

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 12, 2005]²

Bill No. and sponsor: H.R. 2033 (Mrs. Ellen O. Tauscher of California)

Proponent name, location: Valent U.S.A. Corp., Walnut Creek, CA

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

Nature of bill: Temporary duty suspension through 12/31/2008.

Retroactive effect: None.

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

2-[7-Fluoro-3,4-dihydro-3-oxo-4-(2-propynyl)-2*H*-1,4-benzoxazin-6-yl]-4,5,6,7-tetrahydro-1*H*-isoindole-1,3(2*H*)-dione (Flumioxazin) (CAS No. 103361-09-7) (provided for in subheading 2934.99.15)

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:

Flumioxazin is a synthetic organic chemical used as the active ingredient in Valent's Valor[®] herbicide. The product is used for weed control on peanuts and soybeans. Valent imports the product from Japan.

¹ Industry analyst preparing report: Philip Stone (202-205- 3424); 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: 2934.99.15					
	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	\$22,882,683	\$29,698,802	\$36,758,353	\$42,600,740	\$42,600,740
Customs revenue loss ^{1/}	\$1,487,374	\$1,930,422	\$2,389,293	\$2,769,048	\$2,769,048

^{1/} Estimated revenue losses for 2005 and 2006 result from a current suspension of duty per heading 9902.05.25, which expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimate.

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)		
Valent USA (proponent) Jed D’Ercole, 202-835-0740 Robin Demouth, Fax: 925-256-2776	8/15/2005	No	No	No
Syngenta Mike Blythe, Fax: 336-632-6084	8/18/2005	No	No	No
Monsanto Corporation Michael Parrish, Fax: 202-789-1867	8/18/2005	No	No	No
FMC Corporation Jerry Prout, Fax: 202-956-5235	8/18/2005	No	No	No
DuPont Helen McMahan, Fax: 202-728-3649	8/18/2005	No	No	No
Crop Life America Lawrence Norton, Fax: 202-463-0474	8/18/2005	No	No	No
BASF Corporation Greg Thies, Fax: 202-558-5101	8/18/2005	No	No	No

Dow Agro Science Lisa Schroeter, Fax: 202-429-3467	8/18/2005	No	No	No
---	-----------	----	----	----

Technical comments:³

The Commission notes that HTS heading 9902.05.25 currently provides a temporary duty suspension for Flumioxazin. The Commission suggests that the new duty suspension be enacted using this heading number. This could be accomplished by deleting heading 9902.05.25, and by using that heading number for the new duty suspension in this bill.⁴ The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the common name be inserted in parentheses as well as to correctly italicize indicated hydrogens in the formal chemical name, and proper spelling of the moiety “propynyl”.

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 Specifically, line 6 of the bill could be amended to read “. . .amended by striking heading 9902.05.25 and inserting in lieu thereof the following. . .”. In addition, the heading number used in the bill, 9902.06.17, should be deleted and replaced with 9902.05.25.

109TH CONGRESS
1ST SESSION

H. R. 2033

To suspend temporarily the duty on Flumioxazin.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mrs. TAUSCHER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on Flumioxazin.

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. FLUMIOXAZIN.**

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

“	9902.06.17	2-[7-fluoro-3,4-dihydro-3-oxo-4-(2-propynyl)-2H-1,4-benzoxazin-6-yl]-4,5,6,7-tetrahydro-1H-isoindole-1,3(2H)-dione (CAS No. 103361-09-7) (provided for in subheading 2934.99.15) ..	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.

○