MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

[Date approved: October 6, 2005]


Proponent name, location: FMC Corporation
Philadelphia, PA 19103

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


Retroactive effect: None.

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

Cyano(3-phenoxyphenyl)methyl 3-(2,2-dichloroethenyl)-2,2-dimethylcyclopropanecarboxylate (Cypermethrin) (CAS No. 52315–07–8) (provided for in subheading 2926.90.30)

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:

Cypermethrin, a synthetic organic chemical, is the active ingredient in an insecticide used on crops such as corn, soybeans, fruit and vegetables. The proponent imports the chemical from China and India. One competing product, lambda cyhalothrin, is produced by Syngenta, a Swiss company.
## Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 2926.90.30</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Estimated value of dutiable imports(^1)</td>
<td>$3,200,000</td>
<td>$3,200,000</td>
<td>$3,200,000</td>
<td>$3,200,000</td>
<td>$3,200,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$208,000</td>
<td>$208,000</td>
<td>$208,000</td>
<td>$208,000</td>
<td>$208,000</td>
</tr>
</tbody>
</table>

\(^1\) The estimated imports include imports of Cypermethrin and zeta-Cypermethrin, which is covered by a proposed duty suspension in H.R. 2256. See technical comments. 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>
</tr>
</thead>
<tbody>
<tr>
<td>FMC Corporation (Proponent) Jerry Prout 202-956-5209</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bayer CropScience Jean Reimers Fax: 202-628-6622</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>BASF Corp. Greg Theis Fax: 202-558-5101</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Crop Life America Lawrence Norton Fax: 202-463-0474</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Dow AgroSciences Margaret Rogers Fax: 202-429-3467</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>E. I. DuPont Elaine Olsen Fax: 302-892-7343</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Griffin Corp. James Whatley or Stephen Glennon Fax: 800-248-5154</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Syngenta Mike Blythe Fax: 336-632-6084</td>
<td>07/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Technical comments:

The Commission notes that HR 2254 and HR 2256 are nearly identical, in that duty suspensions are proposed for Cypermethrin in H.R. 2254 and zeta-Cypermethrin in H.R. 2256. The differences between the two products are of a stereochemical nature and not something easily administrable by U.S. Customs. In fact, the two products have the same CAS No. and are classified in the same HTS subheading. As H.R. 2254 relates to Cypermethrin with no special stereochemical configuration, this duty suspension would also cover zeta-Cypermethrin. Therefore, the Commission suggests that, if the duty suspension in H.R. 2254 is enacted, then the duty suspension in H.R. 2256 would not be needed.

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to correct spacing and arrangement in the chemical name.

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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.
H. R. 2254

To suspend temporarily the duty on Cypermethrin.

IN THE HOUSE OF REPRESENTATIVES
MAY 11, 2005
Ms. CORRINE BROWN of Florida introduced the following bill; which was referred to the Committee on Ways and Means

A BILL
To suspend temporarily the duty on Cypermethrin.

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

SECTION 1. CYPERMETHRIN.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

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  9902.05.70 ( + )-α-Cyano(3-phenoxypyphenyl)methyl ( + )-cis,trans-3-(2,2-
dichloroethyl)-2,2-
dimethylcyclopropanecarboxylate (Cypermethrin) (CAS No. 52315-07-8) (provided for in subheading
2926.90.30) ......................... Free No change No change On or before 12/31/2009 ``
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(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.