

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 4, 2010]²

Bill No. and sponsor: S. 2367 (Mr. George Voinovich of Ohio, et al.).

Proponent name,³ location: Lubrizol Advanced Materials, Inc., Cleveland, OH.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None.

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

12-Hydroxyoctadecanoic acid, reaction product with *N,N*-dimethyl-1,3-propanediamine, dimethyl sulfate, quaternized (CAS No. 70879-66-2) (provided for in subheading 3824.90.40).

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 a polymeric pigment-dispersing agent that was developed to disperse organic pigments in solvent-based ink or paint systems, improving productivity, making the dispersing process more efficient, and improving finished product quality and stability. It is used mainly in solvent-based offset (lithographic) and publication gravure inks. The product is imported from the United Kingdom.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3824.90.40:

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-----------|-----------|-----------|-----------|-----------|
| Col. 1-General rate of duty | | | | | |
| Col. 1-General rate of duty | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% |
| Estimated value <i>dutiable</i> imports ^a | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| Customs revenue loss ^b | \$4,738 | \$4,738 | \$4,738 | \$4,738 | \$4,738 |

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Heading 9902.03.21 provided a temporary duty suspension for the subject product that expired on December 31, 2009.

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

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
| | | (Yes/No) | | |
| Lubrizol Advanced Materials (Proponent) Joe Eska, Joe.Ekstra@lubrizol.com Mike Gill, mgill@crowell.com | 03/01/2010 | No | No | No |

Technical comments:⁵

The Commission staff notes that the subject product was eligible for a temporary duty suspension under HTS heading 9902.03.21, which expired on December 31, 2009. The Commission staff suggests that, rather than enacting a new duty suspension, heading 9902.03.21 be used to extend the duty suspension by modifying the date in the effective period column of heading 9902.03.21. The Commission staff also notes that, in the rate of duty column in the proposed heading, “0%” should be deleted and the word “Free” should be inserted in lieu thereof.

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.

111TH CONGRESS
1ST SESSION

S. 2367

To suspend temporarily the duty on 12-Hydroxyoctadecanoic acid, Reaction Product with N,N-Dimethyl, 1,3-Propanediamine, Dimethyl Sulfate, Quaternized.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. VOINOVICH (for himself and Mr. BROWN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on 12-Hydroxyoctadecanoic acid, Reaction Product with N,N-Dimethyl, 1,3-Propanediamine, Dimethyl Sulfate, Quaternized.

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. 12-HYDROXYOCTADECANOIC ACID, REACTION**
4 **PRODUCT WITH N,N-DIMETHYL, 1,3-**
5 **PROPANEDIAMINE, DIMETHYL SULFATE,**
6 **QUATERNIZED.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

| | | | | | | | |
|---|------------|--|----|-----------|-----------|----------------------------|----|
| “ | 9902.01.00 | 12-Hydroxyoctadecanoic acid, Reaction Product with N,N- Dimethyl, 1,3- Propanediamine, Dimethyl Sulfate, Quaternized (pro- vided for in subheading 3824.90.40) | 0% | No change | No change | On or before 12/31/2011 | ”. |
|---|------------|--|----|-----------|-----------|----------------------------|----|

3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

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