanose.

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. METHYL N-(2-[[1-(4-CHLOROPHENYL)-1H-**
4 **PYRAZOL-3-YL]-OXYMETHYL] PHENYL)-N-**
5 **METHOXYCARBANOSE.**

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

| | | | | | | | |
|---|------------|--|------|-----------|-----------|-------------------------|----|
| “ | 9902.01.00 | Methyl N-(2-[[1-(4-chlorophenyl)-1H-pyrazol-3-yl]-oxymethyl] phenyl)-N-methoxy-carbanose (CAS No. 175013-18-0) (provided for in subheading 2933.19.23) ... | 6.2% | No change | No change | On or before 12/31/2011 | ”. |
|---|------------|--|------|-----------|-----------|-------------------------|----|

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 enactment of this Act.

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