

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. 1780 (Mr. Hulshof).

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)):

1-(2,4-Dichlorophenylaminocarbonyl)cyclopropanecarboxylic acid (Cyclanilide)
(CAS No. 113136-77-9) (provided for in subheading 2924.29.47).

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:

Cyclanilide is a synthetic organic chemical used as a plant growth regulator on cotton as a harvest aid to promote boll opening and defoliation. The product is not produced in the United States; imports are sourced from Germany. At the consumer level, there are at least two formulated pesticides that compete with the formulated product containing Cyclanilide.

¹ Industry analyst preparing report: Elizabeth Nesbitt (202-205-3355); 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: 2924.29.47					
	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	\$4,878,090	\$4,878,090	\$4,878,090	\$4,878,090	\$4,878,090
Customs revenue loss	\$317,076	\$317,076	\$317,076	\$317,076	\$317,076

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) Mike Gill Tel. No.: 202-508-8843	6/23/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax No.: 703-527-2092	6/17/2005	No	No	No
Aventis Jean Reimers Fax No.: 202-628-6622	6/17/2005	No	No	No
BASF Corp. Greg Theis Fax No.: 202-682-9459	6/17/2005	No	No	No
Crop Life America Lawrence Norton Fax No.: 202-463-0474	6/17/2005	No	No	No

Dow AgroSciences Margaret Rogers Fax No.: 202-429-3467	6/17/2005	No	No	No
E. I. DuPont Elaine Olsen Fax No.: 302-892-7343	6/23/2005	No	No	No
FMC Corp. Jerry Prout 202-956-5235	6/17/2005	No	No	No
Griffin Corp. James Whatley Stephen Glennon Fax No.: 800-248-5154	6/23/2005	No	No	No
Syngenta Mike Blythe Fax No.: 336-632-6084	6/17/2005	No	No	No
Valent USA Robin Dermouth Fax No.: 925-256-2776	6/17/2005	No	No	No
Monsanto Corp. Linda Strachan Fax No: 202-783-2467	6/23/2005	No	No	No

Technical comments:³

The Commission notes that HTS heading 9902.29.64 currently provides a temporary duty reduction for Cyclanilide through December 31, 2006. The Commission suggests that the new duty suspension be enacted using this heading number. This could be accomplished by deleting heading 9902.29.64, and by using that heading number for the new duty suspension in this bill.⁴ The new duty suspension should use the article description on page 1 of this report, which inserts the trade name “Cyclanilide” in parentheses after the chemical name in the article description.

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.

⁴ Specifically, line 6 of the bill should be amended to read “amended by striking heading 9902.29.64 and inserting in lieu thereof the following . . .”. In addition, the heading number used in the bill, 9902.05.50, should be deleted and replaced with 9902.29.64.

109TH CONGRESS
1ST SESSION

H. R. 1780

To suspend temporarily the duty on Cyclanilide Technical.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2005

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

A BILL

To suspend temporarily the duty on Cyclanilide 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. CYCLANILIDE 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:

“	9902.05.50	1-(2,4-Dichlorophenyl-aminocarbonyl)cyclopropanecarboxylic acid (cyclanilide) (CAS No. 113136-77-9) (provided for in subheading 2924.29.47) ..	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of enactment of this Act.

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