

U.S. DEPARTMENT OF COMMERCE

ForeignTrade Zones Board

(Docket 442010)

Review of Sourcing Change, ForeignTrade Subzone 61H, Baxter Healthcare of Puerto Rico (Inhalation Anesthetics Manufacturing), Guayama, Puerto Rico

Pursuant to the regulations of the ForeignTrade Zones (FTZ) Board (the Board), a review has been initiated (under 15 CFR Sec. 400.28(a)(3)(iii)(A)) of changes in sourcing related to inhalation anesthetics at ForeignTrade Subzone 61H, at the facility of Baxter Healthcare of Puerto Rico (Baxter).

Subzone 61H was approved by the FTZ Board on February 25, 1997 (Board Order 875, 62 FR 10521, 3/7/1997) at the Baxter Healthcare of Puerto Rico (Baxter) (formerly Ohmeda Caribe Inc./Ohmeda Pharmaceutical Manufacturing Inc.) facility in Guayama, Puerto Rico, for the manufacturing and distribution of pharmaceutical products, primarily inhalation anesthetics for hospital and critical care therapy. The subzone was initially approved for a period of five years. On August 25, 2003 (Board Order 1293, 68 FR 53346, 9/10/2003), the subzone was extended indefinitely and the scope of approved authority was expanded.

On products shipped to the U.S. market, the company is able to choose the duty rate during customs entry procedures that applies to the finished products (dutyfree) for the otherwise dutiable foreign components (duty rates range from dutyfree to 20%).

Baxter has now notified the Board of additional sourcing of two chemical inputs. The new foreignsourced chemical ingredients are sevomethylether (HTSUS 2909.19.1800 5.5%) and N,Ndiisopropylethylamine (HTSUS 2921.19.6090 - 6.5%). The use of zone procedures for the additional inputs could exempt Baxter from customs duty payments on the foreign components used in export production. The company estimates that some 40 percent of the plant's shipments are exported. On the domestic sales, Baxter would be able to choose the duty rate during customs entry procedures that applies to the finished inhalation anesthetics (dutyfree) for the foreign inputs noted above. The finished products remain unchanged and were included in the scope of manufacturing authority approved by the Board.

In accordance with the Board's regulations, Diane Finver of the FTZ Staff is designated examiner to investigate the sourcing change, including its potential to cause significant adverse effects (15 CFR 400.28(a)(3)(iii)(A)), and report to the Board. Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is [insert 30 days from date of publication]. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to [insert 45 days from date of publication].

A copy of the application will be available for public inspection at the Office of the Executive Secretary, ForeignTrade Zones Board, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 202300002, and in the

Reading Room section of the Board's website, which is accessible via
www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or
4821367.

Dated: July 2, 2010.

Andrew McGilvray,

Executive Secretary.

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