

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 21, 2008]²

Bill No. and sponsor: H.R. 4728 (Mr. Michael N. Castle of Delaware).

Proponent name,³ location: Syngenta Crop Protection, Inc., Greensboro, NC.

Other bills on product (110th Congress only): None.

Nature of bill: Extension of temporary duty reduction⁴ through December 31, 2011.

Retroactive effect: None.

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

Thiamethoxam (3-(2-chloro-5-thiazolylmethyl)tetrahydro-5-methyl-N-nitro-1,3,5-oxadiazin-4-imine)
(CAS No.153719-23-4) (provided for in subheading 2934.10.90).

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 second generation neonicotinoid insecticide, belonging to the thianicotinyl subclass of chemistry, and possesses unique chemical properties, which result in excellent control of many sucking and chewing pests. The product is manufactured in India.⁵

¹ Industry analyst preparing report: Jack Greenblatt (202-205-3353); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

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

⁴ HTS heading 9902.03.11 provides a temporary duty suspension to the subject product that expires on December 31, 2008. Effective January 1, 2009, the applied general rate of duty under HTS heading 9902.03.11 will adjust to 1.8 percent ad valorem. See section 1466(b) of the Tax Relief and Health Care Act of 2006 (Public Law 109-432; 120 Stat. 2922).

⁵ Imports of the subject product from India are eligible for duty-free treatment under the Generalized System of Preferences, but the proponent does not know whether imports of the subject product would actually qualify for duty-free treatment under the GSP program.

Estimated effect on customs revenue:

| HTS subheading: 2934.10.90 | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| Estimated value <i>dutiable</i> imports | \$33,011,806 | \$37,257,001 | \$40,349,125 | \$42,826,011 | \$42,826,011 |
| Customs revenue loss 1/ 2/ | \$0 | \$1,751,079 | \$1,896,409 | \$2,012,823 | \$2,012,823 |

1/ There is an existing duty suspension under HTS heading 9902.03.11 that expires on December 31, 2008. Effective January 1, 2009, HTS heading 9902.03.11 will provide a temporary duty reduction to the subject product that will expire on December 31, 2009. See footnote 4. Therefore, there will be no customs revenue loss related to this bill for 2009.

2/ As noted in footnote 4, the applied general rate of duty under heading 9902.03.11 will be 1.8 percent ad valorem in 2009. The estimated customs revenue loss for 2010-2013 is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 1.8 percent ad valorem, a reduction of 4.7 percentage points.

Source of estimated dutiable import data: U.S. industry estimates.

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) | |
| Syngenta Crop Protection, Inc. (Proponent) Angus Kelly, 202-680-9245 | 04/02/2008 | No | No | No |
| Arkema Charles Kitchen, Fax: 215-419-7075 | 04/02/2008 | No | No | No |
| BASF Corp. Greg Thies, Fax: 202-558-5101 | 04/02/2008 | No | No | No |
| Bayer CropScience Karen Niedermeyer, Fax: 412-777-4740 Will Hensley, Fax: 202-737-8909 | 04/02/2008 | No | No | No |
| CropLife America Lawrence Norton, Fax: 202-463-0474 | 04/02/2008 | No | No | No |
| Dow AgroSciences Max Turnipseed, Fax: 225-383-0590 | 04/02/2008 | No | No | No |
| DuPont Helen McMahan, Fax: 302-355-2994 | 03/24/2008 | No | No | No |

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
| | | | | |
| FMC Corp. Jerry Prout, Fax: 202-956-5235 | 04/02/2008 | No | No | No |
| LANXESS Jamie Schaeffer, Fax: 412-809-3614 | 04/02/2008 | No | No | No |
| Monsanto Corp. Michael Parrish, Fax: 202-789-1867 | 04/02/2008 | No | No | No |
| Valent USA Robin Demouth, Fax: 925-256-2776 | 04/02/2008 | No | No | No |

Technical comments:⁶

The Commission staff notes that the article description of heading 9902.03.11 should be amended by deleting the open bracket, “[“, before “(2-chloro”, and by deleting the closed parentheses after “thiazolyl”.

⁶ 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.

110TH CONGRESS
1ST SESSION

H. R. 4728

To extend the temporary suspension of duty on Thiamethoxam Technical.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

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

A BILL

To extend the temporary suspension of duty on
Thiamethoxam Technical.

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. THIAMETHOXAM TECHNICAL.**

4 (a) **IN GENERAL.**—Heading 9902.03.11 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Thiamethoxam Technical) is amended by striking the date
7 in the effective 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

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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