UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 110th Congress ¹

[Date approved: March 24, 2008]²

Bill No. and sponsor: H.R. 4393 (Mr. Dan Burton of Indiana).

Proponent name, location: Dow AgroSciences, Indianapolis, IN.

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

Nature of bill: Modification and extension of temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

Benzoic acid, 3-methoxy-2-methyl-2-(3,5-dimethylbenzoyl)-2-(1,1-dimethylethyl)hydrazide (Methoxyfenozide) (CAS No. 161050–58–4) (provided for in subheading 2928.00.25).

Check one:

Same as that in bill as introduced.

Z 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 an active ingredient in the production of a narrow spectrum insecticide. The product attacks selected lepidopterous insects, those whose larvae are caterpillars (e.g., moths). The product is imported from Italy.

¹ Industry analyst preparing report: Stephen Wanser (202-205-3363); Tariff Affairs contact: David G. 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.

Estimated effect on customs revenue:

| HTS subheading: <u>2928.00.25</u> | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--|--|--|--|--|--|
| \searrow | 2009 | 2010 | 2011 | 2012 | 2013 | | | | | | |
| Col. 1-General rate of duty (AVE) | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | | | | | | |
| Estimated value <i>dutiable</i> imports | \$22,500,000 | \$22,500,000 | \$22,500,000 | \$22,500,000 | \$22,500,000 | | | | | | |
| Customs revenue loss 1/2/ | \$0 | \$495,000 | \$495,000 | \$495,000 | \$495,000 | | | | | | |

^{1/} The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 4.3 percent ad valorem, a reduction of 2.2 percentage points.

Source of estimated dutiable import data: 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) | | |
| Dow AgroSciences (Proponent) Max Turnipseed, Fax: 225-338-0310 Lisa Schroeter, Fax: 202-429-3467 | 01/18/2008 | No | No | No |
| Arkema Inc. (Atofina) Charles Kitchen, Fax: 216-419-7075 | 01/18/2008 | No | No | No |
| Bayer CropScience William Hensley, 202-756-3781 Jean Reimer, 202-756-3779 | 01/18/2008 | No | No | No |
| BASF Corp. Greg Thies, Fax: 703-255-7142 | 01/18/2008 | No | No | No |
| Chemtura Corporation Matt Mattingley, Fax: 202-463-8498 | 01/18/2008 | No | No | No |
| CropLife America Isi Siddiqui, Fax: 202-463-0474 | 01/18/2008 | No | No | No |
| DuPont Helen McMahon, Fax: 302-355-2994 Elaine Olson, Fax: 302-774-1398 | 01/18/2008 | No | No | No |
| FMC Corp Jerry Prout, Fax: 202-956-5235 Steve Ziehm, 202-872-8181 | 01/18/2008 | No | No | No |

 $[\]underline{2}$ / The estimated customs revenue loss for 2009 is based on the fact that this bill does not take effect until January 1, 2010.

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? | |
|--|-------------------|---|----------------------|-------------------|--|
| | | | (Yes/No) | | |
| Monsanto Corp. Michael Parris, Fax: 202-789-1867 | 01/18/2008 | No | No | No | |
| Nufarm Limited Joel R. Junker, Fax: 206-621-8220 | 01/18/2008 | No | No | No | |
| Syngenta Crop Protection, Inc. Angus Kelly, Fax: 336-632-6084 | 01/18/2008 | No | No | No | |
| Valent USA Robin Demouth, Fax: 925-256-2776 | 01/18/2008 | No | No | No | |

Technical comments:⁴

The Commission staff suggests that the article description of heading 9902.32.93 be modified to insert the common name "Methoxyfenozide" in parentheses after the chemical name, as reflected on page 1 of this report.

⁴ 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. 4393

To extend and modify the temporary suspension of duty on Methoxyfenozide.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

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

A BILL

To extend and modify the temporary suspension of duty on Methoxyfenozide.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. METHOXYFENOZIDE. 4 (a) IN GENERAL.—Heading 9902.32.93 of the Harmonized Tariff Schedule of the United States is amend-6 ed— (1) by striking "1.0%" and inserting "4.3%"; 7 8 and (2) by striking "12/31/2009" and inserting 9 "12/31/2011". 10

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies with respect to goods entered, or
- 3 withdrawn from warehouse for consumption, on or after

4 January 1, 2010.

 \bigcirc