

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 8, 2005]²

Bill No. and sponsor: H.R. 1726 (Mrs. Capito)

Proponent name, location: Bayer CropScience
1275 Pennsylvania Ave., NW
Suite 810
Washington, DC 20004

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

(Imidacloprid) (1-[(6-Chloro-3-pyridinyl)methyl]-N-nitro-2-imidazolidinimine) (CAS No. 138261-41-3)
(provided for in subheading 2933.39.27).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical
comments section)

Product information, including uses/applications and source(s) of imports:

Imidacloprid is a synthetic organic chemical used as an insecticide to control sucking insects, turf and soil insects, as well as some beetle species, such as the Colorado potato beetle. It is used as a soil, seed, or foliar treatment on a variety of vegetables, fruits, cereals, and cotton. Currently, there is no U.S. production of this product. This product is imported from Germany as a technical material and then formulated and packaged for sale.

There are several insecticides that compete with Imidacloprid in several crop areas, notably cotton and root crops.

¹ Industry analyst preparing report: Ed Cappuccilli (202-205-3368); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: 2933.39.27					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000
Customs revenue loss	\$221,000	\$221,000	\$221,000	\$221,000	\$221,000

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Bayer CropScience (Proponent) William Hensley Tel. No.: 202-756-3781	06/09/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092	06/21/2005	No	No	No
BASF Corp. Greg Theis Fax: 202-682-9459	06/21/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202-463-0474	06/21/2005	No	No	No
Dow AgroScience Margaret Rogers Fax: 202-429-3467	06/21/2005	No	No	No
E.I. duPont Elaine Olsen Fax: 302-774-1398	06/21/2005	No	No	No

FMC Sidney McDaniel Fax:215-299-6954	06/21/2005	No	No	No
FMC Corp. Jerry Prout Fax: 202-956-5235	06/21/2005	No	No	No
Griffin Corp. James Whatley Fax: 800-248-5154	06/21/2005	No	No	No
Griffin Corp. Stephen Glennon Fax: 800-248-5154	06/21/2005	No	No	No
Syngenta Mike Blythe Fax: 336-632-6084	06/21/2005	No	No	No
Valent USA Robin Demouth Fax:925-256-2776	06/21/2005	No	No	No

Technical comments:³

There is already an existing duty suspension on this product. The Commission suggests that the bill be re-written to extend the current duty suspension on Imidacloprid. The current heading 9902.02.55 can be modified by striking the date in the Effective Period column and inserting "12/31/2008" in lieu thereof.

In any event, the Commission suggests that the article description given on page 1 of this report be used in the proposed new heading to reflect the correct nomenclature for this product as well as to reflect the common name Imidacloprid. The article description is the same as currently listed under heading 9902.02.55.

³ 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.

109TH CONGRESS
1ST SESSION

H. R. 1726

To suspend temporarily the duty on Imidacloprid Technical.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 2005

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

A BILL

To suspend temporarily the duty on Imidacloprid Technical.

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. IMIDACLOPRID TECHNICAL.**

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:

“	9902.05.71	1-[(6-Chloro-3-pyridyl)methyl]-N-nitro-2-imidazolidinimine (CAS No. 138261-41-3) (provided for in subheading 2933.39.27) ..	Free	No change	No change	On or before 12/31/2008	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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

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