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ROBIN M. DEMOUTH
General Counsel and Secretary

June 4, 2002

Committee on Ways & Means
US House of Representatives
Washington, DC 20515

RE: H.R. 4556

To whom it may concern:

On behalf of Valent USA of Walnut Creek, CA, I am writing to offer our support for H.R. 4556, a bill to extend the duty suspension on the active ingredient in Resource®, (flumiclorac pentyl ester (HTS#2925.19.4200), a herbicide product that targets velvetleaf, a pernicious weed found in corn and soybeans. Representative Ellen Tauscher (CA) introduced this legislation in April 2002. A temporary duty suspension for Resource® was first granted in 1999 (P.L. 106-96). That duty suspension expired on 12/31/01.

This active ingredient is imported from Japan and is essential to the formulations of Resource. There is no domestic supplier for this active ingredient.

Attached is a summary of applicable product information that we would like to submit as part of the record for this bill to be considered by the House of Representatives.

Thank you for your attention. If you have any questions, please call us.

Sincerely,

Robin Demouth
Secretary & General Counsel

cc. Representative Ellen Tauscher

Proposed Duty Suspension
Flumiclorac pentyl ester HTS#2925.19.4200
Flumiclorac pentyl ester / Resource®

General Information about Valent:

Valent U.S.A. is a California corporation headquartered in Walnut Creek, California. The company has 122 employees in California and 244 nationwide.

Valent is engaged in the business of developing and marketing of crop protection and plant enhancement products in the United States, Mexico and Canada. Our resources include research and development facilities, a national sales and marketing force and a quality line of agricultural and professional chemical products.

Valent is requesting a duty suspension on the active chemical ingredient that is formulated into its product Resource®.

Product Description:

Resource® is a member of the N-phenylphthalimide class of chemistry. The approved American National Standard Institute (ANSI) common name for Resource® is flumiclorac pentyl ester. The full name of the active ingredient is pentyl [2-chloro-5-(cyclohex-1-ene-1,2-dicarboximido)-4-fluorophenoxy] acetate (HTS#2925.19.4200).

Resource® is a fast-acting, postemergence broadleaf herbicide that can be used in both corn and soybeans. Resource® provides control of certain weeds, especially velvetleaf, at very low rates.

End Product Use:

Resource® is targeted at the corn and soybean markets for velvetleaf control. Also, Resource® is positioned as a tank-mix partner for postemergence control of velvetleaf in soybeans and corn with the widest window of application of any velvetleaf product and no crop rotation restrictions.

Flumiclorac pentyl ester is also one of the two (2) active ingredients in Stellar® a post-emergence herbicide. This premix with lactofen (Cobra®) provides a lower use rate of each individual active ingredient for use in the soybean market for control of a variety of weeds, including waterhemp, pigweed, velvetleaf and common ragweed.

Amount of flumiclorac pentyl ester Imported per year

1995 56,129 kgs.
I. 50,050 kgs.
II. 31,070 kgs.
III. 6,760 kgs.
IV. - 0 -
V. - 0 -
VI. 20,020 kgs.
VII. 4,550 kgs.

Duty Paid:

1995 - \$596,664
1996 - \$610,553
1997 - \$559,143
1998 - \$0
1999 - \$0
2001 - \$0
2002 - \$39,740 with Harbor Maintenance Fee

Future Duty Projection:

2003 - \$97,416
2004 - \$168,264
2005 - \$177,120
2006 - \$177,120

HTS Tariff Numbers:

The Harmonized Tariff Schedule number as provided by US Customs to Valent U.S.A. Corporation for flumiclorac pentyl ester is **2925.19.4200** at a rate of 8.2%.

Where Imported from:

Flumiclorac pentyl ester is imported from Sumitomo Chemical Company, Ltd., Tokyo, Japan.

Domestic Suppliers:

There are no domestic suppliers of flumiclorac pentyl ester