

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2008]²

Bill No. and sponsor: H.R. 5020 (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. 5021 (Mrs. Ellen O. Tauscher of California).

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)):

(RS)-3-allyl-2-methyl-4-oxocyclopent-2-enyl
(1R,3R)-2,2-dimethyl-3-(2-methylprop-1-enyl)cyclopropanecarboxylate (Bioallethrin) (CAS No. 584-79-2) (provided for in subheading 2916.20.50).

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 chemical is a photo-unstable member of the pyrethroid class of insecticides. It is useful against most flying and crawling insects. Bioallethrin can be used in single active ingredient preparations with rapid action, or combined with other insecticides with a high kill effect. The product is imported from Japan.

Estimated effect on customs revenue:

| HTS subheading: 2916.20.50 | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% |
| Estimated value <i>dutiable</i> imports | \$5,400,000 | \$5,400,000 | \$5,600,000 | \$6,300,000 | \$6,300,000 |
| Customs revenue loss <u>1/</u> | \$0 | \$199,800 | \$207,200 | \$233,100 | \$233,100 |

1/ There is an existing duty suspension under HTS heading 9902.24.32 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill for 2009.

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

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David 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.

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) Brett Garson, brettg@sda-inc.com | 5/15/2008 | No | No | No |
| Arkema Inc. Charles A. Kitchen, Fax: 215-419-7075 | 5/15/2008 | No | No | No |
| BASF Corp. Greg Thies, Fax: 202-558-5101 | 5/15/2008 | No | No | No |
| Bayer Crop Science William Hensley, Fax: 202-737-8909 | 5/15/2008 | No | No | No |
| CropLife America Isi Siddiqui, Fax: 202-463-0474 | 5/15/2008 | No | No | No |
| Dow Chemical Co. Lisa Schroeter, Fax: 202-429-3467 Max Turnipseed, Fax: 225-383-0590 | 5/15/2008 | No | No | No |
| DuPont Helen McMahon, Fax: 302-355-2994 | 5/15/2008 | No | No | No |
| Emerald Performance Materials Tom Dirmyer, Fax: 330-315-6480 | 5/15/2008 | No | No | No |
| FMC Jerry Prout, Fax: 202-956-5235 | 5/15/2008 | No | No | No |
| Gowan Company Cindy Baker, Fax: 928-373-1822 George L. Rolofson, Fax: 336-854-2772 | 5/15/2008 | No | No | No |
| MG Group Matt Mattingley, Fax: 703-670-9313 | 5/15/2008 | No | No | No |
| Monsanto Corp. Grant Erdel, Fax: 202-789-1867 | 5/15/2008 | No | No | No |
| Nufarm Limited Joel R. Junker, Fax: 206-621-8220 | 5/15/2008 | No | No | No |
| Syngenta Crop Protection, Inc. Angus Kelly, Fax: 336-632-6084 | 5/15/2008 | No | No | No |

Technical comments:⁴

The Commission staff suggests that the article description of HTS heading 9902.24.32 be modified as shown on page 1 of this report in order to provide a better representation of the chemical name. Although the term “bioallethrin” represents the IUPAC name shown on page 1, the staff notes that the CAS registry number is used to refer to both bioallethrin and allethrin, the latter which is a mixture of unresolved product isomers.

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.

In addition, the Commission staff notes that H.R. 5020 and H.R. 5021 cover product isomers of bioallethrin. For the purposes of Customs administration, a single HTS heading could be drafted to provide for a duty suspension on bioallethrin and S-bioallethrin (the left-handed, or “S” isomer), the product isomer covered by H.R. 5021, which would ease some administrative burdens with Customs.

110TH CONGRESS
2D SESSION

H. R. 5020

To extend the temporary suspension of duty on Bioallethrin.

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 Bioallethrin.

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. BIOALLETHRIN.**

4 (a) IN GENERAL.—Heading 9902.24.32 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.