

TARIFF REDUCTIONS, SUSPENSIONS, AND EXTENSION OF SUSPENSIONS

SEPTEMBER 25, 1981.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. ROSTENKOWSKI, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 4566]

The Committee on Ways and Means, to whom was referred the bill (H.R. 4566) to reduce certain duties, to suspend temporarily certain duties, to extend certain existing suspensions of duties, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

SUMMARY OF PROVISIONS

H.R. 4566 is a bill which incorporates 17 noncontroversial tariff and trade bills, approved by the Committee on Ways and Means. They involve temporary duty suspensions, permanent duty eliminations or reductions, increased tourist duty-free exemptions, and article classifications. The Committee has combined these bills into a single omnibus bill to facilitate their consideration by the House of Representatives.

Section 1 applies to all other sections of the bill. It states that any amendment to, or repeal of, a schedule, item, or other provision is considered to be in reference to a schedule, item, or other provisions of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202). In addition, this section defines the term "entered" as applied in the bill.

Section 2 contains a provision introduced by Mr. Gibbons, H.R. 3075. It amends the article description for TSUS item 112.30, which provides for a tariff-rate quota on imports of tuna not packed in oil, (1) to indicate clearly that shipments from the U.S. insular possessions are not to be included in determining the extent to which the quota has been filled, and (2) to reflect that the agency responsible for the administration of the quota is now the National Marine Fisheries Service.

Section 3 contains an amended provision introduced by Mr. Wilson, H.R. 2563, to reduce the column 1 (MFN) rate of duty in annual stages on ceramic insulators used in spark plugs to a permanent level of 3.5 percent ad valorem on January 1, 1984. The permanent duty reduction of 4 percent ad valorem in the bill as introduced was amended by the Committee to remove temporarily the anomaly in tariff treatment between insulators and completed spark plugs by applying the same staged rates to both products for three years.

Section 4 contains an amended provision introduced by Mr. Albosta, H.R. 2485, to provide a permanent reduction in the column 1 (MFN) rate of duty on chipper knife steel. The Committee amended the bill as introduced to reduce the duty on chipper knife steel in annual stages at rates which are 0.1 percent ad valorem lower than the concurrent staged reductions in duty on finished chipper knives, rather than to provide duty-free treatment.

Section 5 contains a provision introduced by Mr. Schulze, H.R. 2269, to eliminate the column 1 (MFN) rate of duty on Yankee dryer cylinders. These articles presently enter under a temporary duty suspension which will expire on December 31, 1981. There has been no U.S. manufacturer of this item since 1975.

Section 6 contains a provision introduced by Mr. Conable, H.R. 3874. The purpose of this section is to exempt from duty certain U.S. aircraft components and materials installed in an aircraft previously exported from the United States and subsequently returned without having been advanced in value or improved in condition while abroad.

Section 7 contains a provision introduced by Mr. Archer, H.R. 2082, to provide the same column 1 (MFN) duty-free treatment to parts of pipe organs as presently afforded finished pipe organs.

Section 8 contains a provision introduced by Mr. Petri, H.R. 2162, to eliminate the column 1 (MFN) rate of duty on toy china tea sets. The Committee amended the bill as introduced to include ceramic ware in the article description instead of china, and to limit the size of the toy tea sets. This amendment eliminated the need for Customs Service laboratory tests, and restricted the set size to preclude duty-free entry of miniature hobby sets.

Section 9 contains an amended provision introduced by Mr. Frenzel, H.R. 1987, to increase the value limitations for duty-free entry of personal articles by returning U.S. residents in order to reduce the administrative burden on the U.S. Customs Service and to speed the entry process for returning U.S. citizens and tourists. The Committee amended the tourist exemption limits in the bill as introduced and increased the value limits under existing administrative duty exemption authorities.

Section 10 contains a provision introduced by Mr. Derwinski, H.R. 833, to eliminate the column 1 (MFN) rate of duty on prayer shawls, bags for the keeping of prayer shawls, and certain headwear used in religious services. The provision would allow commercial enterprises to import these articles for religious use under the same duty-free treatment provided religious institutions.

Section 11 contains a provision introduced by Mr. Frenzel, H.R. 2206, to increase the value limitation applicable to informal entries

of imported merchandise from \$600 to \$1,000 in aggregate fair retail value. The purpose of the provision is to facilitate the clearance of noncommercial imports of low value and to achieve reductions in the cost of Customs administration.

Section 12 contains a provision introduced by Mr. Frenzel, H.R. 1988, to suspend temporarily the column 1 (MFN) rate of duty on carob flour in powdered form until December 31, 1984.

Section 13 contains a provision introduced by Mr. Frank, H.R. 2516, to extend the temporary suspension of the column 1 (MFN) rate of duty on wood excelsior, which expired on June 30, for an additional two years until June 30, 1983.

Section 14 contains a provision introduced by Mr. Crane, H.R. 2786, to suspend temporarily the column 1 (MFN) rate of duty on 4-chloro-3-methylphenol until June 30, 1984. This chemical is used primarily as a biocide and antioxidant in the manufacture of machine cutting oils.

Section 15 contains a provision introduced by Mr. Wylie, H.R. 1931, to continue the existing temporary suspension of the column 1 (MFN) rate of duty on doxorubicin hydrochloride from June 30, 1982, until July 29, 1988. The new date would coincide with the expiration of the Italian-held patent of this unique and important drug used in the treatment of cancer.

Section 16 contains a provision introduced by Mr. Green, H.R. 1910, to suspend temporarily the duties on tartaric acid and certain tartaric chemicals until June 30, 1984. This would temporarily remove the duty increase on these chemicals which has been approximately 200 percent as a result of the Multilateral Trade Negotiations.

Section 17 contains an amended provision introduced by Mr. Vander Jagt, H.R. 2479. The Committee amended the bill as introduced to provide for permanent duty-free treatment, rather than continuation of temporary duty suspension, on certain metal waste and scrap, unwrought metals, and other articles of metal since these products have entered the United States for over 40 years under temporary duty-free treatment.

Section 18 contains a provision introduced by Mr. Jenkins, H.R. 2454, to suspend temporarily the column 1 (MFN) rate of duty on certain freight containers until December 31, 1986. These containers will become subject to permanent duty-free treatment on January 1, 1987, as a result of a tariff concession in the Multilateral Trade Negotiations. The Committee amended the article description to conform with international standards regarding freight containers of this type.

COMMITTEE ACTION

The Subcommittee on Trade held hearings on each of the bills as introduced on May 5 and June 15, 1981. Favorable testimony was received from the Executive branch agencies and most public witnesses on the bills, including suggested amendments.

The Committee, on September 16, 1981, favorably considered each of the bills as reported by the Subcommittee and agreed to combine the bills into one omnibus bill, H.R. 4566, which is being favorably reported to the House of Representatives.

SECTION-BY-SECTION ANALYSIS AND JUSTIFICATION

SECTION 1.—AMENDMENT OF TARIFF SCHEDULES; DEFINITION OF ENTERED

Section 1 contains references applicable to all other sections of the bill. Subsection (a) states that an amendment or repeal expressed in terms of an amendment to, or repeal of, a schedule, item, or other provision refers to a schedule, item, or other provision of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202).

Subsection (b) defines the term "entered" as entered, or withdrawn from warehouse for consumption, within the customs territory of the United States.

SECTION 2.—CANNED TUNA

(Originally introduced as H.R. 3075 by Mr. Gibbons)

Section 2 amends the article description for item 112.30 of the Tariff Schedules of the United States which provides for a tariff-rate quota on imports of certain canned tuna, (1) to indicate clearly that shipments from the U.S. insular possessions are not to be included in determining the extent to which the quota has been filled, and (2) to reflect that the agency responsible for the administration of the quota is the National Marine Fisheries Service, formerly the U.S. Fish and Wildlife Service.

The amendments would apply with respect to articles entered after March 31, 1981.

Canned tuna not packed in oil enters the United States under a tariff quota. The quota is established as 20 percent of the U.S. pack (excluding American Samoa) of canned tuna produced during the immediately preceding calendar year, as reported by the U.S. Fish and Wildlife Service. The column 1 within-quota duty rate (TSUS item 112.30) is 6 percent ad valorem, and the respective over-quota duty rate (TSUS item 112.34) is 12.5 percent ad valorem.

In November 1980, a controversy arose when the U.S. Customs Service began assessing the over-quota duty rate on imported canned tuna as a result of the tariff quota being filled. In the past, virtually all imports of tuna not packed in oil had entered at the lower, within-quota rate. The importers claimed that the quota was filled because U.S. Customs had changed its method of classifying shipments of canned tuna from American Samoa by including these shipments as imports.

The article description for TSUS item 112.30 (tuna in airtight containers, not in oil) does not specify the source of shipment which counts toward the tariff quota on certain imported canned tuna. Any shipment source which is not part of the customs territory of the United States is interpreted to be an import, and thus counts in the aggregate of the tariff quota. Section 2 would make it clear that U.S. insular possessions should not be considered as an import shipment source.

SECTION 3.—CERTAIN CERAMIC INSULATORS (ORIGINALLY INTRODUCED AS
H.R. 2563 BY MR. WILSON)

Section 3 amends the Tariff Schedules of the United States by repealing item 909.20 in the Appendix and inserting a new item 535.13 providing a permanent reduction in the column 1 (MFN) rate of duty on ceramic insulators to be used in the production of spark plugs for natural gas-fueled, stationary, internal combustion engines. The column 1 (MFN) rate of duty would be 3.8 percent ad valorem with respect to articles entered after June 30, 1981, to be reduced in stages to 3.7 percent ad valorem after December 1, 1981, 3.6 percent ad valorem after December 1, 1982, and to a permanent duty of 3.5 percent ad valorem after December 31, 1983. The column 2 rate of duty of 60 percent ad valorem would remain unchanged.

Three companies manufacture about 90 percent of total U.S. spark plug production. All three companies also produce their own insulators. At least one of the three companies also sells insulators to minor spark plug manufacturers. One other company produces spark plug insulators but does not produce spark plugs, and sells its entire production to minor spark plug manufacturers.

The duty reduction is sought by a small manufacturer in Texas of special spark plugs used in stationary gas, natural gas, propane or LPG engines. The company imports a substantial portion of its high alumina ceramic insulators, which can be used for no other purpose than as a spark plug component. The provisions of this section would make it easier for the Texas firm to compete with the major firm which produces this type of specialty spark plug using its own insulators.

Public Law 96-467 provided a temporary duty reduction to 4 percent ad valorem on ceramic insulators in order to remove a tariff anomaly of a higher duty on insulators used in spark plugs than on the completed plugs. This reduction expired on June 30, 1981. The rate of duty on the basket category TSUS item 535.14, under which ceramic insulators are classified, is currently 12.8 percent ad valorem. The duty is scheduled to be reduced in stages to 6 percent ad valorem by January 1, 1987 as a tariff concession in the Multilateral Trade Negotiations. The present duty on spark plugs is 3.8 percent ad valorem.

The bill (H.R. 2563) as introduced would have made ceramic insulators permanently dutiable at 4 percent ad valorem. The Committee believes it preferable to continue to remove the tariff anomaly for a temporary period by staging the duty reduction on ceramic insulators concurrently and at the same duty levels as will apply to spark plugs for a period of three years. After that time the situation could be reevaluated to determine the impact of removing the anomaly, which will reappear in a much reduced amount as the duty on spark plugs continues to be staged to a final rate of 3.1 percent ad valorem by 1987.

SECTION 4.—CHIPPER KNIFE STEEL

(Originally introduced as H.R. 2485 by Mr. Albosta.)

Section 4 amends the Tariff Schedules of the United States to provide for a permanent reduction in annual stages of the column 1

(MFN) rate of duty on chipper knife steel, as scheduled below on articles entered after the following respective dates:

<i>Date</i>	<i>Rate of duty (percent ad valorem)</i> ¹
Sept. 30, 1982-----	4.4
Dec. 31, 1982-----	4.2
Dec. 31, 1983-----	4.0
Dec. 31, 1984-----	3.9
Dec. 31, 1985-----	3.7
Dec. 31, 1986-----	3.6

¹ The column 2 rate of duty remains unchanged.

The section repeals item 911.29 of the Appendix of the Tariff Schedules as of October 1, 1982 which provides a temporary column 1 duty reduction of 4.6 percent ad valorem on chipper knife steel until that date.

Based on presently available data, there are four U.S. producers of alloy tool steel used in the manufacture of chipper knives. Domestic production, estimated between 700 to 1,000 tons per year, supplies approximately 25-33 percent of domestic consumption, with imports supplying the balance. Imports are essential between 1,500 and 2,000 tons per year.

There are four chipper knife manufacturers in the United States. The cost of chipper knife steel, their raw material, represents approximately 80 percent of the cost of the finished product, chipper knives.

Under Public Law 96-609, the temporary duty reduction of 4.6 percent ad valorem on chipper knife steel will expire on September 30, 1982. At that time, chipper knife steel (TSUS item 606.93) will return to a rate of duty of 9.6 percent ad valorem plus an additional duty, which ranges between 0.6 percent and 1 percent ad valorem depending on the amount of tungsten in the steel. Finished chipper knives, on the other hand, enter at a rate of duty of 4.7 percent ad valorem, scheduled to be reduced as a tariff concession in the Multilateral Trade Negotiations to 3.7 percent ad valorem by January 1, 1987. Chipper knife steel is scheduled for a staged reduction to 6 percent ad valorem plus additional duties by January 1, 1987.

The Committee amended H.R. 2485 as originally introduced to reduce the duty on chipper knife steel in annual stages at a rate 0.1 percent ad valorem lower than the annual duty reductions on finished chipper knives, rather than to provide duty-free treatment. The purpose of this section is to remove the tariff anomaly between the tariff on chipper knife steel and finished chipper knives.

SECTION 5.—YANKEE DRYER CYLINDERS

Section 5 amends the Tariff Schedules of the United States by inserting a new item 668.05 providing for elimination of the column 1 (MFN) rate of duty on Yankee dryer cylinders, currently entering under a temporary suspension until December 31, 1981. The column 2 rate of duty of 35 percent ad valorem would remain unchanged. The amendments would apply to articles entered after December 31, 1981.

A Yankee dryer cylinder is a component of a papermaking machine used to dry and finish, by creping or glazing, various grades of paper. For example, most sanitary tissues and paper towels are provided with

a crepe finish imparted by a Yankee dryer cylinder. In addition, these cylinders can be adapted to furnish a glaze to other grades of paper such as kraft wrapping paper.

Yankee dryer cylinders range in diameter from about 10 to 18 feet and are steam heated. The shell of the cylinder ranges from 2 to 3 inches in thickness and consists of metals such as unalloyed cast iron, alloyed cast iron, and aluminum bronze. The latter combines high strength with high conductivity.

The ultimate consumers of Yankee dryer cylinders are domestic paper mills which utilize this equipment and are the principal proponents of the duty elimination.

There are no known domestic producers of Yankee dryer cylinders. The last U.S. manufacturer terminated production in 1975, and there are no known prospective U.S. entrants to the market. The column 1 duty on the cylinders is due to be phased out by January 1, 1987, under the terms of a tariff concession in the Multilateral Trade Negotiations.

SECTION 6.—CERTAIN AIRCRAFT COMPONENTS AND MATERIALS

(Originally introduced as H.R. 3874 by Mr. Conable.)

Section 6 provides for certain aircraft components and materials installed in an aircraft to be exempt from duty provided that the aircraft

- (1) was previously exported from the United States;
- (2) was composed, at the time of exportation, in part of components and materials which are products of the United States and which were installed (a) while the aircraft was within the United States, and (b) after the aircraft was operational;
- (3) is returned to the United States after being so exported without having been advanced in value or improved in condition by any process of manufacture or other means while abroad; and
- (4) was entered for consumption before 1970.

The rate of duty provided for in item 694.40 of the Tariff Schedules of the United States would be assessed upon the full value of the aircraft less the value of such components and materials, and the entry reliquidated on the basis of such assessment. For the purposes of this section, the value of any such component or material is its cost at the time of installation in the aircraft plus the cost of the installation.

The bill involves the entry of a foreign aircraft which was imported into the United States and the appropriate duties paid. The original entry of the aircraft involved ferrying it to the United States with temporary instrumentation and controls. These controls were removed and replaced by other equipment of domestic manufacture. The aircraft was then sold to a foreign corporation and exported. It was later purchased by a domestic firm and reimported.

Section 6 is similar to legislation enacted in 1976 (P.L. 94-511) with the intention of setting aside the duty on certain U.S.-made avionics systems and other equipment that had been installed in an aircraft prior to export from the United States. Under provisions of the TSUS, when the aircraft was reimported without any value

added abroad, it became subject to a duty assessed on the value of the entire aircraft including the American-made components. In passing the original bill, the Congress concluded that the payment of duties on U.S. components which are assembled into foreign articles while in the United States served no purpose. Due to a technical oversight, the intent of Congress was never carried out.

SECTION 7.—PIPE ORGAN PARTS

(Originally introduced as H.R. 2082 by Mr. Archer.)

Section 7 amends the Tariff Schedules of the United States to eliminate the column 1 (MFN) rates of duty on parts of pipe organs provided for under items 726.60 (player action, and parts thereof) and 726.62 (other parts). The column 2 rates of duty remain 60 percent and 35 percent ad valorem, respectively. The duty-free treatment would apply to articles entered on or after the date of enactment.

Finished pipe organs (TSUS item 725.10) currently enter free of duty. However, parts of pipe organs (TSUS items 726.60 and 726.62) are dutiable at 5.6 and 4.6 percent ad valorem, respectively. These duties will be reduced in stages to 4.2 and 3.2 percent ad valorem, respectively, by 1987 under the terms of a tariff concession in the Multilateral Trade Negotiations. Section 7 does not cover TSUS item 726.90 (parts of organs not specifically provided for), which has a column 1 duty of 7.7 percent ad valorem.

The purpose of this section is to remove the inequity between the imported finished pipe organs and parts of pipe organs. It is argued that this inequity in duty rates is detrimental to the domestic pipe organ industry. First, the American pipe-making industry is quoting up to 18 months for delivery (even though European organ pipes are of much better quality than those from the domestic industry); therefore, the domestic pipe organ manufacturers must import parts to satisfy their own requirements. Secondly, the same parts which are dutiable when imported separately enter duty-free when they are part of a finished pipe organ. The Administration believes that elimination of duties on pipe organ parts would provide a cost savings to the domestic pipe organ industry and make domestically produced pipe organs more competitive. The Administration also stated that domestic manufacturers of pipe organ parts do not oppose this provision.

SECTION 8.—TOY TEA SETS

(Originally introduced as H.R. 2162 by Mr. Petri.)

Section 8 amends the Tariff Schedules of the United States by inserting a new item 737.73 to eliminate the column 1 (MFN) rate of duty on "toy tea sets of ceramic ware, made to the approximate scale of 1 to 10 or larger." The column 2 duty of 70 percent ad valorem would remain unchanged. The duty-free treatment would apply to articles entered on or after the date of enactment.

The genesis of this bill is the Aluminum Specialty Company, which produces toys among other articles. This company is a wholly-owned subsidiary of Kraft, Inc., Glenview, Illinois, which produces housewares and sporting goods in addition to toys. The company employs

approximately 700 people and distributes its products throughout the United States.

The majority of this company's products offered for sale are manufactured entirely in the United States. However, they have been importing some products since 1960, mainly from the Far East, to supplement their existing line of merchandise. One such product is toy china tea sets from Japan. This item is imported completely packaged and ready for resale, and does not incorporate any assembly line time. Toy china tea sets are classified in a basket category (TSUS item 737.95) at a column 1 duty of 14.9 percent ad valorem. This duty will be reduced in stages as a tariff concession in the Multilateral Trade Negotiations to 7 percent ad valorem in 1987.

Aluminum Specialty Co. has not found a U.S. company which manufactures this product. The European manufacturers are much higher priced than the Japanese, and the East European products are dutiable under column 2 at 70 percent ad valorem.

The Administration is unaware of any domestic production of toy tea sets of chinaware or ceramic ware. They do not believe that toy tea sets of chinaware compete directly with domestic production of plastic or metal tea sets. Toy manufacturers and retail chains rely on imports to complete their product line of top tea sets, thereby giving consumers a broader range of goods from which to select.

The Committee amended the provision to include ceramic ware in the article description instead of china, and to limit the size of the toy tea sets. This amendment eliminates the need for U.S. Customs Service laboratory tests, and restricts the set size to preclude duty-free entry of miniature hobby sets.

SECTION 9.—INCREASE IN VALUE LIMITATIONS FOR DUTY-FREE IMPORTATIONS OF PERSONAL ARTICLES BY RETURNING UNITED STATES RESIDENTS

(Originally introduced as H.R. 1987 by Mr. Frenzel.)

Section 9 amends items 813.30 and 813.31 of the Tariff Schedules of the United States to increase the value limitations for duty-free importations of personal or household articles by returning U.S. residents. The value limitation for item 813.30, which provides duty-free treatment on articles accompanying a person arriving in the United States from a country other than a U.S. possession, would be increased from \$300 to \$600 in aggregate fair retail value in the country of acquisition.

The value limitation for item 813.31, which provides duty-free treatment on articles, whether or not accompanying a person, would increase from \$600 to \$800 in aggregate fair market value in the country of acquisition if the person arrives directly or indirectly from U.S. insular possessions, and would increase the maximum value of duty-free articles which may be acquired elsewhere than the U.S. insular possessions from \$300 to \$400.

This section also increases the value limits of the administrative duty exemption authority of the Secretary of the Treasury under section 321(a)(2)(A) of the Tariff Act of 1930 from \$25 to \$50 for bona fide gifts sent from persons in foreign countries to persons in the United States, and from \$40 to \$100 for articles for household or per-

sonal use accompanying persons arriving in the United States who are not entitled to any exemption from duty under schedule 8 of the Tariff Schedules.

These amendments would apply to articles entered on or after the date of enactment.

From time to time, the value limits on the amount of articles that may accompany a person arriving in the United States without having to pay a duty need to be examined in light of economic conditions and the circumstances that the law imposes on the U.S. Customs Service to enforce them realistically and practically.

The purpose of this section is to raise these value limits for U.S. residents returning from abroad, thus recognizing that prices have increased due to world-wide inflation. At the same time, it is hoped that the increase in value limits will reduce the necessary paperwork required of the Customs Service, and speed the entry process for returning U.S. citizens and tourists.

The Committee amended the bill as introduced to provide somewhat smaller increases in the value limits under TSUS item 813.31, i.e., from \$600 to \$800 and \$300 to \$400, rather than to \$1,200 and \$600 respectively, while maintaining the two-to-one ratio in favor of purchases in U.S. insular possessions. The Committee also amended the original bill to increase the value limits under administrative exemption authority of the Secretary of the Treasury on gifts from foreign countries and on personal items under section 321(a)(2)(A) of the Tariff Act of 1930.

SECTION 10.—PRAYER SHAWLS

(Originally introduced as H.R. 833 by Mr. Derwinski.)

Section 10 amends the Tariff Schedules of the United States by inserting a new item 854.30 providing for elimination of the column 1 (MFN) and column 2 rates of duty on prayer shawls, bags for the keeping of prayer shawls, and headwear used for public or private religious observances. The provision would allow commercial enterprises to import these articles for religious use and would provide them the same duty-free treatment as a religious institution. The permanent duty-free treatment would apply to articles entered on or after the date of enactment.

The section also amends headnote 1, part 4, schedule 8 by adding TSUS item 854.30 to the list of items excepted from the requirement that in order to receive duty-free treatment articles covered by part 4 (importations of religious, educational, scientific and other institutions) "must be exclusively for the use of the institutions involved, and not for distribution, sale, or other commercial use within 5 years after being entered."

The genesis of this provision is a company known as In The Beginning Ltd. One of the major precepts of this company is that it would represent only Israeli artists living in Israel (or government officials on duty), and all payments for merchandise would be sent to the State of Israel for its benefit.

One of the articles of merchandise handled by this company is "tallitot" (prayer shawls). Imports of these prayer shawls are treated as "ornamental wearing apparel" and are, therefore, subject to a 30

percent ad valorem rate of duty. In order for them to enter the United States duty-free, they must be imported by a religious institution and classified as "regalia." The proponents of section 10 argue that the only use of this merchandise is religious, and therefore should be given duty-free treatment.

In general, imported and domestic prayer shawls are similar, that is rectangular in shape of varying lengths, fringed on the ends and made of wool, cotton, silk, or synthetics or a mixture of these fibers. The bulk of imports are made of wool, whereas the material used in U.S. output varies.

The U.S. industry for these religious articles is centered in the New York Metropolitan area. Zion Talis Manufacturing Co., Inc., of New York is the largest producer of prayer shawls and also manufactures bags and headwear. It also imports prayer shawls from its own establishment in Israel which supplies approximately 75 percent of its domestic output. Miriam Religious Supplies of New York City produces all three articles, mainly bags for prayer shawls, and also imports them.

The Administration believes that duty-free entry of these products will benefit consumers in the United States without harming U.S. producers. The Administration is satisfied that the product description will preclude foreign suppliers from using this item to circumvent existing restrictions on the importation of textiles and apparel.

SECTION 11. INCREASE IN VALUE LIMITATIONS APPLICABLE TO INFORMAL ENTRIES OF IMPORTED MERCHANDISE

(Originally introduced as H.R. 2206 by Mr. Frenzel.)

Section 11 amends the article description of item 869.00 of the Tariff Schedules of the United States to increase the value limitation applicable to informal entries of noncommercial imported merchandise. Under the amendment, articles accompanying a person arriving in the United States (other than duty-free articles or articles acquired in the U.S. insular possessions) for personal or household use, or as bona fide gifts, not imported for the account of another person, would be subject to a duty of 10 percent of the fair retail value in the country of acquisition if such value on the aggregate did not exceed \$1,000. The current limitation is \$600 in the aggregate. The amendment would apply to articles imported on or after the date of enactment.

World-wide prices, due to inflation, no longer make a fair retail value of \$600 in the aggregate for articles purchased abroad a realistic amount: The administrative process required to deal with this amount places a burden upon both the citizen and the U.S. Customs Service for noncommercial imports of limited value. The purpose of section 11 is to facilitate Customs clearance of informal entries and to achieve reductions in the cost of customs administration.

The Administration has no objections to this provision. It would benefit people entering the United States, and there are adequate safeguards in the headnote to part 6, schedule 8 of the TSUS to assure that U.S. domestic industries will not be adversely affected by enactment of this section.

SECTION 12.—CAROB FLOUR

(Originally introduced as H.R. 1988 by Mr. Frenzel.)

Section 12 amends the Appendix to the Tariff Schedules of the United States to provide for temporary suspension of the column 1 (MFN) rate of duty on carob flour until December 31, 1984. The column 2 rate of duty of 20 percent ad valorem would remain unchanged. The temporary duty suspension would apply to articles entered on or after the date of enactment.

Carob flour in a powdered form is classified under TSUS item 152.05 (fruit flours, except banana and plantain), dutiable at 15 percent ad valorem. Virtually all of the product is imported from Greece, Italy, and Spain.

Most carob is imported in the powdered form (approximately 75% of U.S. consumption). The production of carob from raw materials involves a noxious process which would be costly to control under U.S. environmental requirements. This makes carob production in the United States generally uneconomical. However, there are two firms in the country which produce carob powder, but apparently also import a portion of their requirements.

Carob pods (raw material) are not grown commercially in the United States. Carob powder can be substituted for plain cocoa, but there is no reason to believe the small amount of potential substitution would have any significant impact upon the chocolate/cocoa producers.

Consumers and food manufacturers use carob flour as a substitute for chocolate. Carob products have found increasing popularity in the United States because carob flour, unlike chocolate, contains no caffeine or theobromine, two stimulants to which consumers sometimes have allergic reactions. Carob candy bars, carob drinks, and carob ice cream are sold throughout the United States in many health food stores.

SECTION 13.—WOOD EXCELSIOR

(Originally introduced as H.R. 2516 by Mr. Frank.)

Section 13 amends item 904.00 of the Appendix to the Tariff Schedules of the United States to extend the temporary suspension of the column 1 (MFN) rate of duty on wood excelsior, which expired on June 30, 1981, for a two year period until June 30, 1983. The column 1 duty on wood excelsior (TSUS item 200.25) is currently 7.3 percent ad valorem. The column 2 rate of duty of 33½ percent ad valorem would remain unchanged. The continued duty suspension would apply to articles entered, or withdrawn from warehouse, after June 30, 1981.

Wood excelsior, which is produced by shredding wood blocks of aspen, cottonwood, basswood, and southern pine, consists of thin, narrow, flexible strands of wood which tend to curl and form a loosely joined mass. Its uses include packing material for fragile goods, glassware, a filling material for low-priced mattresses and furniture, a filter and vapor-dispersing agent for evaporative coolers, a soil covering in erosion control, and in the filtration of crude oil and petroleum products.

The conditions for the original suspension of duty on this article still exist. The northeastern part of the United States has no ready dry

excelsior made from aspen. A domestic source for this variety of excelsior is American Excelsior Company, whose closest plant to the north-east is over 1,000 miles away (Wisconsin). An alternative source is in eastern Canada. Due to the very high volume/weight ratio, and its low unit value, long distance shipping is expensive and uneconomical. Continuation of the duty suspension would hold down a U.S. pad manufacturer's raw material costs for wood excelsior due to transportation efficiencies associated with sourcing in Canada.

SECTION 14.—4-CHLORO-3-METHYLPHENOL

(Originally introduced as H.R. 2786 by Mr. Crane.)

Section 14 amends the Appendix to the Tariff Schedules of the United States to provide for temporary suspension of the column 1 (MFN) rate of duty on the chemical, 4-chloro-3-methylphenol, until June 30, 1984. There is no change in the column 2 rate of duty of 7 cents per pound plus 63 percent ad valorem. The duty suspension would apply to articles entered on or after the date of enactment.

The organic chemical, 4-chloro-3-methylphenol, has not been produced in the United States for the past several years. Domestic consumers must rely on imports which are now assessed at a rate of duty nearly double the rate assessed prior to enactment of the Trade Agreements Act of 1979. As a result of provisions in the Trade Agreements Act implementing the agreement on customs valuation negotiated in the Multilateral Trade Negotiations, this chemical is presently classified in the residual category for halogenated, sulfonated, nitrated, or nitrosated derivatives of phenols or phenolalcohols provided for in the Chemical Appendix of the Tariff Schedules under TSUS item 403.56. The column 1 rate of duty is presently 1.4 cents per pound plus 19.4 percent ad valorem scheduled for annual staged reductions to 0.7 percent per pound plus 19.4 percent ad valorem by January 1, 1987.

This chemical is used primarily as a biocide and antioxidant in the manufacture of machine cutting oils, in certain specialty products such as antidandruff shampoos and hand lotions, and in sensitive films such as X-ray and microfilms to protect these products during prolonged storage. It is also used as a chemical intermediate in the manufacture of more complex chemical products.

According to some domestic users of 4-chloro-3-methylphenol, there are not any domestically produced chemicals which can be substituted in the formulation of cutting oils or as a chemical intermediate in a specific reaction to produce the same end product. For some minor uses as a biocide in specialty products, however, some domestically produced chemicals may be substituted with satisfactory results.

SECTION 15.—DOXORUBICIN HYDROCHLORIDE

(Originally introduced as H.R. 1931 by Mr. Wylie.)

Section 15 amends item 907.20 of the Appendix of the Tariff Schedules of the United States to continue the existing temporary suspension of the column 1 (MFN) rate of duty on doxorubicin hydrochloride from June 30, 1982 until June 29, 1988. The column 2 rate

of duty of 7 cents per pound plus 45 percent ad valorem remains unchanged. The continuation would apply to articles entered after June 30, 1982.

Doxorubicin hydrochloride, sold under the brand name Adriamycin, is produced exclusively by a company in Italy and marketed in the United States under a patent which prevents the drug from being manufactured in this country. The extension of the temporary duty suspension on doxorubicin hydrochloride would provide continued duty-free status for a critical import at a time when no like or directly competitive drug is produced in the United States. Doxorubicin hydrochloride is used in the treatment of many types of cancer including breast cancer, bladder cancer, lung cancer, Wilm's tumor, neuroblastomas, soft tissue and bone sarcomas, thyroid cancer, Hodgkin's disease, and malignant lymphoma.

The U.S. patent for this drug, which prohibits its production by any other manufacturer, is held by an Italian pharmaceutical company, Farmitalia, S.p.A. All manufacturing is done in Milan, Italy. The importer and U.S. distributor of doxorubicin hydrochloride is Adria Laboratories, Inc., Columbus, Ohio, which is jointly owned by Hercules, Inc., Wilmington, Del., and Arethusa Trading Corp., New York, N.Y., a wholly owned subsidiary of Montedison S. p. A. in Milan, Italy, which also owns Farmitalia, S.p.A.

There are no commercially available or domestically manufactured products to compete with this drug. Two kinds of products are now being tested, but they are derivatives of this drug, and therefore cannot be marketed in the United States until expiration of the Italian-held patent in 1988.

The Administration believes that continued duty-free entry of doxorubicin hydrochloride, one of the most widely used and important drugs in the treatment of cancer, would benefit physicians, researchers, and cancer patients. The provision would not discourage the development of a like product by domestic industry.

Adriamycin is an expensive drug, and Adria Laboratories has passed to its customers the complete cost savings from the existing duty suspension. The largest single customer for Adriamycin is the National Cancer Institute.

SECTION 16.—TARTARIC ACID AND CERTAIN TARTARIC CHEMICALS

(Originally introduced as H.R. 1910 by Mr. Green.)

Section 16 amends the Appendix to the Tariff Schedules of the United States to provide for temporary suspension of the column 1 (MFN) rates of duty on tartaric acid, antimony tartrate (tartar emetic), cream of tartar, and sodium tartrate (Rochelle salts) until June 30, 1984. There is no change in the column 2 rates of duty.

The temporary duty suspensions would apply to articles entered on or after the date of enactment. Subsection (b) also provides retroactive application of the suspensions to the entry, or withdrawal from warehouse for consumption, of any article made after June 30, 1980 and before date of enactment, provided that request therefor is filed with the Customs officer concerned on or before the 90th day after date of enactment.

During the Multilateral Trade Negotiations, duties on a number of TSUS items were converted from specific or compound rates of duty to ad valorem equivalents. This was done in the case of tartaric chemical products. The current rates of duty on the tartaric chemicals covered by the provision are 5.8 percent ad valorem on tartaric acid (TSUS item 426.72), 6.4 percent ad valorem on cream of tartar (TSUS 426.76) and 5.3 percent ad valorem on sodium tartrate (TSUS item 426.82). The ad valorem rates were established on the basis of 1976 data. Due primarily to subsequent inflationary price increases, the duty has increased approximately 200 percent (i.e., from 3¢ per pound to 9¢ per pound) on a pound of tartaric acid, for example. The Committee believes that a threefold tariff increase due to conversion was so large a cost as to have an extremely burdensome and immediate effect on imports, and that the importers should not be penalized as a result.

Proponents of the suspension maintain that no domestic industry produces, or has ever produced, tartaric acid to serve the demand. Tartaric acid is derived from the residue accumulated in the production of wine. Much of the wine in the United States is produced using methods which do not permit the raw material to collect in sufficient quantities from which to derive tartaric acid. Tartaric acid and its derivatives are imported principally from Italy, Spain and Argentina. There appears to be no substitute product manufactured in the United States. The suspension would assist U.S. importers of the chemicals from Italy and Spain to compete with tartaric products entered duty-free from Argentina under the Generalized System of Preferences.

SECTION 17.—CERTAIN METAL WASTE AND SCRAP

(Originally introduced as H.R. 2479 by Mr. Vander Jagt.)

Section 17 amends the Appendix of the Tariff Schedules of the United States to provide permanent duty-free treatment on certain metal waste and scrap. The section deletes TSUS items 911.10, 911.11 and 911.12 and the superior headings thereto and inserts three new TSUS items 870.50 (copper waste and scrap), 870.55 (articles of copper), and 870.60 (other articles, as described in the superior heading, but not included in items 870.50 and 870.55) with a new headnote. Permanent column 1 duty-free entry would be granted under these items, except that the column 1b rate will apply as specified in schedule 6 of the TSUS to copper waste and scrap and to articles of copper (TSUS items 870.50 and 870.55) if the market price of copper falls below 51 cents per pound.

As provided in the new headnote, the market price of copper shall be considered to be under 51 cents per pound on and after 20 days following a report by the U.S. International Trade Commission to the Secretary of the Treasury of its determination that the market price has been under 51 cents per pound for one calendar month, and until 20 days after another report from the Commission to the Secretary that the market price has been 51 cents or more per pound for one calendar month. This conditional application of duty-free treatment on copper waste and scrap and on copper articles is identical

to that provided for in headnote 3 to Subpart B of the Appendix to the Tariff Schedules applicable to the temporary duty suspensions on these products prior to their expiration on June 30, 1981.

The column 2 rates of duty on copper waste and scrap and copper articles would remain unchanged; the volume 2 duty previously suspended on other metal articles covered by new TSUS item 870.60 would be eliminated. The amendments under section 17 would apply to articles entered after June 30, 1981.

Duties were originally suspended on these articles to assist steel producers in some sections of the country to obtain supplies of one of their raw materials. Many independent smelters in the United States depend on imported scrap materials in the same way that some domestic producers depend on imported metal ores. The permanent duty-free treatment on these important raw materials would preclude an increase in industrial costs.

Inasmuch as these products have entered duty-free for over 40 years without adversely affecting any U.S. domestic interests, the Committee amended H.R. 2479 as introduced to provide permanent duty-free treatment rather than another continuation of the duty suspension.

SECTION 18.—FREIGHT CONTAINERS

(Originally introduced as H.R. 2454 by Mr. Jenkins.)

Section 18, amends the Appendix to the Tariff Schedules of the United States to provide for temporary suspension of the column 1 (MFN) rate of duty on certain freight containers until December 31, 1986. The article description specifies that the freight containers must be "specially designed and equipped to facilitate the carriage of goods by one or more modes of transport without intermediate reloading, each having a gross mass rating of at least 40,000 pounds and a date of manufacture that precedes January 1 of the calendar year in which entered by not less than 5 years". The column 2 rate of duty of 25 percent ad valorem would remain unchanged. The temporary duty suspension would apply to articles entered on or after the date of enactment.

Under existing law, a freight container which is used for merchandise carried in the foreign trade of the United States may be designated as an "instrument of international traffic", and thus be brought in without entry or the payment of duty. However, in order to receive such a designation, a bond must be on file with Customs.

If the container is of foreign origin, or of U.S. origin, and has been increased in value while abroad, and is withdrawn from international traffic, it becomes subject to entry and the payment of any applicable duties under TSUS item 640.30. The existing column 1 duty is now 3.8 percent ad valorem, scheduled to become duty-free on January 1, 1987 as a staged tariff concession in the Multilateral Trade Negotiations. Section 18 would provide immediate duty-free treatment for certain "retired" intermodal freight containers which are at least 5 years old and have a minimum gross mass rating of 40,000 pounds.

This provision would benefit businesses that purchase "retired" freight containers and repair them for sale to U.S. exporters. Under current law (19 U.S.C. 1322(a)), problems arise in determining which containers are subject to duty and when they are no longer instruments

of international traffic. The penalty for failure to declare and pay applicable duties on the containers which are no longer eligible for duty-free treatment is payment equal to the domestic value of the container.

The Administration has no objection to the enactment of this legislation. The passage of this bill is unlikely to have any detrimental effect on the domestic industry as it deals with only used containers. Any substitution effects would be minimal as a result of the already low and decreasing protection on new containers.

VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote of the Committee in reporting the bill. H.R. 4566 was ordered favorably reported by the Committee by voice vote.

OVERSIGHT FINDINGS

In compliance with clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives relating to oversight findings, the Committee concluded, as a result of its review of the circumstances existing with respect to each of the products and the provisions of trade law involved, that it would be desirable to enact H.R. 4566 by reason of the considerations outlined above in the section-by-section analysis and justification.

With respect to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings or recommendations have been submitted to the Committee by the Committee on Government Operations with respect to the subject matter contained in this bill.

BUDGETARY AUTHORITY AND COST ESTIMATES, INCLUDING ESTIMATES OF CONGRESSIONAL BUDGET OFFICE

In compliance with clause 7(a) of rule XIII and clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee states that H.R. 4566 does not provide any new budget authority or any new or increased tax expenditures.

In compliance with clause 7(a) of rule XIII and clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee provides below information furnished by the Congressional Budget Office on H.R. 4566, and required to be included therein:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., September 24, 1981.

HON. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Budget Act, the Congressional Budget Office has examined H.R. 4566, which reduces certain duties, suspends temporarily certain duties, and extends certain

suspensions of certain duties. This bill is a compilation of previous tariff bills reported by the Committee. The bill contains the following provisions:

- Section 2.—Canned Tuna.
- Section 3.—Ceramic Insulators.
- Section 4.—Chipper Knife Steel.
- Section 5.—Yankee Dryer Cylinders.
- Section 6.—Aircraft Components and Materials.
- Section 7.—Pipe Organ Parts.
- Section 8.—Toy Tea Sets.
- Section 9.—Increase in value limitations for duty-free importations of personal articles by returning U.S. residents.
- Section 10.—Prayer Shawls.
- Section 11.—Increase in value limitations applicable to informal entries of imported merchandise.
- Section 12.—Carob Flour.
- Section 13.—Wood Excelsior.
- Section 14.—4-Chloro-3-Methylphenol.
- Section 15.—Doxorubicin Hydrochloride.
- Section 16.—Tartaric acid and certain tartaric chemicals.
- Section 17.—Metal waste and scrap.
- Section 18.—Freight Containers.

The bill does not provide any new budget authority or any new or increased tax expenditures.

We have examined and agree with the estimates provided and the methods used by the International Trade Commission concerning some of the components of this bill. Because we have not totally examined some of the interrelationships between some of the provisions, this is a tentative estimate of the bill. Revenues are expected to be reduced by \$6.6 million per year.

Sincerely,

RAYMOND SCHEPPACH
(for Alice M. Rivlin, Director).

INFLATIONARY IMPACT STATEMENT

With respect to clause 2(1) (4) of rule XI of the Rules of the House of Representatives, the Committee states that H.R. 4566, which involves a total annual estimated cost of \$6.6 million per year, would not have an inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SCHEDULE 6.—METALS AND METAL PRODUCTS

Item	Articles	Rates of duty	
		1	LDDC 2
PART 2.—METALS, THEIR ALLOYS, AND THEIR BASIC SHAPES AND FORMS			
*	*	*	*
	Subpart B.—Iron or Steel		
*	*	*	*

Item	Articles	Rates of duty	
		1	LDDC 2
2 606.93	Chipper knife steel: Not cold formed	10.5% ad val. + additional duties (see headnote 4)	28% ad val. + addi- tional duties (see headnote 4)

² Effective with respect to articles provided for in item 606.93 (relating to chipper knife steel) that are entered after each of the dates set forth below, column 1 of such item is amended by striking out the rate of duty in effect on the day before such date and inserting in lieu thereof the rate of duty appearing below next to each such date:

Date	Rate of duty
September 30, 1982	4.4% ad val.
December 31, 1982	4.2% ad val.
December 31, 1983	4% ad val.
December 31, 1984	3.9% ad val.
December 31, 1985	3.7% ad val.
December 31, 1986	3.6% ad val.

SCHEDULE 6.—METALS AND METAL PRODUCTS

Item	Articles	Rates of duty	
		1	LDDC 2
*	*	*	*
	Subpart C.—Copper		
*	*	*	*
	5. Determination of Market Price of Copper for Rate of Duty Purposes.—(a) In this subpart, and for items 870.50 and 870.55, column 1 of the Rates of Duty columns has been divided into two columns, viz., 1-a and 1-b. The rates of duty in column 1-a apply when the market price of copper is 24 cents or more per pound, and the rates of duty in column 1-b apply when the market price of copper is under 24 cents per pound.		
*	*	*	*

SCHEDULE 6.—METALS AND METAL PRODUCTS

Item	Articles	Rates of duty		
		1	LDDC	2
PART 4.—MACHINERY AND MECHANICAL EQUIPMENT				
• • • • •				
Subpart D.—Pulp and Paper Machinery; Bookbinding Machinery; Printing Machinery				
• • • • •				
Parts of the foregoing machines:				
668.04	Bed plates, roll bars, and other stock-treating parts for pulp or paper machines.....	6.4% ad val.	4.7% ad val.	20% ad val.
688.06	Yankee dryer cylinders.....	Free		35% ad val.
• • • • •				

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Item	Articles	Rates of duty		
		1	LDLC	2
PART 3.—MUSICAL INSTRUMENTS, PARTS, AND ACCESSORIES				
• • • • •				
Subpart B.—Musical Instrument Parts and Accessories				
• • • • •				
Parts of pipe organs:				
726.60	Player actions, and parts thereof.....	5.6% ad val.	4.2% ad val.	60% ad val.
726.62	Other.....	4.6% ad val.	3.2% ad val.	35% ad val.
726.60	Player actions, and parts thereof.....	Free		60% ad val.
726.62	Other.....	Free		35% ad val.
• • • • •				

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Item	Articles	Rates of duty		
		1	LDDC	2
• • • • •				
PART 5.—ARMS AND AMMUNITION; FISHING TACKLE; WHEEL GOODS; SPORTING GOODS, GAMES AND TOYS				
• • • • •				
Subpart E.—Models; Dolls, Toys, Tricks, Party Favors				
• • • • •				
737.70	Confetti, paper spirals or streamers, party favors, and noisemakers.....	4% ad val.		45% ad val.
737.73	Toy tea sets of ceramic ware, made to the approximate scale of 1 to 10 or larger.....	Free		70% ad val.
• • • • •				

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	2
PART 2.—PERSONAL EXEMPTIONS			
Subpart A.—Residents and Nonresidents			

Item	Articles	Rates of duty	
		1	2
813.30	Articles, accompanying a person, not over [\$300] \$600 in aggregate fair retail value in the country of acquisition, including (but only in the case of an individual who has attained the age of 21) not more than 1 liter of alcoholic beverages and including not more than 200 cigarettes and 100 cigars.	Free.	Free.
813.31	Articles whether or not accompanying a person, not over [\$600] \$800 in aggregate fair market value in the country of acquisition, including— (a) but only in case of an individual who has attained the age of 21, not more than 4 liters of alcoholic beverages, not more than 1 liter of which shall have been acquired elsewhere than in American Samoa, Guam, or the Virgin Islands of the United States, and (b) not more than 1,000 cigarettes, not more than 200 of which shall have been acquired elsewhere than in such insular possessions, and not more than 100 cigars, if such person arrives directly or indirectly from such insular possessions, not more than [\$300] \$400 of which shall have been acquired elsewhere than in such insular possessions (but this item does not permit the entry of articles not accompanying a person which were acquired elsewhere than in such insular possessions).	Free.	Free.

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	LDDC 2
PART 4.—IMPORTATIONS OF RELIGIOUS, EDUCATIONAL, SCIENTIFIC, AND OTHER INSTITUTIONS			

Part 4 headnotes:

- Except as provided in items 850.50, 852.20, ~~[and]~~ 854.20, and 854.30 or as otherwise provided for in this headnote, the articles covered by this part must be exclusively for the use of the institutions involved, and not for distribution, sale, or other commercial use within 5 years after being entered. Articles admitted under any items in this part may be transferred from an institution specified with respect to such articles to another such institution,

Item	Articles	Rates of duty	
		1	LDDC 2
	<p>or may be exported or destroyed under customs supervision, without duty liability being incurred. However, if any such article (other than an article provided for in item 850.50 or 852.20) is transferred other than as provided by the preceding sentence, or is used for commercial purposes, within 5 years after being entered, the institution for which such article was entered shall promptly notify customs officers at the port of entry and shall be liable for the payment of duty on such article in an amount determined on the basis of its condition as imported and the rate applicable to it (determined without regard to this part) when entered. If, with a view to a transfer (other than a transfer permitted by the second sentence) or the use for commercial purposes of an instrument or apparatus, a repair component admitted under item 851.65 has been assembled into such instrument or apparatus, such component shall, for purposes of the preceding sentence, be treated as a separate article.</p>		
854.20	Cellulosic plastics materials imported for use in artificial kidney machines or apparatuses by a hospital or by a patient pursuant to prescription of a physician.....	Free.....	The column 2 rate applicable in the absence of this item.
854.50	Prayer shawls, bags for the keeping of prayer shawls, and headwear of a kind used for public or private religious observances, whether or not any of the foregoing is imported for the use of a religious institution.....	Free.....	Free.

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	LDDC 2
PART 6.—NONCOMMERCIAL IMPORTATIONS OF LIMITED VALUE			
Part 6 headnote:			
<p>For the purposes of this part the rates of duty for articles provided in this part shall be assessed in lieu of any other rates of duty, except free rates of duty on such articles, unless the Secretary of the Treasury or his delegate determines, in accordance with regulations, that the application of the rates of duty provided in this part to any article in lieu of the rate of duty otherwise applicable thereto adversely affects the economic interest of the United States.</p> <p>Articles for personal or household use, or as bona fide gifts, not imported for the account of another person, valued in the aggregate at not over [\$600] \$1,000 fair retail value in the country of acquisition, if the person claiming the benefit of item 869.00 or 869.10, or both, has not received the benefits thereof within the 30 days immediately preceding his arrival:</p>			
869.00	Accompanying a person, arriving in the United States (exclusive of duty-free articles and articles acquired in American Samoa, Guam, or the Virgin Islands of the United States).....	10% of the fair retail value..	10% of the fair retail value.

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of Duty	
		1	2

PART 7.—OTHER SPECIAL CLASSIFICATION PROVISIONS

Part 7 headnotes:

1. No article shall be exempted from duty under item 870.30 unless a Federal agency or agencies designated by the President determines that such article is visual or auditory material of an educational, scientific, or cultural character within the meaning of the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, and Cultural Character. Whenever the President determines that there is or may be profitmaking exhibition or use of articles described in item 870.30 which interferes significantly (or threatens to interfere significantly) with domestic production of similar articles, he may prescribe regulations imposing restrictions on the entry of such foreign articles to insure that they will be exhibited or used only for nonprofitmaking purposes.
2. The provisions of items 870.40 and 870.45 do not apply to—
 - (i) articles of textile materials; articles provided for in schedule 5; articles of leather or of fur on the skins;
 - (ii) articles provided for in schedule 6, part 2, part 3 (subparts A through F except items 652.13 through 652.38, inclusive, 652.84, 652.88, 653.00, and 653.01), part 5 (except item 688.45) or part 6, but interchangeable agricultural and horticultural implements are classifiable in item 870.40 even if mounted at the time of importation on a tractor provided for in part 6B of schedule 6;
 - (iii) ball or roller bearings, including such bearings with integral shafts, and parts thereof, provided for in items 680.33 through 680.39, inclusive; or
 - (iv) articles provided for in item 666.00.
3. (a) *Items 870.50 and 870.55 shall not apply when the market price of copper is under 51 cents per pound.*
 - (b) *For purposes of subparagraph (a), the market price of copper has the meaning assigned to it by headnote 5(a) of the headnotes to schedule 6, part 2, subpart C.*
 - (c) *For purposes of subparagraph (a), the market price of copper shall be considered to be under 51 cents per pound only on and after the 20th day after the date of a report by the United States International Trade Commission to the Secretary of the Treasury that it has determined that the market price has been under 51 cents per pound for one calendar month. After any such report, the market price shall*

Item	Articles	Rates of Duty	
		1	2
	<p>be considered as not being under 51 cents per pound only on and after the 20th day after the date of a report by the Commission to the Secretary that it has determined that the market price has been 51 cents or more per pound for one calendar month.</p> <p>(d) Determinations by the Commission under this headnote shall be made in the manner prescribed by headnote 5(c) to schedule 6, part 2, subpart C.</p>		

Item	Articles	Rates of duty	
		1	LDDC 2
870.45	Parts to be used in articles provided for in item 866.00, whether or not such parts are chiefly used as parts of such articles and whether or not covered by a specific provision within the meaning of general interpretative rule 10(i).	Free	The column 2 rate applicable in the absence of this item.

Rates of duty		
1-a	1-b	2

Metal waste and scrap (provided for in part 2, schedule 6), except lead, zinc, and tungsten waste and scrap; unwrought metal (except copper, lead, zinc, and tungsten) in the form of pigs, ingots, or billets (a) which are defective or damaged, or have been produced from melted down metal waste and scrap for convenience in handling and transportation without sweetening, alloying, fluxing, or deliberate purifying, and (b) which cannot be commercially used without remanufacture; relaying or rerolling rails; and articles of metal (except articles of lead, of zinc, or of tungsten, and not including metal-bearing materials provided for in schedule 4 or in part 1 of schedule 6 and not including unwrought metal provided for in part 2 of schedule 6) to be used in remanufacture by melting or to be processed by shredding, shearing, compacting, or similar processing which renders them fit only for the recovery of the metal content:

870.50	Copper waste and scrap	Free	The column 1-b rate applicable in the absence of this item	The column 2 rate applicable in the absence of this item.
870.55	Articles of copper	Free	The column 1-b rate applicable in the absence of this item	The column 2 rate applicable in the absence of this item.

Rates of duty			
1	2		
870.60	Other	Free	Free

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	2	
PART 1.—TEMPORARY LEGISLATION				
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
	Subpart B headnotes:			
	3. (a) Items [911.10, 911.11,] shall not apply when the market price of copper is under 51 cents per pound.			
Item	Articles	Rates of duty		Effective period
		1	2	
903.60	Mixture of mashed or macerated hot red peppers and salt (provided for in item 141.77 or 141.88, part 8C, schedule 1).....	Free.....	No change..	On or before 6/30/81.
903.65	Carob (provided for in item 152.05, part 9C, schedule 1).....	Free.....	No charge...	On or before 12/31/84.
904.00	Wood excelsior, including excelsior pads and wrappings (provided for in item 220.05, part 1A, schedule 2).....	Free.....	No change..	On or before [6/30/81] 6/30/83.
907.05	Bis (4-aminobenzoate)-1, 3-propanediol (trimethylene glycol di-p-aminobenzoate) (however provided for in items 402.36 through 406.63, part 1B, schedule 4).....	Free.....	No change..	On or before 6/30/83.
907.08	4-chloro-3-methylphenol (CAS No. 59-50-7) (provided for in item 408.56, part 1B, schedule 4).....	Free.....	No change...	On or before 6/30/84.
907.20	Doxorubicin hydrochloride (provided for in item 411.76, part 1, or in item 457.32 or 458.02, part 3, schedule 4, depending on source).....	Free.....	No change...	On or before [8/30/82] 6/30/88.

Item	Articles	Rates of duty		Effective period
		1	2	
907.40	Boric acid (provided for in item 425.04, part 2B, schedule 4)	Free	No change	On or before 6/30/79.
907.60	Carboxymethyl cellulose sodium salts of a purity not exceeding 98 percent nor less than 95 percent by weight on a dry weight basis (provided for in item 465.87, part 8A, schedule 4)	Free	No change	On or before 6/30/75.
907.65	Tartaric acid (provided for in item 425.84, part 2D, schedule 4)	Free	No change	On or before 6/30/84.
907.66	Potassium salts: Antimony tartrate (tartar emetic) (provided for in item 426.72, part 2D, schedule 4)	Free	No change	On or before 6/30/84.
907.68	Cream of tartar (provided for in item 426.70, part 2D, schedule 4)	Free	No change	On or before 6/30/84.
907.69	Sodium tartrate Rochelle salts (provided for in item 426.82, part 2D, schedule 4)	Free	No change	On or before 6/30/84.
909.20	Ceramic insulators having an alumina oxide content of not less than 96%, if used in spark plugs (provided for in item 535.14, part 2D, schedule 5)	4% ad val	No change	On or before 6/30/81.

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty			Effective period
		1	2		
		Rates of duty			
		1-a	1-b	2	Effective period
	<p> [Metal waste and scrap (provided for in part 2, schedule 6), except lead, zinc, and tungsten waste and scrap; unwrought metal (except copper, lead, zinc, and tungsten) in the form of pigs, ingots, or billets (a) which are defective or damaged, or have been produced from melted down metal waste and scrap for convenience in handling and transportation without sweetening, alloying, fluxing, or deliberate purifying, and (b) which cannot be commercially used without remanufacture; relaying or rerolling rails; and articles of metal (except articles of lead, of zinc, or of tungsten, and not including metal-bearing materials provided for in schedule 4 or in part 1 of schedule 6 and not including unwrought metal provided for in part 2 of schedule 6) to be used in remanufacture by melting or to be processed by shredding, shearing, compacting, or similar processing which renders them fit only for the recovery of the metal content: </p>				
[911.10	Copper waste and scrap	Free	No change	No change	On or before 6/30/81.
[911.11	Articles of copper	Free	No change	No change	On or before 6/30/81.
[911.12	Other	Free	Free	Free	On or before 6/30/81.]
	<p> [Metal waste and scrap (provided for in part 2, schedule 6) [Pigs, ingots, or billets [Relaying or rerolling rails [Articles of metal </p>				
[911.29	Chipper knife steel (provided for in item 606.93, part 2B, schedule 6)	4.6% ad val	No change	No change	On or before 9/30/82.

* Effective October 1, 1982, item 911.29 of the Appendix is repealed.

Item	Articles	Rates of duty		Effective period
		1	2	
911.50	Unwrought lead other than lead bullion (provided for in item 624.03, part 2G, schedule 6)	3% ad val. on the value of the lead content, but not less than 1.0625¢ per lb. on the lead content.	No change..	On or before 6/30/83.
911.80	Freight containers specially designed and equipped to facilitate the carriage of goods by one or more modes of transport without intermediate reloading, each having a gross mass rating of at least 40,000 pounds and a date of manufacture that precedes January 1 of the calendar year in which entered by not less than 5 years (provided for in item 640.30, part 3A, schedule 6)	Free		On or before 12/31/86.

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	2	
912.06	Yankee dryer cylinders (provided for in item 668.06, part 4D, schedule 6)	Free	No change..	On or before 12/31/81.

SECTION 321 OF THE TARIFF ACT OF 1930

SEC. 321. ADMINISTRATIVE EXEMPTIONS.

(a) The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—

(1) * * *

(2) admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate for retail value in the country of shipment of articles imported by one person on one day and exempted from the payment of duty shall not exceed—

(A) ~~[\$25]~~ \$50 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States ~~[\$40,]~~ \$100, (in the case of articles sent as bona fide gifts from persons in the Virgin Islands, Guam, and American Samoa); or

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