MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: August 26, 2005]

Bill No. and sponsor: H.R. 1895 (Mr. Cleaver).

Proponent name, location: Bayer Crop Science
1275 Pennsylvania Ave., NW
Suite 801
Washington, DC, 20004

Other bills on product (109th Congress only): None.


Retroactive effect: None.

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

Heading 9902.01.51 is amended by striking “12/31/2006” and inserting “12/31/2008”.

Check one: X 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 chemical, iprodione, imported from France, is the active ingredient in a fungicide. The fungicide stops fungi at several phases of development including spore germination, mycelia growth, and spore production.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2933.21.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
</tr>
<tr>
<td>Col. 1-General rate of duty (AVE) 1/</td>
</tr>
<tr>
<td>Estimated value <em>dutiable</em> imports</td>
</tr>
<tr>
<td>Customs revenue loss 2/</td>
</tr>
</tbody>
</table>

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

2/ The customs revenue loss presented is based on a reduction of duty from 6.5% to 4.1%, as provided in HTS subheading 9902.01.51 which would be extended by the legislation. However, based on information provided by the proponent, the intention of the bill was to seek a further reduction to a duty rate of 0.8%. The annual Customs revenue loss at a duty rate of 0.8% for the period of the bill would be $496,199. Please see Technical Comments for additional comments on this matter.

Source of estimated dutiable import data: Industry estimates.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>US production of same or competitive product claimed?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
<th>(Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer Crop Science (proponent) Mike Gill Tel: 202-508-8843</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Aventis Jean Rimers Fax: 202-628-6622</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>BASF Corp Greg Theis Fax: 202-682-9459</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Crop Life America Lawrence Norton Fax: 202-463-0474</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Dow Agro Science Margaret Rogers Fax: 202-429-3467</td>
<td>7/14/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
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.

Mike Gill, Bayer Crop Science, Fact Sheet, Duty Suspension Information for HRs 1892, 1894, 1895 and 1899, Jul. 11, 2005.

Technical comments:

The bill as drafted would extend the current reduce duty of 4.1% ad valorem through December 31, 2008. However, the fact sheet provided by the proponent states that the bill would temporarily reduce the general column 1 rate of duty to 0.8%. If that is the intent of the bill’s sponsor, the Commission suggests that language be included that amends heading 9902.01.51 by striking the General rate and inserting “0.8%” in lieu thereof. Based on information provided by the proponent, the annual Customs revenue loss at a duty rate of 0.8% for the period of the bill would be $496,199.

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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.

4 Mike Gill, Bayer Crop Science, Fact Sheet, Duty Suspension Information for HRs 1892, 1894, 1895 and 1899, Jul. 11, 2005.
H. R. 1895

To extend the temporary suspension of duty on Iprodione.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

A BILL

To extend the temporary suspension of duty on Iprodione.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IPRODIONE.

(a) IN GENERAL.—Heading 9902.01.51 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2006” and inserting “12/31/2008”.

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