

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 16, 2008]²

Bill No. and sponsor: H.R. 4823 (Mr. Ray LaHood of Illinois).

Proponent name,³ location: FMC Corp., Philadelphia, PA.

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

Nature of bill: Extension and modification of temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

N-[2,4-Dichloro-5-[4-(difluoromethyl)-4,5-dihydro-3-methyl-5-oxo-1H-1,2,4-triazol-1-yl]phenyl]methanesulfonamide (Sulfentrazone) (CAS No. 122836-35-5) and formulations thereof (provided for in subheadings 2935.00.75 and 3808.93.15).

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 products are an organic chemical and formulations of that chemical, which are used to eradicate weeds on soybeans, sunflowers, and potatoes. The subject products are imported from China.

¹ Industry analyst preparing report: L. Johnson (202-205-3351); Tariff Affairs contact: D. 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:

Total Estimated Revenue loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss	1/	\$495,000	\$495,000	\$495,000	\$495,000

1/ There will be a customs revenue gain of \$88,000 in 2009 because the increase in the temporary rate of duty for sulfentrazone would result in a revenue gain of \$220,000 in 2009, and the reduction of the temporary rate of duty for formulations of sulfentrazone would result in a revenue loss of \$132,000 in 2009, resulting in a net gain of \$88,000 in 2009.

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

HTS subheading: 2935.00.75					
	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	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000
Customs revenue loss 1/	2/	\$363,000	\$363,000	\$363,000	\$363,000

1/ 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 3.2 percent ad valorem, a reduction of 3.3 percentage points.

2/ There is an existing duty reduction for sulfentrazone under HTS heading 9902.25.57 that expires on December 31, 2009. This bill would increase the temporary applied rate of duty for sulfentrazone from 1.2 percent ad valorem to 3.2 percent ad valorem, an increase of 2 percentage points. Therefore, there will be a customs revenue gain of \$220,000 for 2009 related to the portion of this bill that increases the general rate of duty on sulfentrazone, which is provided for in subheading 2935.00.75.

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

HTS subheading: 3808.93.15					
	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	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Customs revenue loss 1/	\$132,000	\$132,000	\$132,000	\$132,000	\$132,000

1/ Currently, HTS heading 9902.25.57 does not suspend the duty on formulations of sulfentrazone. This bill would amend the article description of 9902.25.57 to include such formulations. Therefore, there will be a customs revenue loss in 2009 as a result of the inclusion of such formulations, which are provided for in subheading 3808.93.15. The estimated customs revenue loss for formulations of sulfentrazone is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 3.2 percent ad valorem, a reduction of 3.3 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)		
FMC Corp. (Proponent) Jerry Prout, Fax: 202-956-5235	04/04/2008	No	No	No
Arkema Charles Kitchen, Fax: 215-419-7075	04/04/2008	No	No	No
BASF Corp. Greg Thies, 202-904-2332	04/04/2008	No	No	No
Bayer CropScience Mike Gill, 202-508-8843	04/04/2008	No	No	No
CropLife America Lawrence Norton, Fax: 202-463-0474	04/04/2008	No	No	No
Dow AgroSciences Max Turnipseed, Fax: 225-383-0590	04/04/2008	No	No	No
DuPont Elaine Olsen, Fax: 302-355-2994	04/04/2008	No	No	No
LANXESS Jamie Schaeffer, Fax: 412-809-3614	04/04/2008	No	No	No
Monsanto Corp. Michael Parrish, Fax: 202-789-1867	04/04/2008	No	No	No
Syngenta Crop Protection, Inc. Angus Kelly, Fax: 202-347-8758	04/04/2008	No	No	No
Valent USA Robin Demouth, Fax: 925-256-2776	04/04/2008	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used to replace the existing article description in HTS heading 9902.25.57 in order to provide for formulations and the proper HTS subheading references.

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. 4823

To extend and modify the temporary reduction of duty on Sulfentrazone.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2007

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

A BILL

To extend and modify the temporary reduction of duty on
Sulfentrazone.

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. SULFENTRAZONE.**

4 (a) IN GENERAL.—Heading 9902.25.57 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Sulfentrazone) is amended—

7 (1) by striking “(provided for in subheading
8 2935.00.75)” and inserting “(provided for in sub-
9 heading 2935.00.75) and any formulations con-
10 taining such compound (provided for in subheading
11 3808.93.15)”;

1 (2) by striking “1.2%” and inserting “3.2%”;

2 and

3 (3) in the effective period column, by striking

4 the date contained therein and inserting “12/31/

5 2011”.

6 (b) EFFECTIVE DATE.—The amendments made by

7 subsection (a) apply to goods entered, or withdrawn from

8 warehouse for consumption, on or after the 15th day after

9 the date of the enactment of this Act.

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