

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 3, 2008]²

Bill No. and sponsor: H.R. 5002 (Mrs. Ellen O. Tauscher of California).

Proponent name,³ location: Valent U.S.A. Corp., Walnut Creek, CA.

Other bills on product (110th Congress only): H.R. 5457 (Mr. Emanuel Cleaver of Missouri).

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

Retroactive effect: None.

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

(S)- α -Cyano-3-phenoxybenzyl (1R,3R)-3-(2,2-dibromovinyl)-2,2-dimethylcyclopropanecarboxylate (Deltamethrin) (CAS No. 52918-63-5) in bulk, or put up in forms or packings for retail sale (provided for in subheading 2926.90.30 or 3808.91.25).

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 photo-stable pyrethroid insecticide. It is imported from India.⁴

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.

⁴ India is a designated beneficiary of the Generalized System of Preferences (GSP), and HTS subheadings 2926.90.30 and 3808.91.25 are eligible product categories for purposes of the GSP program. However, India is ineligible for duty-free treatment under HTS subheading 2926.90.30. See General Note 4(d) of the HTS (2008). India is eligible for duty-free treatment under HTS subheading 3808.91.25, but the proponent does not expect to import the subject product put up in forms or packings for retail sale.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss	\$0	\$409,500	\$409,500	\$409,500	\$409,500

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

HTS subheading: <u>2926.90.30</u>					
	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	\$6,300,000	\$6,300,000	\$6,300,000	\$6,300,000	\$6,300,000
Customs revenue loss 1/	\$0	\$409,500	\$409,500	\$409,500	\$409,500

1/ There is an existing duty suspension under HTS heading 9902.01.49 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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

HTS subheading: <u>3808.91.25</u>					
	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	\$0	\$0	\$0	\$0	\$0
Customs revenue loss 1/	\$0	\$0	\$0	\$0	\$0

1/ There is an existing duty suspension under HTS heading 9902.01.49 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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)		
Valent U.S.A.. Corp. (Proponent) Robin Demouth, Fax: 925-256-2776	02/18/2008	No	No	No
Arkema Inc. (Atofina) Charles Kitchen, Fax: 216-419-7075	02/18/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
BASF Corp. Greg Thies, Fax: 703-255-7142	02/18/2008	No	No	No
Bayer CropScience William Hensley, 202-756-3781 Jean Reimers, 202-756-3779	02/18/2008	No	No	No
Chemtura Corporation Matt Mattingley, Fax: 202-463-8498	02/18/2008	No	No	No
CropLife America Isi Siddiqui, Fax: 202-463-0474	02/18/2008	No	No	No
Dow AgroSciences Max Turnipseed, Fax: 225-338-0310 Lisa Schroeter, Fax: 202-429-3467	02/18/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994 Elaine Olsen, Fax: 302-774-1398	02/18/2008	No	No	No
FMC Corp. Jerry Prout, Fax: 202-956-5235 Steve Ziehm, 202-872-8181	02/18/2008	No	No	No
Monsanto Corp. Michael Parris, Fax: 202-789-1867	02/18/2008	No	No	No
Nufarm Limited Joel R. Junker, Fax: 206-621-8220	02/18/2008	No	No	No
Syngenta Crop Protection, Inc. Angus Kelly, Fax: 336-632-6084	02/18/2008	No	No	No

Technical comments:⁵

The Commission staff suggests that the article description on page 1 of this report be used in place of the existing article description in HTS heading 9902.01.49 in order to correct various spelling errors. In addition, the Commission staff notes that H.R. 5002 would extend HTS heading 9902.01.49, which temporarily suspends the general rate of duty on imports of deltamethrin in bulk (2926.90.30), or packed for retail sale (3808.91.25). By comparison, H.R. 5457 would extend HTS heading 9902.11.26, which temporarily suspends the general rate of duty only on imports of deltamethrin in bulk (2926.90.30). Furthermore, H.R. 5457 would strike HTS heading 9902.01.49 from the HTS. If H.R. 5002 is enacted, then H.R. 5457 should not be enacted, heading 9902.01.49 should not be deleted from the HTS, and heading 9902.11.26 should be deleted from the HTS.

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. 5002

To extend the temporary suspension of duty on Deltamethrin.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2008

Mrs. TAUSCHER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on
Deltamethrin.

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. DELTAMETHRIN.**

4 (a) IN GENERAL.—Heading 9902.01.49 of the Har-
5 monized Tariff Schedule of the United States is amended
6 by striking “12/31/2009” and inserting “12/31/2011”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies with respect to goods entered, or
9 withdrawn from warehouse for consumption, on or after
10 the 15th day after the date of the enactment of this Act.