

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: June 10, 2008]²

Bill No. and sponsor: H.R. 4733 (Mr. Michael N. Castle of Delaware).

Proponent name,³ location: Fujifilm Imaging Colorants Inc., Wilmington, DE.

Other bills on product (110th Congress only): H.R. 4734 (Mr. Michael N. Castle of Delaware).

Nature of bill: Temporary duty suspensions through December 31, 2011.

Retroactive effect: None.

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

1. Provided for in existing HTS heading 9902.25.49:

Aryl substituted pyrazonyl [[[substituted phenyl azo]substituted naphthenyl] azo phenyl]azo, sodium salt (PMN No. P03-78) (provided for in subheading 3215.11.00).

2. Provided for in existing HTS heading 9902.25.44:

Substituted naphthalene [[substituted pyridinyl azo] alkoxyphenyl azo]azo, potassium/sodium salt (PMN No. P04-390) (provided for in subheading 3215.11.00).

3. Provided for in existing HTS heading 9902.25.50:

Copper phthalocyanine substituted with sulfonic acids and alkyl sulfonamides, sodium/ammonium salts (PMN No. P02-893) (provided for in subheading 3215.19.00).

4. New duty suspension (same as the seventh proposed duty suspension (see below)):

Copper phthalocyanine substituted with sulfonic acids and sulfonamides, sodium salts (CAS No. 90295-11-7) (provided for in subheading 3215.19.00).

5. Provided for in existing HTS heading 9902.25.48:

Copper phthalocyanine substituted with sulfonic acids and alkyl sulfonamides, sodium salt (PMN No. P99-105) (provided for in subheading 3215.19.00).

6. Provided for in existing HTS heading 9902.03.09:

¹ Industry analyst preparing report: L. Johnson (202-205-3351); Tariff Affairs contact: D. Michels (202-205-3440).

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

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

[[Substituted naphthalenylazo] alkoxy] phenyl azo] carboxyphenylene, lithium salt (PMN No. P00-351) (provided for in subheading 3215.11.00).

7. New duty suspension (same as the fourth proposed duty suspension (see above)):

Copper phthalocyanine substituted with sulfonic acids and sulfonamides, sodium salts (CAS No. 90295-11-7) (provided for in subheading 3215.19.00).

8. Provided for in existing HTS heading 9902.04.24:

Substituted naphthylene [[aminoalkyl triazinediyl]bis substituted phenylene azo]bis, sodium salt (CAS No. 50925-42-3) (provided for in subheading 3215.19.00).

9. Provided for in existing HTS heading 9902.25.47:

[(Substituted naphthalenylazo) substituted naphthalenyl azo] carboxyphenylene, sodium salt (PMN No. P90-394) (provided for in subheading 3215.11.00).

10. Provided for in existing HTS heading 9902.04.28:

[[Chloro[[[substituted naphthylazo]substituted naphthalene] amino] triazinyl] amino] benzoic acid, sodium/lithium salts (PMN No. P83-386) (provided for in subheading 3215.19.00).

11. New duty suspension:

Aryl [substituted phenylazo] pyridine, sodium/lithium salt (PMN No. P02-234) (provided for in subheading 3215.19.00).

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 products are colorants that are used to make inks that are put into cartridges for ink-jet printers. They are imported from the United Kingdom.

Estimated effect on customs revenue:

Total Estimated Revenue loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss 1/	\$61,020	\$797,040	\$797,040	\$797,040	\$797,040

1/ The proponent states that the subject products would be eligible for duty drawback and that drawback is estimated to reduce the estimated total revenue loss for this bill by more than \$500,000 annually.

Source of estimated dutiable import data: U.S. industry estimates.

HTS subheading: 3215.11.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	1.8%	1.8%	1.8%	1.8%	1.8%
Estimated value <i>dutiable</i> imports	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000
Customs revenue loss 1/	\$0	\$445,500	\$445,500	\$445,500	\$445,500

1/ There are existing duty suspensions under HTS headings 9902.03.09, 9902.25.44, 9902.25.47, and 9902.25.49 that expire on December 31, 2009. Therefore, there will be no customs revenue loss related to these headings for 2009.

Source of estimated dutiable import data: U.S. industry estimates.

HTS subheading: 3215.19.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	1.8%	1.8%	1.8%	1.8%	1.8%
Estimated value <i>dutiable</i> imports	\$19,530,000	\$19,530,000	\$19,530,000	\$19,530,000	\$19,530,000
Customs revenue loss 1/	\$61,020	\$351,540	\$351,540	\$351,540	\$351,540

1/ There are existing duty suspensions under HTS headings 9902.04.24, 9902.04.28, 9902.25.48, and 9902.25.50 that expire on December 31, 2009. Therefore, there will be no customs revenue loss related to these headings for 2009. However, this bill contains two new duty suspensions, and the estimated customs revenue loss in 2009 for the two new duty suspensions is based on estimated future dutiable imports of \$3,390,000.

Source of estimated dutiable import data: U.S. industry estimates.

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)	
Fujifilm Imaging Colorants Inc. (Proponent) Mike Gill, 202-508-8843	04/21/2008	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	04/21/2008	No	No	No
BASF, Functional Polymers Group Joseph Breunig, Fax: 973-245-6721	04/21/2008	No	No	No
Bayer Corporation Karen L. Niedermeyer, Fax: 412-777-4740	04/21/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	04/21/2008	No	No	No
Ciba Specialty Chemicals Bob Hurley, Rhurley@theaccordgroup.com	03/11/2008	No	No	No
Clariant Corp. Andrew Zamoyski, 202-415-9159	04/21/2008	No	No	No
CMPA Larry Robinson, Fax: 703-684-1795	04/21/2008	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	04/21/2008	No	No	No
Color Resources International Inc. Wayne Jones, Fax: 864-862-6824	04/21/2008	No	No	No
Day-Glo Richard Thornton, Fax: 216-391-1408	04/21/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	04/21/2008	No	No	No
DyStar L.P. Van Hawkins, Fax: 704-561-3005	04/21/2008	No	No	No
Eastman Chemical Company Greg Riddle, Fax: 703-524-7707	04/21/2008	No	No	No
ETAD Tucker Helms, Fax: 202-296-8120	04/21/2008	No	No	No
Everlight USA, Inc. Scott Chen, Fax: 704-588-0051	04/21/2008	No	No	No
Fanwood Chemical Jim DeLisi, Fax: 908-322-8494	04/21/2008	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	04/21/2008	No	No	No
LANXESS Corporation Jamie B. Schaeffer, Fax: 412-809-3614	04/21/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Milliken Ray Sanders, Fax: 864-503-1618	04/21/2008	No	No	No
Monsanto Corporation Grant Erdal, Fax: 202-789-1867	04/21/2008	No	No	No
NAPIM James Coleman, Fax: 732-855-1838	04/21/2008	No	No	No
NFC John Dickson, Fax: 803-548-2683	04/21/2008	No	No	No
Noveon Tom Dirmyer, Fax: 216-447-5720	04/21/2008	No	No	No
Passaic Color John Wojciechowski, Fax: 973-279-3175	04/21/2008	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	04/21/2008	No	No	No
Rohm & Haas Steven Volger, Fax: 215-592-2550	04/21/2008	No	No	No
Solutia Dan Jenkins, Fax: 314-674-1585	04/21/2008	No	No	No
Syngenta Crop Protection, Inc. Dawn Stomp, Fax: 202-347-7772	04/21/2008	No	No	No
Uniroyal Chemical Company Lloyd Moon, Fax: 203-573-4430	04/21/2008	No	No	No
United Color Manufacturing, Inc. Tom Nowakowski, Fax: 215-860-8560	04/21/2008	No	No	No

Technical comments:⁴

The Commission staff is not able to provide a meaningful evaluation of this bill because most of the proposed headings do not contain a CAS number.⁵ Moreover, the proposed article descriptions do not describe a particular chemical, and could be interpreted to include any number of chemicals. Without a CAS number or a clearer article description, it is difficult to determine the intended scope of the bill and to confirm whether the subject products are described and classified correctly. In addition, the Commission staff understands that Customs may have reclassified these products as inks rather than dyes. If so, the Commission staff suggests that the proponent provide new article descriptions that describe the products as inks, rather than as chemicals, using PMN numbers only if absolutely necessary. For all of these reasons, Customs may have difficulty administering these proposed duty suspensions as drafted.

⁴ 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.

⁵ The proponent has asserted that the inclusion of a CAS number would reveal confidential information about the firm's production processes. Where the CAS No. is not listed, the proponent has provided the EPA Pre-Manufacture Notice No. (PMN No.).

In addition to the general concerns noted above, the Commission staff notes that the fourth and seventh proposed new headings describe the same product. Only one should be enacted. Also, as indicated on page 1 of this report, eight of the proposed new headings are covered by existing duty suspensions. If the proponent does not provide new article descriptions that describe the products as inks, then the existing headings should be used to extend the duty suspensions for those eight products, using the article descriptions on page 1 of this report in order to provide correctly spelled chemical names and HTS subheading reference numbers. Lastly, the Commission staff notes that the fifth proposed new heading covers the same product as the third proposed new heading in H.R. 4734. Only one should be enacted.

110TH CONGRESS
1ST SESSION

H. R. 4733

To suspend temporarily the duty on certain imaging colorants.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

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

A BILL

To suspend temporarily the duty on certain imaging
colorants.

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. CERTAIN IMAGING COLORANTS.**

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 headings:

9902.01.00	Aryl substituted pyrazonyl [[[substituted phenyl azo]substituted naphthenyl] Azo phenyl]azo, sodium salt (PMN No. P03-78) (pro- vided for in subheading 3215.11.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Substituted naphthalene [[substituted pyridinyl azo] alkoxyphenyl azo]azo, potas- sium/sodium salt (PMN No. P04-390) (provided for in subheading 3215.11.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Copper phthalocyanine sub- stituted with sulphonic acids and alkyl sulphonamides, sodium/ammonium salts (PMN No. P02-893) (pro- vided for in subheading 3215.19.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Copper phthalocyanine sub- stituted with sulphonic acids and sulphonamides, sodium salts (CAS No. 90295-11-7) (provided for in subheading 3215.19.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Copper phthalocyanine sub- stituted with sulphonic acids and alkyl sulphonamides, sodium salt (CAS No.) (pro- vided for in subheading 3215.19.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	[[Substituted naphthalenylazo] alkoxy phenyl azo] carboxyphenylene, lithium salt (PMN No. P-00-351) (provided for in subheading 3215.11.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Copper phthalocyanine sub- stituted with sulphonic acids and sulphonamides, sodium salts (CAS No. 90295-11-7) (provided for in subheading 3215.19.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	Substituted naphthylene [[aminoalkyl triazinediyl]bis substituted phenylene azo]bis, sodium salt (CAS No. 50925-42-3) (provided for in subheading 3215.19.00)	Free	No change	No change	On or before 12/31/2011
9902.01.00	[(Substituted naphthalenylazo) substituted naphthalenyl azo] carboxyphenylene, sodium salt (PMN No. P-90-394) (provided for in subheading 3215.11.00)	Free	No change	No change	On or before 12/31/2011

9902.01.00	[[Chloro[[[substituted naphthylazo]substituted naphthalene] Amino] tri-aziny] amino] benzoic acid, sodium/lithium salts (PMN No. P-83-386) (provided for in subheading 3215.19.00) ..	Free	No change	No change	On or before 12/31/2011
9902.01.00	Aryl [Substituted phenylazo] pyridine, sodium/lithium salt (PMN No. P-02-234) (provided for in subheading 3215.19.00) ..	Free	No change	No change	On or before 12/31/2011

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

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