

Miscellaneous Tariff Bill

Final Disclosure Form

Part I: Type of Disclosure

This form is being submitted for H.R. 4474 as a disclosure submitted reflecting information provided through the MTB public comment period and the International Trade Commission's Congressional Bill Report. (All of this information is available on the Ways and Means Committee MTB website: <http://waysandmeans.house.gov/mtb/mtbbills.htm>.)

Part II: Written Statement

Member Name: Bill Cassidy

- A. Is the tariff relief specified in this Miscellaneous Tariff Bill available to any entity that imports and pays duties pursuant to this tariff heading? If not, why?

yes

Please list any known entities currently importing under the tariff heading specified in the Miscellaneous Tariff Bill, including those listed in the Preliminary Disclosure Form, ITC Congressional Bill Report, and any public comments received by the Committee (posted on the Ways and Means Committee MTB website: <http://waysandmeans.house.gov/mtb/mtbbills.htm>):

Syngenta
Drexel Chemical Company - Opposed to original MTB. Requested that the generic form of Metolachlor be used as opposed to the original language. Full opposition and support documents attached.

- B. Does the tariff relief specified in this Miscellaneous Tariff Bill benefit downstream producers, manufacturers, purchasers, and consumers?



Yes



No

Part III: Financial Benefit Certification

I hereby certify that neither myself nor my spouse has a financial interest in any entity named in Part II.A above.

Bill Cassidy

(Member Signature)

11/27/2012

Date



Drexel Chemical Company

June 19, 2012

REVISED

Committee on Ways and Means
United States House of Representatives

Re: HR 4474

Dear Sirs:

Drexel Chemical Company opposes the Miscellaneous Tariff Bill, HR 4474.

HR 4474, as it is worded, would exclude generic Metolachlor from the requested duty rate reduction and places Drexel at a competitive disadvantage against Syngenta.

In order to gain some understanding of the United States Metolachlor market some background information is provided.

Ciba-Geigy first registered Metolachlor with the United States Environmental Protection Agency (EPA) as a herbicide on April 1, 1977. Metolachlor was widely accepted by American farmers as an improvement over other herbicides.

Metolachlor was produced for Ciba-Geigy and its successor company Novartis in the United States at Monsanto's Muscatine, Iowa chloroacetamide production facilities for over 20 years until Novartis sought to convert the Metolachlor market over to a "newer" Metolachlor product that would be produced in Switzerland.

Chemically, Metolachlor is composed of two chiral isomers, s-Metolachlor and r-Metolachlor in equal proportions. The "newer" Metolachlor, Novartis labeled as s-Metolachlor, is composed of 88% s-Metolachlor and 12% r-Metolachlor.

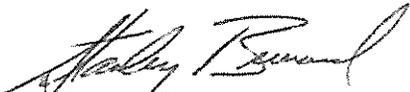
Before Novartis could convert the US market over to "newer" metolachlor, Cedar Chemical Company petitioned the EPA for a Metolachlor registration in early 2000. Novartis and its successor company, Syngenta, vigorously opposed Cedar's registration application causing its issuance to be delayed until March 2002. Even then, Syngenta filed suit in Federal Court against the EPA to attempt to overturn the EPA decision to grant a generic Metolachlor registration. The Court ruled EPA's actions in granting generic Metolachlor registrations were proper. Drexel and Sipcam Agro USA soon followed Cedar in receiving Metolachlor registrations.

Novartis/Syngenta represents the s-Metolachlor as a more active product that can be used at lower rates than Metolachlor. This is not the case. Both are registered for use at the same rates, on the same crops in the same manner. Industry and university tests cannot detect a difference in efficacy. Nearly 10 years of commercial use have not shown a difference in herbicide efficacy.

All Metolachlor sold in the United States is imported. Syngenta imports its Metolachlor technical grade from Switzerland. Drexel imports its Metolachlor technical grade from China. Both Syngenta and Drexel formulate their end use Metolachlor products here in the United States. We believe the other two generic suppliers to the market, Sipcam and Makhteshim-Agan North America also import their technical grade Metolachlor and formulate in the United States.

Drexel requests a reduction in the duty rate on s-Metolachlor be denied or that the wording in HR 4474 be revised to include the competitive generic Metolachlor under the duty reduction.

Sincerely,



Stanley Bernard
Vice President

Copy: Senate Committee on Finance
Bob Shockey
Leigh Shockey



Gregory Thies
Senior Director
Government Relations

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By Electronic Mail Attachment

August 14, 2012

Robert Shaw, Senior Analyst
International Trade Administration
U.S. Department of Commerce
1401 Constitution Avenue, Washington, DC 20230
Robert.Shaw@Trade.gov

Re: **Drexel Objection to House Bill: H.R. 4474/Senate Bill: S. 2519**

Dear Mr. Shaw,

I am sending you this letter on behalf of Syngenta Crop Protection, LLC (Syngenta), which develops, manufactures, and sells agricultural chemical products in the U.S., including herbicide products containing the active ingredient s-Metolachlor (which Syngenta imports).

On June 19, 2012, Drexel Chemical Company (Drexel) submitted a letter requesting "that a reduction in the duty rate on s-Metolachlor be denied or that the wording in HR 4474 be revised to include the competitive generic Metolachlor under the duty reduction." Please see below:

HR 4474	<u>To reduce temporarily the rate of duty on s-Metolachlor.</u>	Cassidy; Bill	<u>Bill Description</u> <u>Preliminary Disclosure</u> <u>Form</u>	<u>Comment</u> <u>(Oppose)</u>

We strongly disagree with Drexel's letter and see no valid basis for its opposition to HR 4474 or its request to "include" Metolachlor under HR 4474.

As acknowledged in its letter, Drexel "imports its Metolachlor technical grade from China... [and formulates its] end-use Metolachlor products here in the United States." Drexel does not claim to manufacture Metolachlor technical grade in the U.S.

In essence, Drexel's opposition is based on the fact that Drexel imports Metolachlor from China, and Metolachlor is not "included" in HR 4474. This opposition is not consistent with the MTB Procedures established by Congress which prohibit the reduction or elimination of duty on imported materials that have domestic production in commercially available quantities.

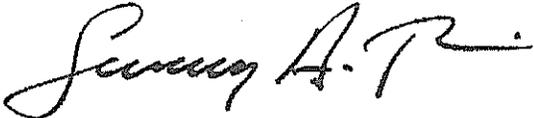
To our knowledge, Drexel does not make or sell the active ingredient s-Metolachlor or products containing s-Metolachlor. Moreover, Drexel makes no claim that a reduction in the duty rate for s-Metolachlor under H.R. 4474 would harm US domestic production. Thus, it appears that the sole purpose in objecting to H.R. 4474/S.2519 is to leverage inclusion of Drexel's Chinese manufactured Metolachlor in the bill.

Reducing the duty on s-Metolachlor under HR 4474/S 2519 will help Syngenta maintain its competitiveness against foreign manufacturers and keep the end product competitively priced in the U.S. In addition, s-Metolachlor products are formulated at facilities in St. Gabriel, LA, Omaha, NE, Webster City, IA, and Hampton, IA, providing jobs both at those locations and at locations of other formulation and packaging of end use products.

¹ Please note that Metolachlor is not the same active ingredient or chemical product as s-Metolachlor. Metolachlor and s-Metolachlor have different CAS registry numbers, isomer ratios, EPA PC codes, registrations, and manufacturing processes; and EPA has classified s-Metolachlor (not Metolachlor) as a Reduced Risk pesticide.

I appreciate your consideration. Please let me know if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gregory A. Thies". The signature is fluid and cursive, with a prominent initial "G" and a long, sweeping tail.

Gregory Thies
Senior Director, Government Relations

cc: Kim Copperthite, Senior Trade Analyst, U.S. Department of Commerce
Representative David Camp, Chairman of the House Ways and Means Committee
Brian Reeve, Senior Regulatory Counsel, Syngenta Crop Protection, LLC