

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: March 14, 2006]²

Bill No. and sponsor: H.R. 2954 (Mr. Pete Sessions of Texas)

Proponent name, location: Commercial Metals Co., Irvine, TX

Other bills on product (109th Congress only): None

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None

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

Manganese metal flake containing at least 99.5 percent by weight of manganese (provided for in subheading 8111.00.47).

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 an electrolytically deposited metal of high purity that is stripped off from the cathode in the form of flakes. The flakes may be subsequently ground into powder and formed into briquettes, with or without addition of other metals. Manganese is added to molten steel to remove sulfur and oxygen, and to enhance the steel's strength and durability. Manganese is also added to molten aluminum, copper, and iron to strengthen these metals. China and South Africa are the major sources for U.S. imports of manganese metal flake.³ The last two U.S. facilities that produced metal manganese flake ceased operations in 2001.⁴

¹ Industry analyst preparing report: Karl Tsuji (202-205-3434); Tariff Affairs contact: Jan Summers (202-205-2605).

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

³ Lisa A. Corathers, "Manganese," *Minerals Yearbook* (Washington, DC: U.S. Geological Survey, 2003); Manganese Metal Co., "Flakes, Electrolytic Manganese-Flake," found at http://www.mmco.za/Content.asp?bid=1&CID_ID=18, retrieved Oct. 11, 2005; and Douglas M. Considine and Glenn D. Considine, eds., "Manganese," *Van Nostrand's Scientific Encyclopedia*, 6th edn., (New York: Van Nostrand Reinhold Co. Inc., 1983), pp. 1816-1818.

⁴ Lisa A. Corathers, "Manganese," *Minerals Yearbook* (Washington, DC: U.S. Geological Survey, 2001), p. 49.2.

Estimated effect on customs revenue:

HTS subheading: <u>8111.00.47</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	14%	14%	14%	14%	14%
Estimated value <i>dutiable</i> imports ¹	\$21,200,000	\$21,200,000	\$21,200,000	\$21,200,000	\$21,200,000
Customs revenue loss	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000

¹ Excludes imports from South Africa which are eligible for duty-free treatment under the Africa Growth and Opportunity Act.

Source of estimated dutiable import data: Official U.S. Government statistics.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
			(Yes/No)	
Commercial Metals Co. (Proponent) Irvine, TX Mr. Ryan Campbell, Product Manager 201-592-3249	09/26/2005	No	No	No
Afton Chemical Corp. Richmond, VA Ms. Barbara Little, Corporate Liaison 202-223-4411	09/28/2005 10/03- 05/2005	No	No	No
Arbor Alloys LLC Ann Arbor, MI Mr. Jerry Burger, Director for Alloys 734-477-6870 x11	10/03- 04/2005	No	No	No
Belmont Metals Inc. Brooklyn, NY Mr. Richard Henning, President 718-342-4900	09/29/2005	No	No	No

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
Ben Met New York, NY Mr. Derrick Benhem, President 212-972-8800	10/03/2005	No	No	No
CERAC Inc. Milwaukee, WI Ms. Candice Knuteson, Logistics Specialist 414-289-9800	09/29/2005	No	No	No
Chemalloy Co. Inc. Bryn Mawr, PA Mr. Anthony C. Demos, President 610-527-3700 Ms. Barbara Block, Counsel Willkie Farr & Gallagher LLC 202-303-1178	09/27/2005 10/03/2005 10/13/2005	No	Yes	Yes
Eramet Marietta Inc. Marietta, OH Mr. Russ Craig, President 740-374-1120	09/27/2005	No	No	No
Goodfellow Corp. Devon, PA Ms. Elaine Matt, Administration Manager, U.S. and Canadian Operations 610-688-6131	09/30/2005	No	No	No
Jost Chemical Inc. St. Louis, MO Mr. Jerry Jost, President Mr. Doug Jost, Production Engineer Mr. Steve Ederle, Supply Manager 314-428-4300	09/29- 30/2005	No	No	No
KB Alloys Reading, PA Mr. James Bailey, Vice President for Sales and Marketing 610-693-1111	10/03- 07/2005 11/02- 04/2005	No	Yes	Yes

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Kerr-McGee Corp. Oklahoma City, OK Mr. Lem Smith, Director for Federal Relations 202-728-9600 Mr. Mark Van Landingham, Director for Government Relations	09/28/2005 10/03- 12/2005 10/20/05	No	No	No
Mil-Spec Industries Corp. Roslyn Heights, NY Ms. Ayse Erguner, Manager 516-625-5787	09/30/2005	No	No	No
North American Höganäs Inc. Philadelphia, PA Mr. Ron Solomon, Business Manager 814-361-6873	10/03- 05/2005	No	No	No
Shieldalloy Metallurgical Corp. Newfield, NJ Mr. John Totaro, Counsel Schmeltzer, Aptaker & Shepard LLC 202-342-3437	09/27/2005 10/03- 04/2005 11/02- 03/2005	No	Yes	Yes
Umicore Marketing Services USA Raleigh, NC Mr. Bob McDowell, Sales Manager and Executive Vice President 919-874-7171	09/30/2005	No	No	No

Technical comments:⁵ None.

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.

109TH CONGRESS
1ST SESSION

H. R. 2954

To suspend temporarily the duty on manganese metal flake containing at least 99.5 percent by weight of manganese.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2005

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

A BILL

To suspend temporarily the duty on manganese metal flake containing at least 99.5 percent by weight of manganese.

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. MANGANESE METAL FLAKE CONTAINING AT**
4 **LEAST 99.5 PERCENT BY WEIGHT OF MAN-**
5 **GANESE.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.81.01	Manganese metal flake containing at least 99.5 percent by weight of manganese (provided for in subheading 8111.00.47)	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
 2 subsection (a) applies with respect to goods entered, or
 3 withdrawn from warehouse for consumption, on or after
 4 the 15th day after the date of the enactment of this Act.

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