

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 6, 2008]²

Bill No. and sponsor: H.R. 5459 (Mr. Emanuel Cleaver of Missouri).

Proponent name,³ location: Bayer CropScience, Research Triangle Park, NC.

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

Nature of bill: Temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

1-(4-Chlorophenoxy)-3,3-dimethyl-1-(1H-1,2,4-triazol-1-yl)-2-butanone (Triadimefon) (CAS No. 43121-43-3) (provided for in subheading 2933.99.22).

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 chemical that is used as a systemic fungicide to control powdery mildew on cereals, vegetables, and fruits. It is also used to control a wide spectrum of diseases relating to turf grasses and ornamentals. The product is imported as a technical material and then formulated and packaged for sale in the domestic market. The product is imported from Finland, Germany, and India.⁴

¹ Industry analyst preparing report: Larry Johnson (202-205-3351); Tariff Affairs contact: Dave 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 Imports of the subject product from India are eligible for duty-free treatment under the Generalized System of Preferences.

Estimated effect on customs revenue:

| HTS subheading: 2933.99.22 | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 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 | \$11,500,000 | \$11,500,000 | \$11,500,000 | \$11,500,000 | \$11,500,000 |
| Customs revenue loss 1/ 2/ | \$0 | \$690,000 | \$690,000 | \$690,000 | \$690,000 |

1/ There is an existing duty suspension under HTS heading 9902.10.33 that expires on December 31, 2009. Therefore, there will be a customs revenue gain related to this bill in 2009 because the applied rate of duty will increase from free to 0.5 percent ad valorem, an increase of 0.5 percentage points. The customs revenue gain will be \$57,500 (0.5% X \$11,500,000).

2/ 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 0.5 percent ad valorem, a reduction of 6 percentage points.

Source of estimated dutiable import data: Official U.S. Government statistics and 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? |
|--|--------------------------|--|----------------------|-------------------|
| | | | | |
| Bayer CropScience (Proponent) Jean Reimers, 202-756-3779 | 05/16/2008 06/02/2008 | No | No | No |
| Arkema Charles Kitchen, Fax: 215-419-7075 | 05/16/2008 | No | No | No |
| BASF Corp. Greg Thies, 202-904-2332 | 05/16/2008 | No | No | No |
| CropLife America Lawrence Norton, Fax: 202-463-0474 | 05/16/2008 | No | No | No |
| Dow AgroSciences Max Turnipseed, Fax: 225-383-0590 | 05/16/2008 | No | No | No |
| DuPont Elaine Olsen, Fax: 302-355-2994 | 05/16/2008 | No | No | No |
| FMC Corp. Jerry Prout, Fax: 202-956-5235 | 05/16/2008 | No | No | No |
| LANXESS Jamie Schaeffer, Fax: 412-809-3614 | 05/16/2008 | No | No | No |
| Monsanto Corp. Michael Parrish, Fax: 202-789-1867 | 05/16/2008 | No | No | No |
| Syngenta Crop Protection, Inc. Angus Kelly, Fax: 202-347-8758 | 05/16/2008 | No | No | No |
| Valent USA Robin Demouth, Fax: 925-256-2776 | 05/16/2008 | No | No | No |

Technical comments:⁵

The Commission staff notes that the bill refers to HTS heading 9902.02.33, whereas the existing duty suspension for the subject product is provided for in HTS heading 9902.10.33. Accordingly, the Commission staff recommends that in section 1(a) of the bill, line 4, “9902.02.33” be deleted and “9902.10.33” be inserted in lieu thereof. Also, the Commission staff notes that HTS heading 9902.10.33 expires on December 31, 2009. Therefore, the Commission staff recommends that in section 1(a)(2) of the bill, line 9, “12/31/2006” be deleted and “12/31/2009” be inserted in lieu thereof. Finally, as shown on page 1 of this report, the Commission staff recommends that the article description of HTS heading 9902.10.33 be amended such that the common name, “(Triadimefon)”, appears before the CAS number.

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.

110TH CONGRESS
2D SESSION

H. R. 5459

To extend the temporary suspension of duty on Triadimefon.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2008

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 Triadimefon.

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. TRIADIMEFON.**

4 (a) IN GENERAL.—Heading 9902.02.33 of the Har-
5 monized Tariff Schedule of the United States is amend-
6 ed—

7 (1) by striking “Free” and inserting “0.5%”;

8 and

9 (2) by striking “12/31/2006” and inserting
10 “12/31/2011”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) applies with respect to goods entered, or

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

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