

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R. 1844 (Mr. Graves)

Proponent name, location: Bayer CropScience
1275 Pennsylvania Ave., NW Suite 810
Washington, DC 20004

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

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Mixtures of 2,6-Dibromo-4-cyanophenyl octanoate/heptanoate and 2-ethylhexyl (4-chloro-2-methylphenoxy)acetate (CAS Nos.1689-99-2, 56634-95-8, and 29450-45-1) (provided for in subheading 3808.30.15).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

The product, a mixture of certain synthetic organic chemicals, 2,6-dibromo-4-cyanophenyl octanoate/heptanoate and 2-ethylhexyl (4-chloro-2-methyl phenoxy)acetate, is used as a contact and postemergence herbicide to control a number of annual broadleaf weeds in certain crop plantings such as cereals, field corn, forage grasses, and turf . Currently, there is no U.S. production of this product. This product is imported from the United Kingdom as the mixture and then formulated and packaged for sale.

There are other herbicides that compete with this product in certain crop areas such as cereals and turf.

¹ Industry analyst preparing report: Ed Cappuccilli (202-205-3368); Tariff Affairs contact: David Michels (202-205-3440).

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

Estimated effect on customs revenue:

HTS subheading: 3808.30.15					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$13,660,000	\$13,660,000	\$13,660,000	\$13,660,000	\$13,660,000
Customs revenue loss <u>2/</u>	\$887,900	\$887,900	\$887,900	\$887,900	\$887,900

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/ In a telephone conversation with Mr. Gill, representative of Bayer CropScience on July 7, 2005, Mr. Gill indicated that Bayer was seeking a temporary duty reduction to 2.9%. In the event of a temporary duty reduction to 2.9%, the Customs revenue loss would be \$491,760 per year.

Source of estimated dutiable import data: Industry estimates.

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)		
Bayer CropScience (Proponent) William Hensley 202-756-3781	06/09/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092	06/21/2005	No	No	No
BASF Corp. Greg Theis Fax: 202-682-9459	06/21/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202-463-0474	06/21/2005	No	No	No
Dow AgroScience Margaret Rogers Fax: 202-429-3467	06/21/2005	No	No	No
E.I. duPont Elaine Olsen Fax: 302-774-1398	06/21/2005	No	No	No

FMC Sidney McDaniel Fax:215-299-6954	06/21/2005	No	No	No
FMC Corp. Jerry Prout Fax: 202-956-5235	06/21/2005	No	No	No
Griffin Corp. James Whatley Fax: 800-248-5154	06/21/2005	No	No	No
Griffin Corp. Stephen Glennon Fax: 800-248-5154	06/21/2005	No	No	No
Syngenta Mike Blythe Fax: 336-632-6084	06/21/2005	No	No	No
Valent USA Robin Demouth Fax: 925-256-2776	06/21/2005	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in order to reflect that the product is a mixture.

As previously mentioned, a representative for the proponent told the Commission that the firm is seeking a temporary duty reduction to 2.9% from the current duty rate of 6.5%. If the intent is a temporary duty reduction to 2.9% rather than a temporary duty suspension, then the Commission suggests that the word “Free” in the proposed new heading be changed to “2.9%”.

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.

109TH CONGRESS
1ST SESSION

H. R. 1844

To suspend temporarily the duty on Bronate Advanced.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2005

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

A BILL

To suspend temporarily the duty on Bronate Advanced.

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. BRONATE ADVANCED.**

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	2,6-dibromo-4-cyanophenyl octanoate/heptanoate 2- ethylhexyl (4-chloro-2- methylphenoxy)acetate (CAS Nos. 1689-99-2, 56634-95- 8, and 29450-45-1) (pro- vided for in subheading 3808.30.15)	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 enactment of this Act.

○