

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 6, 2008]²

Bill No. and sponsor: H.R. 5413 (Mr. Bob Etheridge of North Carolina).

Proponent name,³ location: Bayer CropScience, Research Triangle Park, North Carolina.

Other bills on product (110th Congress only): H.R. 4346 (Mr. Tim Murphy of Pennsylvania).

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

Retroactive effect: None.

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

Thionyl chloride (CAS No. 7719-09-7) (provided for in subheading 2812.10.50).

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 product is used to manufacture agricultural pesticides and pharmaceutical intermediates. The proponent uses the product to make a herbicide to control postemergence grass and broadleaf weeds. The herbicide is used on corn, soybeans, and other rotation crops. It is also used in the chemical industry as a mild chlorinating agent. A specialized use of thionyl chloride is to make protease inhibitors for HIV treatment. The product is imported from Germany and Switzerland.

¹ Industry analyst preparing report: Jack Greenblatt (202-205-3353); 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 identified 6 additional beneficiaries of this bill. USITC staff sent inquiries to the named beneficiaries and received no responses.

Estimated effect on customs revenue:

HTS subheading: 2812.10.50					
	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	\$1,672,800	\$1,672,800	\$1,672,800	\$1,956,800	\$1,956,800
Customs revenue loss ^{1/}	\$0	\$61,894	\$61,894	\$72,402	\$72,402

^{1/} There is an existing duty suspension under HTS heading 9902.28.01 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.

Contacts with domestic firms/organizations (including the proponent):⁴

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Bayer CropScience (Proponent) Mike Gill, 202-508-8843	06/05/2008	No	No	No
Abbott Laboratories Claude Burcky, Fax: 202-783-6631	2/01/2008	No	No	No
Arkema Charles Kitchen, Fax: 215-419-7075	2/01/2008	No	No	No
BASF Corp. Greg Thies, Fax: 202-558-5101	2/01/2008	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	2/01/2008	No	No	No
Clariant Corporation Andrew Zamoyski, Fax: 202-248-9043	2/01/2008	No	No	No
CropLife America Lawrence Norton, Fax: 202-463-0474	2/01/2008	No	No	No
Dow AgroSciences Max Turnipseed, Fax: 225-383-0590	2/01/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	2/01/2008	No	No	No

⁴ With the exception of the proponent, the other companies in this list were contacted in connection with H.R. 4346, which also would suspend the duty on the subject product.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Eli Lilly Kathryn Karol, Fax: 202-624-9460	2/01/2008	No	No	No
Endo Pharmaceuticals Albert McCorwick, Fax: 484-840-4277	2/01/2008	No	No	No
FMC Corp. Jerry Prout, Fax: 202-956-5235	2/01/2008	No	No	No
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	2/01/2008	No	No	No
GlaxoSmithKline William Schuyler, Fax: 202-715-1001	2/01/2008	No	No	No
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	2/01/2008	No	No	No
LANXESS Jamie Schaeffer, Fax: 412-809-3614	2/01/2008	No	No	No
Lonza, Inc. Cheryl Prescott, Fax: 201-696-3558	2/01/2008	No	No	No
Lubrizol Gregory Perun, Fax: 832-260-7340	2/01/2008	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	2/01/2008	No	No	No
Monsanto Corp. Michael Parrish, Fax: 202-789-1867	2/01/2008	No	No	No
Niche Pharmaceuticals Steve Brandon, Fax: 817-491-3533	2/01/2008	No	No	No
Novartis Tracy Haller, Fax: 202-628-4763	2/01/2008	No	No	No
Pfizer Katherine Bennett, Fax: 202-347-2044	2/01/2008	No	No	No
Procter & Gamble Jim McCarthy, Fax: 202-393-4606	2/01/2008	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	2/01/2008	No	No	No
Solutia Corp. Kassie Wooton, Fax: 314-674-1585	2/01/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Syngenta Crop Protection, Inc. Angus Kelly, Fax: 202-347-8758	2/01/2008	No	No	No
Valent USA Robin Demouth, Fax: 925-256-2776	2/01/2008	No	No	No
Watson Sara Swee, Fax: 909-270-1429	2/01/2008	No	No	No

Technical comments:⁵

The Commission staff notes that there is an existing duty suspension for the subject product under HTS heading 9902.28.01 that expires on December 31, 2009. HTS heading 9902.28.01 should be used to extend the existing duty suspension. The Commission staff also notes that H.R. 4346 and H.R. 5413 cover the same product. Only one bill should be enacted.

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
2^D SESSION

H. R. 5413

To suspend temporarily the duty on Thionyl chloride.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2008

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

A BILL

To suspend temporarily the duty on Thionyl chloride.

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. THIONYL CHLORIDE.**

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:

“	9902.01.00	2-[4,5-Thionyl chloride (CAS No. 7719-09-7) (provided for in subheading 2812.10.50)	Free	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to articles entered, or withdrawn

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- 1 from warehouse for consumption, on or after the 15th day
- 2 after the date of the enactment of this Act.

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