

**PRESIDENT'S LIST OF ARTICLES
WHICH MAY BE DESIGNATED OR
MODIFIED AS ELIGIBLE ARTICLES
FOR PURPOSES OF THE
U.S. GENERALIZED SYSTEM
OF PREFERENCES**

**Report to the President on
Investigation Nos. TA-503(a)-15
and 332-249**

**EXPEDITED MOLYBDENUM
ADVICE**



USITC PUBLICATION 2026

OCTOBER 1987

United States International Trade Commission / Washington, DC 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Susan Liebeler, Chairman
Anne E. Brunsdale, Vice Chairman
Alfred E. Eckes
Seeley G. Lodwick
David B. Rohr

Prepared principally by the Office of Industries

Erland Heginbotham, Director

Address all communications to
Kenneth R. Mason, Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

PREFACE

In response to the U.S. Trade Representative (USTR) request of August 7, 1987, for probable effect advice related to proposed modifications in eligibility under the U.S. Generalized System of Preferences (GSP), the Commission is currently conducting its annual GSP review investigation (Inv. nos. TA-503(a)-15 and 332-249). Part of the August 7 USTR request was for expedited advice (by October 1, 1987) with respect to two cases involving molybdenum ore and metal-bearing materials in chief value of molybdenum (TSUS items 601.33 and 603.40; HS items 2613.10.00 and 2620.90.10).

This report provides probable effect advice for only the four molybdenum related items for which expedited advice was requested; the advice for the remainder of the items contained in the August 7 request will be provided to the USTR on November 16, 1987.

Note.--The whole of the Commission's report to the President in October 1987 may not be made public since it contains information that has been classified by the United States Trade Representative or would result in the disclosure of the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

C O N T E N T S

	<u>Page</u>
Introduction.....	1
Presentation of probable effect advice.....	3
Commodity digests.....	7
Appendix A. U.S. Trade Representative request of August 7, 1987, for probable effect advice.....	A-1
Appendix B. U.S. International Trade Commission notice of investigation and hearing.....	B-1
Appendix C. Types of trade shifts resulting from modification of GSP eligibility.....	C-1

INTRODUCTION

On August 7, 1987, in accordance with sections 503(a) and 131(a) of the Trade Act of 1974 and section 332 of the Tariff Act of 1930, and pursuant to the authority of the President delegated to the U.S. Trade Representative (USTR) by Executive Order 11846, as amended by Executive Order 11947, the USTR requested advice related to the U.S. Generalized System of Preferences (GSP) as follows: 1/

- (1) pursuant to sections 503(a) and 131(a) of the Trade Act, to advise the President, with respect to each article listed in Part A of the Annexes to the USTR request, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties under the U.S. Generalized System of Preferences (GSP). In providing its advice, the USTR requested the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive need" limitations specified in section 504(c) of the Act.
- (2) Pursuant to section 332(g) of the Tariff Act and at the direction of the President--
 - (A) to advise the President, with respect to each article listed in Parts B and C of the Annexes to the USTR request, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers (a) of the removal of articles in Part B from eligibility for duty-free treatment under the GSP, (b) of the removal of the GSP duty-free status from articles in Part C of the list which are imported from the respective countries specified which currently receive GSP duty-free treatment, and (c) the redesignation for GSP duty-free treatment for articles in Part C of the list which are imported from a specified country which does not currently receive GSP duty-free treatment for the article;
 - (B) in accordance with section 504(c)(3)(A)(i) of the Trade Act, to advise the President on whether any industry in the United States is likely to be adversely affected by waiving the competitive need limits for countries specified with respect to the articles listed in Part D of the Annexes to the USTR request; and

1/ The USTR request, including listings of concerned articles, is contained in appendix A.

(C) to advise the President, with respect to whether products like or directly competitive with those described in Part A of the Annexes to the USTR request were being produced in the United States on January 3, 1985, for purposes of section 504(d) of the Trade Act.

With respect to two cases involving molybdenum ore and metal-bearing materials in chief value of molybdenum (TSUS items 601.33 and 603.40; HS items 2613.10.00 and 2620.90.10), the USTR requested that the Commission consider these products separately from its normal investigation and provide advice on these two products not later than October 1, 1987.

Because of the pending adoption of the HS tariff nomenclature on Jan. 1, 1988, the USTR requested the Commission to provide advice separately on an HS nomenclature basis and on a TSUS nomenclature basis.

In response to the USTR request, the Commission on August 20, 1987, instituted investigations Nos. TA-503(a)-15 and 332-249 for the purpose of obtaining, to the extent practicable, information for use in connection with the preparation of advice requested by the USTR. The Commission notice of investigation and hearing is contained in appendix B. 1/

1/ The following Federal Register notices were issued by the Commission and the USTR related to investigation Nos. TA-503(a)-15 and 332-249:

<u>Date</u>	<u>Notice</u>	<u>Subject</u>
Aug. 4, 1987	52 F.R. 28896	USTR notice of annual GSP review
Aug. 26, 1987	52 F.R. 32179	Initial notice of ITC investigation and hearing

PRESENTATION OF PROBABLE EFFECT ADVICE

In response to the USTR request for probable effect advice, the Commission determined that an appropriate format for such an analysis would be commodity digests, each digest dealing with the effect of tariff modifications on a specific TSUS or HS item. In a limited number of cases, several closely related TSUS items or HS items were grouped together in a single digest to facilitate preparation of meaningful digest advice.

To provide a factual basis for the Commission's advice, each digest contains the following sections:

- I. Introduction
- II. U.S. market profile
- III. GSP import situation, 1986
- IV. Competitiveness profiles, GSP suppliers
- V. Position of interested parties
- VI. Summary of probable economic effects
- ... U.S. import/export tables

I. Introduction.--This section provides basic information on the item including description and uses, rate of duty, type of GSP modification proposed, competitive-need country exclusions, competitive-need limit waivers, and an indication of whether there was U.S. production of the item on Jan. 3, 1985.

II. U.S. market profile.--This section provides information on U.S. producers, employment, shipments, exports, imports, consumption, import market share, and capacity utilization. Where exact information is not obtainable, the best available estimates are provided.

III. GSP import situation, 1986.--This section provides 1986 U.S. import data, including the world total and certain GSP country specific data. Individual GSP country data is provided for the top four GSP suppliers in 1986 as well as for any additional GSP countries proposed for "graduation" or "waiver."

IV. Competitiveness profiles.--This section provides background information on GSP supplier countries which are (1) the most significant sources, (2) likely to emerge as significant suppliers as a result of the GSP modification, and (3) affected by changes in eligibility as a result of the modification. Information is provided on the level and significance of the country as a supplier, the elasticities of supply and demand for imports from the country, and the price and quality of imports compared with U.S. and other foreign products.

V. Position of interested parties.--Brief summaries of written submissions and testimony from interested parties are provided.

VI. Summary of probable economic effects.--This section provides advice on the short-to-near term (1-5 years, 1988-92) impact of the proposed GSP eligibility modifications in three areas: (1) U.S. imports, (2) U.S. industry,

and (3) U.S. consumers. 1/ The probable effect advice, to a degree, integrates and summarizes the data provided in sections I-V of the digests with particular emphasis on the price sensitivity of import supply and demand. Thus, for example, if the price elasticity of demand in the United States and the price elasticity of supply in the exporting beneficiary country are both relatively high, elimination of even a moderate-level tariff suggests the possibility of large import increases from the beneficiary country. It should be noted that the probable effect advice with respect to changes in import levels are presented in terms of the degree to which GSP modification will affect U.S. trade levels with the world. Consequently, while U.S. imports of a particular product from GSP beneficiaries may change significantly, if GSP beneficiaries supply a very small share of total U.S. imports of that product or if imports from beneficiaries readily substitute with imports from developed countries, the overall effect on U.S. imports could be minimal.

In considering the different types of GSP eligibility changes which have occurred and the likely impact, removal of GSP status for an item or graduation of a country for a specific item were considered duty increases, while GSP item additions and competitive-need limit waivers were considered as duty decreases. The digests contain a coded summary of the probable economic effect advice. The coding scheme is shown below: 2/

FOR "ADDITION" AND "WAIVER" DIGESTS:

Level of total U.S. imports:

- Code A: Little or no increase (0 to 5 percent).
- Code B: Modest increase (6 to 15 percent).
- Code C: Significant increase (over 15 percent).

U.S. industry and employment:

- Code A: Little or negligible adverse impact.
- Code B: Significant adverse impact (significant proportion of workers unemployed; declines in output; declines in profit levels; firms depart, but adverse impact not industrywide).
- Code C: Substantial adverse impact (substantial unemployment; widespread idling of productive facilities; substantial declines in profit levels; adverse impact on the industry as a whole).
- Code N: None (This code should be used sparingly but may apply particularly in waiver advice where the waiver will not cause any impact because import levels are too low for it to come into effect. In addition, it could apply when there is no U.S. industry.)

1/ App. C provides a brief textual and graphic presentation of the types of trade shifts which can result from modification of GSP eligibility for the case where the domestic product and imports from all countries are perfect substitutes. For the products in this report it is not possible to measure such trade shifts precisely.

2/ The "U.S. consumer" may be a firm/person receiving an intermediate good for further processing or the end-user in the case of a final good.

U.S. consumer:

- Code A: The bulk of duty savings (greater than 75 percent) is expected to be absorbed by the foreign suppliers.
- Code B: Duty savings are expected to benefit both the foreign suppliers and the domestic consumer (neither receiving more than 75 percent of the savings).
- Code C: The bulk of duty savings (greater than 75 percent) is expected to benefit the U.S. consumer.
- Code N: None (This code should be used sparingly but may apply particularly in waiver advice where the waiver will not cause any impact because import levels are too low for it to come into effect.)

FOR "REMOVAL" AND "GRADUATION" DIGESTS:

Level of total U.S. imports:

- Code X: Little or no decrease (0 to 5 percent).
- Code Y: Modest decrease (6 to 15 percent).
- Code Z: Significant decrease (over 15 percent).

U.S. industry and employment:

- Code X: Little or negligible beneficial impact.
- Code Y: Significant beneficial impact (significant number of additional workers employed; increases in output; increases in profit levels; new firms; but beneficial impact not industrywide).
- Code Z: Substantial beneficial impact (substantial increase in employment; widespread increased production; substantial increases in profit levels; beneficial impact on the industry as a whole).
- Code N: None (Use sparingly, however, it is appropriate when there is no U.S. industry.)

U.S. consumer:

- Code X: The bulk of the duty increase (greater than 75 percent) is expected to be absorbed by the foreign suppliers.
- Code Y: The duty increase is expected to increase costs to both the foreign suppliers and the domestic consumer (neither absorbing more than 75 percent of the cost).
- Code Z: The bulk of the duty increase (greater than 75 percent) is expected to be passed on to the U.S. consumer.
- Code N: None (use sparingly.)

In using the probable effect advice, several important factors should be taken into consideration. The HS trade data used in the investigation were developed by the Commission by converting official TSUSA import statistics and Schedule B export statistics to the HS format using Commission-developed concordances between the current TSUSA/Schedule B systems and the HS. As a general observation, data that are developed under one system and subsequently translated and presented in another, should be viewed with some caution. Such

caution is recommended in this investigation due to fundamental differences in structure and classification concepts between the HS and the current TSUSA/Schedule B. While it is believed that the Commission has solved the great majority of the technical problems in converting trade data from one format to another, basic differences between the two systems make precise conversion of data impossible in many instances.

Further, confidence in available data and data estimates often varies by product and by type of information. To give the report user some indication of the level of confidence in data provided in the Digests, the Commission uses the following coding system.

- No code = Response based on complete or almost complete information/data adequate for a high degree of confidence.
- * = Based on partial information/data adequate for estimation with a moderately high degree of confidence (e.g., *5, *X).
- ** = Based on limited information/data adequate for estimation with a moderate degree of confidence (e.g., **5).
- 1/ = Not available.

It should also be emphasized that the probable effects estimates are not forecasts of what will actually happen to U.S. imports in the future. Instead, they are estimates of how a change in GSP eligibility will affect these imports. For example, a digest might estimate that GSP eligibility will cause U.S. imports to increase modestly by 6 percent to 15 percent, whereas it might be reasonable to suppose that the recent decline in the dollar on exchange markets will cause actual imports in the digest to decline. This does not mean the estimate in the digest is inaccurate. Even if actual imports decline dramatically, they should still be at a somewhat higher level with GSP eligibility than without. It is this latter difference only that the digests are concerned with. Although a number of factors such as exchange rate changes, relative inflation rates, and relative rates of economic growth could have much greater effects on imports than changes in GSP eligibility, these other factors are beyond the scope of the USTR request.

COMMODITY DIGESTS

TSUS basis:	601.33
	603.40
HS basis:	2613.10.00
	2620.90.10

Molybdenum Ore

I. Introduction

Col. 1 rate of duty: 9.4 cents per pound 2/ (1986 AVE 3.5%)

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation: (Countries— , ,)

Competitive-need-limit waiver (Countries— , ,)

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Molybdenum is a refractory metallic element used principally as an alloying agent to enhance hardenability, strength, toughness, and wear and corrosion resistance. Molybdenum ore is mined domestically from both open pit and underground mines located in the western United States. Virtually all molybdenum is recovered from low-grade deposits of molybdenum ore. Deposits mined primarily for molybdenum provide 65 to 70 percent of U.S. output. The remainder is obtained mainly as a byproduct from mining of low-grade copper deposits. Molybdenum concentrate is converted to molybdic oxide which is the base material for further upgrading to ferromolybdenum and molybdenum chemicals. Metallurgical applications, including the use of molybdenum in steels, cast irons, superalloys and other alloys, and as a refractory metal, account for about 90 percent of domestic consumption; chemical and other nonmetallurgical applications account for the remaining 10 percent.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	14	14	11	10	-29
Total U.S. employment (1,000 employees) <u>3/</u>	6	3	2	1	-83
U.S. shipments (thousand dollars).....	945,540	200,100	347,812	240,385	-75
U.S. exports (thousand dollars).....	406,816	185,122	247,690	136,006	-67
U.S. imports (thousand dollars).....	9,910	2,649	566	3,056	-69
U.S. consumption (thousand dollars).....	548,634	17,627	100,688	107,435	-80
Import to consumption ratio (percent).....	2	15	1	3	-
Capacity utilization (nearest 10 percent).....	70	20	40	40	-

1/ Probable effects advice for these or closely related products on the basis of the Harmonized System nomenclature is contained in the Digest for HS item No. 2613.10.00.

2/ On molybdenum content.

3/ Includes mine and mill employment.

TSUS item No.
601.33—Con.

Comment: U.S. consumption of molybdenum ores and concentrates has declined by 42 percent in quantity during 1981-86 due to a reduction in demand by steel producers who consume 75 percent of all molybdenum produced. The worldwide reduction in steel production during 1981-86 has also negatively affected U.S. export sales of molybdenum ore. These export sales typically account for over 50 percent of U.S. shipments. As a result, U.S. producers are faced with overcapacity in their molybdenum operations. These conditions have led to the closing of mines and to substantial industry lay-offs. Imports of molybdenum ore have not yet been a significant factor in the U.S. market due to the absence in the United States of independent roasters to convert the ore into molybdic oxide.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds, gross weight)</u>				
Total.....	1,740	100	-	4
Imports from GSP countries:				
Total.....	40	2	100	1/
Mexico.....	40	2	100	1/
<u>Value (1,000 dollars)</u>				
Total.....	3,056	100	-	3
Imports from GSP countries:				
Total.....	83	3	100	1/
Mexico.....	83	3	100	1/

1/ Less than 0.5 percent.

(Note.—Imports from GSP countries during the first six months of 1987 totaled 69,182 gross pounds (\$126,000), or 8 percent of total imports, compared to 0 imports during the same period in 1986. While there were no U.S. imports of molybdenum ore and concentrate from Chile during 1981-86, Chile supplied 53 percent of molybdenum ore and concentrate imports from GSP countries during January-June 1987. Although Chile has traditionally exported to Western European countries, Chile began exporting increased quantities of ore to the United States in 1987. * * *.

Chile, the second lowest cost copper producer in the world, produces all its molybdenum ore as a byproduct of its copper operations. During 1984-86, over half of Chile's molybdenum exports were sent to Western Europe, and it is alleged that these exports have suppressed prices for U.S. exports.)

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

Can production in the country be easily expanded or contracted in the short term?..... Yes ___ No X

Does the country have significant export markets besides the United States?..... Yes X No ___

Could exports from the country be readily redistributed among its foreign export markets?..... Yes X No ___

Price sensitivity of import supply..... High X Moderate ___ Low ___

Can the U.S. purchaser easily shift among this and other suppliers?..... Yes X No ___

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent ___ Below X

Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___

Other foreign products..... Above ___ Equivalent X Below ___

Comment: In Mexico, molybdenum is recovered mainly as a byproduct from the mining of large copper porphyry deposits. Mexico exports most of its molybdenum ore to Western Europe. A small amount of Mexican molybdenum ore is purchased by a single U.S. processor primarily to gain access to less expensive material than it could produce in its own operation. However, Mexico has had difficulty maintaining its molybdenum production at a stable level and is not viewed by U.S. consumers as a dependable supplier of ore. In addition, Mexican internal consumption of ore is expected to increase in the near term, thereby absorbing a greater percentage of Mexican production. During 1985, 100 percent of Mexican exports were sold to Western Europe.

TSUS item No.
601.33—Con.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Chile for all digest products

Ranking as a U.S. import supplier, 1986 1/.....

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes ___ No X

Does the country have significant export
markets besides the United States?..... Yes X No ___

Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No ___

Price sensitivity of import supply..... High X Moderate ___ Low ___

Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent ___ Below X

Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Codelco is the only producer of molybdenum ore and concentrate in Chile and is the world's largest molybdenum producing company. Codelco's molybdenum production has fluctuated in recent years due to the uneven quality of ore at its mines. Almost two-thirds of molybdenum produced in Chile is roasted into oxide in Chile while the balance is exported either for roasting, typically to the Netherlands, or for sale as concentrate. During 1981-86 Chile did not export molybdenum ore and concentrate to the United States.

1/ Chile did not export to the United States in 1986.

V. Position of interested parties

Petitioner.—Cyprus Minerals Company is a leading U.S. producer of molybdenum ore and oxide. Cyprus believes that low-priced GSP imports from Chile have depressed domestic prices leading to U.S. mine closings.

Support.—AMAX, a leading U.S. producer of molybdenum ore and oxide, supports Cyprus Minerals' petition and feels that molybdenum producers in Chile and Mexico suffer no competitive disadvantage versus producers in the United States and other developed countries and should not be entitled to GSP preferences.

Opposition.—Corporation Nacional del Cobre de Chile (Codelco) is the principal Chilean producer and exporter of molybdenum ore. Codelco contends that imports of Chilean molybdenum are minor in comparison with U.S. domestic production and consumption and that there is no correlation between imports from Chile and depressed conditions in the U.S. industry.

TSUS item No.
601.33--Con.

*

*

*

*

*

*

*

TS number: 60133

TSUS item No.
601.33--Con.

Product: Molybdenum ore

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds, gross weight)				
Canada.....	1,611,781	247,014	181,925	1,699,653
Mexico.....	3,346	852,132		40,184
Peru.....	234,322			
FR Germ.....	1,276			
Phil.R.....	135,395	21,842		
China.P.....	1,931			
All other total..				
Total.....	1,988,051	1,120,988	181,925	1,739,837
GSP total....	373,063	873,974		40,184

	Percent			
Canada.....	81.1	22.0	100.0	97.7
Mexico.....	0.2	76.0	0.0	2.3
Peru.....	11.8	0.0	0.0	0.0
FR Germ.....	0.1	0.0	0.0	0.0
Phil.R.....	6.8	1.9	0.0	0.0
China.P.....	0.1	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	18.8	78.0	0.0	2.3

Source: Compiled from official statistics of the U.S. Department of Commerce

TS number: 60133

3

TSUS item No.
601.33--Con.

Product: Molybdenum ore

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	7,750	449	566	2,973
Mexico.....	3	2,164		83
Peru.....	1,389			
FR Germ.....	33			
China P.....	11			
Phil R.....	721	34		
All other total..				
Total.....	9,910	2,649	566	3,056
GSP total....	2,114	2,199		83

	Percent			
Canada.....	78.2	17.0	100.0	97.3
Mexico.....	0.0	81.7	0.0	2.7
Peru.....	14.0	0.0	0.0	0.0
FR Germ.....	0.3	0.0	0.0	0.0
China P.....	0.1	0.0	0.0	0.0
Phil R.....	7.3	1.3	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	21.3	83.0	0.0	2.7

Source: Compiled from official statistics of the U.S. Department of Commerce

Product: MOLYBDENUM ORE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds, gross weight)				
Nethlds.....	22,026,538	20,700,117	40,076,386	24,996,912
U.King.....	3,500,948	5,208,426	4,991,410	6,242,726
Japan.....	7,958,396	4,530,691	7,030,704	5,818,147
Canada.....	368,538	475,435	780,240	3,661,734
Belgium.....	2,517,888	4,354,027	5,742,708	3,087,801
Sweden.....	1,839,851	1,474,993	948,929	2,791,964
FR Germ.....	5,079,641	6,147,499	3,378,701	2,028,323
Brazil.....	115,381	55,376	153,046	221,856
Chile.....	2,314,664	1,393,700	102,323	93,451
Cook Is.....	3,415	3,934	2,730	70,227
Cocos.I.....	129,380	26,746	37,835	68,201
Italy.....				23,333
Mexico.....	862,986	13,140	71,301	21,853
Argent.....	2,172	4,941	4,551	9,542
All other total..	4,628,883	2,678,912	537,898	16,891
Total.....	51,348,681	47,067,937	63,858,762	49,152,961
GSP total....	3,577,987	1,572,750	545,957	502,021

Percent				
Nethlds.....	42.9	44.0	62.8	50.9
U.King.....	6.8	11.1	7.8	12.7
Japan.....	15.5	9.6	11.0	11.8
Canada.....	0.7	1.0	1.2	7.4
Belgium.....	4.9	9.3	9.0	6.3
Sweden.....	3.6	3.1	1.5	5.7
FR Germ.....	9.9	13.1	5.3	4.1
Brazil.....	0.2	0.1	0.2	0.5
Chile.....	4.5	3.0	0.2	0.2
Cook Is.....	0.0	0.0	0.0	0.1
Cocos.I.....	0.3	0.1	0.1	0.1
Italy.....	0.0	0.0	0.0	0.0
Mexico.....	1.7	0.0	0.1	0.0
Argent.....	0.0	0.0	0.0	0.0
All other total..	9.0	5.7	0.8	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	7.0	3.3	0.9	1.0

Product: MOLYBDENUM ORE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Nethlds.....	189,116	95,598	160,249	75,801
Japan.....	73,566	17,705	26,201	16,555
U.King.....	20,047	14,336	15,462	14,499
Belgium.....	24,069	20,171	30,114	8,781
Canada.....	2,204	1,377	1,979	8,148
Sweden.....	13,555	3,031	2,895	6,046
FR Germ.....	30,374	20,917	7,757	4,299
Brazil.....	1,052	245	627	760
Cocos.I.....	1,177	182	232	449
Cook Is.....	37	26	18	174
Mexico.....	5,969	52	135	136
Chile.....	7,690	1,988	377	130
Argent.....	17	33	31	60
Taiwan	30	19	71	58
All other total..	37,907	9,435	1,535	101
Total.....	406,816	185,122	247,690	136,006
GSP total....	17,287	2,876	2,141	1,823
Percent				
Nethlds.....	46.5	51.6	64.7	55.7
Japan.....	18.1	9.6	10.6	12.2
U.King.....	4.9	7.7	6.2	10.7
Belgium.....	5.9	10.9	12.2	6.5
Canada.....	0.5	0.7	0.8	6.0
Sweden.....	3.3	1.6	1.2	4.4
FR Germ.....	7.5	11.3	3.1	3.2
Brazil.....	0.3	0.1	0.3	0.6
Cocos.I.....	0.3	0.1	0.1	0.3
Cook Is.....	0.0	0.0	0.0	0.1
Mexico.....	1.5	0.0	0.1	0.1
Chile.....	1.9	1.1	0.2	0.1
Argent.....	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0
All other total..	9.3	5.1	0.6	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	4.2	1.6	0.9	1.3

10

Source: Compiled from official statistics of the U.S. Department of Commerce

Annual Review of the Generalized System of Preferences (GSP)
 U.S. Imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
 Flow: Imports for consumption
 TSUSA commodity: 60133--Molybdenum ore

(Quantity in thousands of pounds; value in thousands of dollars)

Type Cty subcode Partner	Time periods:			
	1981	1983	1985	1986
First unit of quantity				
Duty-free items under GSP provisions:				
Mexico.....	0	852	0	40
Peru.....	234	0	0	0
Philippines.....	135	22	0	0
World.....	370	874	0	40
Customs value				
Duty-free items under GSP provisions:				
Mexico.....	0	2,165	0	84
Peru.....	1,390	0	0	0
Philippines.....	721	35	0	0
World.....	2,111	2,200	0	84
Unit value				
Duty-free items under GSP provisions:				
Mexico.....	0	2.54	0	2.08
Peru.....	5.93	0	0	0
Philippines.....	5.33	1.60	0	0
World.....	5.71	2.52	0	2.08

Note: Compiled from official statistics of the U.S. Department of Commerce.

Certain Metal-Bearing Materials of Molybdenum (Molybdic trioxide)

I. Introduction

Col. 1 rate of duty: 6.5¢ per pound 2/ + 2% ad valorem (1986 AVE 4.6%)

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation: (Countries— , ,)

Competitive-need-limit waiver (Countries— , ,)

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Molybdic trioxide is the form of molybdenum most commonly used in consuming industries and is the base material used for further upgrading to ferromolybdenum, molybdenum chemicals, and molybdenum metal powder. Molybdic trioxide is produced by roasting molybdenum concentrates to a temperature of 800 degrees F. Metallurgical applications, including the use of molybdenum in steels, cast irons, superalloys and other alloys, and as a refractory metal, account for about 90 percent of domestic consumption; chemical and other nonmetallurgical applications account for the remaining 10 percent.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage
					change, - 1986 versus 1981
Number of U.S. producers (number of firms).....	2	2	2	2	0
Total U.S. employment (1,000 employees) <u>3/</u>	6	3	2	1	-83
U.S. shipments (thousand dollars).....	***	***	***	***	***
U.S. exports (thousand dollars).....	*24,211	*14,442	*15,750	*24,566	1
U.S. imports (thousand dollars).....	9,574	12,985	7,328	3,283	-66
U.S. consumption (thousand dollars).....	***	***	***	***	***
Import to consumption ratio (percent).....	***	***	***	***	***
Capacity utilization (nearest 10 percent).....	50	10	30	30	-

1/ Probable effects advice for these or closely related products on the basis of the Harmonized System nomenclature is contained in the Digest for HS item No. 2620.90.10.

2/ On molybdenum content.

3/ Includes mine and mill employment.

TSUS item No.
603.40—Con.

Comment: U.S. consumption of molybdc trioxide has declined an estimated *46 percent in quantity during 1981-86 due to a reduction in demand by steel producers who consume 75 percent of all molybdenum produced. As a result, U.S. producers have been faced with overcapacity in their molybdenum operations. During 1981-86 imports of molybdc trioxide have not been significant, as Chilean and Mexican producers have tended to export principally to the larger Western European markets. Chilean molybdc trioxide is presently sold below the price of the domestically produced product.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds, gross weight)</u>				
Total.....	1,786	100	-	2
Imports from GSP countries:				
Total.....	1,625	91	100	2
Chile.....	1,116	62	69	2
Mexico.....	502	28	31	1
Taiwan.....	6	1/	1/	1/
<u>Value (1,000 dollars)</u>				
Total.....	3,283	100	-	2
Imports from GSP countries:				
Total.....	3,011	92	100	2
Chile.....	1,996	61	66	1
Mexico.....	973	30	32	1
Taiwan.....	40	1	1	1/

1/ Less than 0.5 percent.

(Note.—During the first six months of 1987, imports from GSP countries rose to 3.6 million gross pounds (\$6.7 million) compared to 457,147 gross pounds (\$815,000) during the same period in 1986. Imports from Chile rose from 410,028 gross pounds (\$699,000) to 3.5 million gross pounds (\$6.2 million) during this time period. Although Chile has traditionally exported to Western European countries, Chile began exporting increased quantities of molybdc trioxide to the United States in 1987. ***

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Chile for all digest productsRanking as a U.S. import supplier, 1986..... 1

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes No XDoes the country have significant export
markets besides the United States?..... Yes X No Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No Price sensitivity of import supply..... High X Moderate Low Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No Price sensitivity of U.S. demand..... High X Moderate Low

Price level compared with:

U.S. products..... Above Equivalent Below XOther foreign products..... Above Equivalent Below X

Quality compared with:

U.S. products..... Above Equivalent X Below Other foreign products..... Above Equivalent X Below

Comment: Chile has been able to establish a presence in the U.S. market due to the low price of its molybdc trioxide. However, U.S. manufacturers retain such advantages as dependable service and delivery. Almost 60 percent of Chilean exports were sent to Western Europe during 1986. All of Chile's molybdenum is produced as a byproduct of copper. After Zaire, Chile is the lowest-cost copper producer in the world. Chile is presently operating at full production capacity and is exporting excess ore, not roasted in Chile, to the Netherlands, Belgium, and to West Germany to be processed. Chile has recently announced plans to expand its production capacity by 10 million pounds, or by 35 percent. Some Canadian ore is exported to Chile due to a lack of roasting capacity in Canada and due to efforts by Canada to serve the Latin American market.

TSUS item No.
603.40—Con.

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

Can production in the country be easily expanded or contracted in the short term?..... Yes ___ No X

Does the country have significant export markets besides the United States?..... Yes X No ___

Could exports from the country be readily redistributed among its foreign export markets?..... Yes X No ___

Price sensitivity of import supply..... High X Moderate ___ Low ___

Can the U.S. purchaser easily shift among this and other suppliers?..... Yes X No ___

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent ___ Below X

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___

Other foreign products..... Above ___ Equivalent X Below ___

Comment: A small amount of Mexican molybdenic trioxide is purchased by U.S. consumers primarily to assure access to low-cost sources of supply. The ability of Mexico to expand production and exports is currently limited by the lack of roasting capacity and by the inconsistent production of molybdenum ore used as feedstock. Most Mexican exports of oxide are sent to Japan.

V. Position of interested parties

Petitioner.—Cyprus Minerals Company is a leading U.S. producer of molybdenum ore and oxide. Cyprus believes that low-priced GSP imports in the United States have depressed domestic prices leading to U.S. mine closings. The petitioner also alleges that foreign producers and merchants send non-GSP molybdenum concentrates to GSP countries for conversion, and then sell the converted products to the United States.

Support.—AMAX, a leading U.S. producer of molybdenum ore and oxide, supports Cyprus Minerals' petition and feels that molybdenum producers in Chile and Mexico suffer no competitive disadvantage versus producers in the United States and other developed countries and should not be entitled to GSP preferences.

Opposition.—Corporation Nacional del Cobre de Chile (Codelco) is the principal Chilean producer and exporter of molybdenic trioxide. Codelco contends that imports of Chilean molybdenic trioxide are minor in comparison with U.S. domestic production and consumption and that there is no correlation between Chilean imports and depressed conditions in the U.S. industry.

TSUS item No.
603.40--Con.

*

*

*

*

*

*

*

Product: Materials chief value molybdenum

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
<u>Quantity (pounds, gross weight)</u>				
Chile.....	1,192,992	2,033,387	2,064,586	1,115,830
Mexico.....		355,308	233,689	502,366
Nethlds.....				80,284
Austria.....				42,328
France.....				39,070
Taiwan.....				6,422
Canada.....	135,723	699,760	1,416,475	
U King.....		38,272	133,766	
FR Germ.....		3,952		
Belgium.....	121,424	314,239	249,095	
Italy.....			74,956	
China.P.....	22,512			
Japan.....	170,690			
Rep Saf.....	7,200			
All other total..				
Total.....	1,650,541	3,444,918	4,172,567	1,786,300
GSP total....	1,192,992	2,388,695	2,298,275	1,624,618
<u>Percent</u>				
Chile.....	72.3	59.0	49.5	62.5
Mexico.....	0.0	10.3	5.6	28.1
Nethlds.....	0.0	0.0	0.0	4.5
Austria.....	0.0	0.0	0.0	2.4
France.....	0.0	0.0	0.0	2.2
Taiwan.....	0.0	0.0	0.0	0.4
Canada.....	8.2	20.3	33.9	0.0
U King.....	0.0	1.1	3.2	0.0
FR Germ.....	0.0	0.1	0.0	0.0
Belgium.....	7.4	9.1	6.0	0.0
Italy.....	0.0	0.0	1.8	0.0
China.P.....	1.4	0.0	0.0	0.0
Japan.....	10.3	0.0	0.0	0.0
Rep Saf.....	0.4	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	72.3	69.3	55.1	90.9

Source: Compiled from official statistics of the U.S. Department of Commerce

Product: Materials chief value molybdenum

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Chile.....	7,793	6,864	3,823	1,996
Mexico.....		1,829	325	973
Nethlds.....				143
Austria.....				66
France.....				62
Taiwan.....				40
Canada.....	871	3,161	2,597	
U King.....		108	300	
Italy.....			146	
Belgium.....	634	1,004	136	
FR Germ.....		16		
Japan.....	93			
China P.....	156			
Rep Saf.....	24			
All other total..				
Total.....	9,574	12,985	7,328	3,283
GSP total....	7,793	8,694	4,148	3,011
Percent				
Chile.....	81.4	52.9	52.2	60.8
Mexico.....	0.0	14.1	4.4	29.7
Nethlds.....	0.0	0.0	0.0	4.4
Austria.....	0.0	0.0	0.0	2.0
France.....	0.0	0.0	0.0	1.9
Taiwan.....	0.0	0.0	0.0	1.2
Canada.....	9.1	24.3	35.4	0.0
U King.....	0.0	0.8	4.1	0.0
Italy.....	0.0	0.0	2.0	0.0
Belgium.....	6.6	7.7	1.9	0.0
FR Germ.....	0.0	0.1	0.0	0.0
Japan.....	1.0	0.0	0.0	0.0
China P.....	1.6	0.0	0.0	0.0
Rep Saf.....	0.3	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	81.4	67.0	56.6	91.7

Source: Compiled from official statistics of the U.S. Department of Commerce

Product: METAL-BEARING MATERIALS NSPF

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Belgium.....	13,243	6,306	8,597	7,683
Japan.....	3,300	1,621	1,927	6,809
Switzld.....		5	4	3,571
FR Germ.....	3,339	2,061	1,783	2,214
U.King.....	1,662	1,755	795	1,794
Canada.....	1,848	2,236	1,865	1,329
France.....	28	32	89	267
India.....	1	13	21	245
Cocos.I.....	2	3	29	147
Brazil.....	19			111
Israel.....		4	5	79
Austria.....	96	15	77	74
Italy.....	6	1	213	72
Mexico.....	46	56	21	53
All other total..	613	328	318	110
Total.....	24,211	14,442	15,750	24,566
GSP total....	100	149	139	696
Percent				
Belgium.....	54.7	43.7	54.6	31.3
Japan.....	13.6	11.2	12.2	27.7
Switzld.....	0.0	0.0	0.0	14.5
FR Germ.....	13.8	14.3	11.3	9.0
U.King.....	6.9	12.2	5.1	7.3
Canada.....	7.6	15.5	11.8	5.4
France.....	0.1	0.2	0.6	1.1
India.....	0.0	0.1	0.1	1.0
Cocos.I.....	0.0	0.0	0.2	0.6
Brazil.....	0.1	0.0	0.0	0.5
Israel.....	0.0	0.0	0.0	0.3
Austria.....	0.4	0.1	0.5	0.3
Italy.....	0.0	0.0	1.4	0.3
Mexico.....	0.2	0.4	0.1	0.2
All other total..	2.5	2.3	2.0	0.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	0.4	1.0	0.9	2.8

Annual Review of the Generalized System of Preferences (GSP)
 U.S. Imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
 Flow: Imports for consumption
 TSUSA commodity: 60340--Materials chief value molybden

(Quantity in thousands of pounds; value in thousands of dollars)

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
First unit of quantity					
Duty-free items under GSP provisions:					
Chile.....		0	0	0	706
Mexico.....		0	355	234	502
Taiwan.....		0	0	0	6
World.....		0	355	234	1,215
Customs value					
Duty-free items under GSP provisions:					
Chile.....		0	0	0	1,298
Mexico.....		0	1,829	325	974
Taiwan.....		0	0	0	41
World.....		0	1,829	325	2,312
Unit value					
Duty-free items under GSP provisions:					
Chile.....		0	0	0	1.84
Mexico.....		0	5.15	1.39	1.94
Taiwan.....		0	0	0	6.35
World.....		0	5.15	1.39	1.90

Note: Compiled from official statistics of the U.S. Department of Commerce.

Molybdenum Ores and Concentrates, Roasted

I. Introduction

Col. 1 rate of duty: 19.8 cents per kilogram 2/ (1986 AVE 3.5%)

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation: (Countries— , ,)

Competitive-need-limit waiver (Countries— , ,)

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Molybdenum is a refractory metallic element used principally as an alloying agent to enhance hardenability, strength, toughness, and wear and corrosion resistance. Molybdenum ore is mined domestically from both open pit and underground mines located in the western United States. Virtually all molybdenum is recovered from low-grade deposits of molybdenum ore. Deposits mined primarily for molybdenum provide 65 to 70 percent of U.S. output. The remainder is obtained mainly as a byproduct from mining of low-grade copper deposits. Molybdenum concentrate is converted to molybdic oxide which is the base material for further upgrading to ferromolybdenum and molybdenum chemicals. Metallurgical applications, including the use of molybdenum in steels, cast irons, superalloys and other alloys, and as a refractory metal, account for about 90 percent of domestic consumption; chemical and other nonmetallurgical applications account for the remaining 10 percent.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	14	14	11	10	-29
Total U.S. employment (1,000 employees) <u>3/</u>	6	3	2	1	-83
U.S. shipments (thousand dollars).....	945,540	200,100	347,812	240,385	-75
U.S. exports (thousand dollars).....	406,816	185,122	247,690	136,006	-67
U.S. imports (thousand dollars).....	9,910	2,649	566	3,056	-69
U.S. consumption (thousand dollars).....	548,634	17,627	100,688	107,435	-80
Import to consumption ratio (percent).....	2	15	1	3	-
Capacity utilization (nearest 10 percent).....	70	20	40	40	-

1/ Less than 0.5 percent.

1/ Probable effects advice for these or closely related products on the basis of the TSUS System nomenclature is contained in the Digest for TSUS item No. 601.33.

2/ On molybdenum content.

3/ Includes mine and mill employment.

HS item No.
2613.10.00—Con.

Comment: U.S. consumption of molybdenum ores and concentrates has declined by 42 percent in quantity during 1981-86 due to a reduction in demand by steel producers who consume 75 percent of all molybdenum produced. The worldwide reduction in steel production during 1981-86 has also negatively affected U.S. export sales of molybdenum ore. These export sales typically account for over 50 percent of U.S. shipments. As a result, U.S. producers are faced with overcapacity in their molybdenum operations. These conditions have led to the closing of mines and to substantial industry lay-offs. Imports of molybdenum ore have not yet been a significant factor in the U.S. market due to the absence in the United States of independent roasters to convert the ore into molybdic oxide.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds, gross weight)</u>				
Total.....	1,740	100	-	4
Imports from GSP countries:				
Total.....	40	2	100	1/
Mexico.....	40	2	100	1/
<u>Value (1,000 dollars)</u>				
Total.....	3,056	100	-	1
Imports from GSP countries:				
Total.....	83	3	100	1/
Mexico.....	83	3	100	1/

1/ Less than 0.5 percent.

(Note.—Imports from GSP countries during the first six months of 1987 totaled 69,182 gross pounds (\$126,000), or 8 percent of total imports, compared to 0 imports during the same period in 1986. While there were no U.S. imports of molybdenum ore and concentrate from Chile during 1981-86, Chile supplied 53 percent of molybdenum ore and concentrate imports from GSP countries during January-June 1987. Although Chile has traditionally exported to Western European countries, Chile began exporting increased quantities of ore to the United States in 1987. * * *.

Chile, the second lowest cost copper producer in the world, produces all its molybdenum ore as a byproduct of its copper operations. During 1984-86, over half of Chile's molybdenum exports were sent to Western Europe, and it is alleged that these exports have suppressed prices for U.S. exports.)

HS item No.
2613.10.00—Con.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes ___ No X

Does the country have significant export
markets besides the United States?..... Yes X No ___

Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No ___

Price sensitivity of import supply..... High X Moderate ___ Low ___

Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent ___ Below X

Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___

Other foreign products..... Above ___ Equivalent X Below ___

Comment: In Mexico, molybdenum is recovered mainly as a byproduct from the mining of large copper porphyry deposits. Mexico exports most of its molybdenum ore to Western Europe. A small amount of Mexican molybdenum ore is purchased by a single U.S. processor primarily to gain access to less expensive material than it could produce in its own operation. However, Mexico has had difficulty maintaining its molybdenum production at a stable level and is not viewed by U.S. consumers as a dependable supplier of ore. In addition, Mexican internal consumption of ore is expected to increase in the near term, thereby absorbing a greater percentage of Mexican production. During 1985, 100 percent of Mexican exports were sold to Western Europe.

HS item No.
2613.10.00—Con.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Chile for all digest products

Ranking as a U.S. import supplier, 1986 1/.....

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes No

Does the country have significant export
markets besides the United States?..... Yes No

Could exports from the country be readily
redistributed among its foreign export markets?..... Yes No

Price sensitivity of import supply..... High Moderate Low

Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes No

Price sensitivity of U.S. demand..... High Moderate Low

Price level compared with:

U.S. products..... Above Equivalent Below

Other foreign products..... Above Equivalent Below

Quality compared with:

U.S. products..... Above Equivalent Below

Other foreign products..... Above Equivalent Below

Comment: Codelco is the only producer of molybdenum ore and concentrate in Chile and is the world's largest molybdenum producing company. Codelco's molybdenum production has fluctuated in recent years due to the uneven quality of ore at its mines. Almost two-thirds of molybdenum produced in Chile is roasted into oxide in Chile while the balance is exported either for roasting, typically to the Netherlands, or for sale as concentrate. During 1981-86 Chile did not export molybdenum ore and concentrate to the United States.

1/ Chile did not export to the United States in 1986.

V. Position of interested parties

Petitioner.—Cyprus Minerals Company is a leading U.S. producer of molybdenum ore and oxide. Cyprus believes that low-priced GSP imports from Chile have depressed domestic prices leading to U.S. mine closings.

Support.—AMAX, a leading U.S. producer of molybdenum ore and oxide, supports Cyprus Minerals' petition and feels that molybdenum producers in Chile and Mexico suffer no competitive disadvantage versus producers in the United States and other developed countries and should not be entitled to GSP preferences.

Opposition.—Corporation Nacional del Cobre de Chile (Codelco) is the principal Chilean producer and exporter of molybdenum ore. Codelco contends that imports of Chilean molybdenum are minor in comparison with U.S. domestic production and consumption and that there is no correlation between imports from Chile and depressed conditions in the U.S. industry.

HS item No.
2613.10.00--Con.

*

*

*

*

*

*

*

TS number: 60133

7

HS item No.
2613.10.00

Product: Molybdenum ore

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
<u>Quantity (pounds, gross weight)</u>				
Canada.....	1,611,781	247,014	181,925	1,699,653
Mexico.....	3,346	852,132		40,184
Peru.....	234,322			
FR Germ.....	1,276			
Phil.R.....	135,395	21,842		
China.P.....	1,931			
All other total..				
Total.....	1,988,051	1,120,988	181,925	1,739,837
GSP total....	373,063	873,974		40,184

	<u>Percent</u>			
Canada.....	81.1	22.0	100.0	97.7
Mexico.....	0.2	76.0	0.0	2.3
Peru.....	11.8	0.0	0.0	0.0
FR Germ.....	0.1	0.0	0.0	0.0
Phil.R.....	6.8	1.9	0.0	0.0
China.P.....	0.1	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	18.8	78.0	0.0	2.3

Source: Compiled from official statistics of the U.S. Department of Commerce

TS number: 60133

8

HS item No. 2613.10.00--Con.

Product: Molybdenum ore

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	7,750	449	566	2,973
Mexico.....	3	2,164		83
Peru.....	1,389			
FR Germ.....	33			
China P.....	11			
Phil R.....	721	34		
All other total..				
Total.....	9,910	2,649	566	3,056
GSP total....	2,114	2,199		83

	Percent			
Canada.....	78.2	17.0	100.0	97.3
Mexico.....	0.0	81.7	0.0	2.7
Peru.....	14.0	0.0	0.0	0.0
FR Germ.....	0.3	0.0	0.0	0.0
China P.....	0.1	0.0	0.0	0.0
Phil R.....	7.3	1.3	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	21.3	83.0	0.0	2.7

Source: Compiled from official statistics of the U.S. Department of Commerce

Product: MOLYBDENUM ORE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds, gross weight)				
Nethlds.....	22,026,538	20,700,117	40,076,386	24,996,912
U.King.....	3,500,948	5,208,426	4,991,410	6,242,726
Japan.....	7,958,396	4,530,691	7,030,704	5,818,147
Canada.....	368,538	475,435	780,240	3,661,734
Belgium.....	2,517,888	4,354,027	5,742,708	3,087,801
Sweden.....	1,839,851	1,474,993	948,929	2,791,964
FR Germ.....	5,079,641	6,147,499	3,378,701	2,028,323
Brazil.....	115,381	55,376	153,046	221,856
Chile.....	2,314,664	1,393,700	102,323	93,451
Cook Is.....	3,415	3,934	2,730	70,227
Cocos.I.....	129,380	26,746	37,835	68,201
Italy.....				23,333
Mexico.....	862,986	13,140	71,301	21,853
Argent.....	2,172	4,941	4,551	9,542
All other total..	4,628,883	2,678,912	537,898	16,891
Total.....	51,348,681	47,067,937	63,858,762	49,152,961
GSP total....	3,577,987	1,572,750	545,957	502,021
Percent				
Nethlds.....	42.9	44.0	62.8	50.9
U.King.....	6.8	11.1	7.8	12.7
Japan.....	15.5	9.6	11.0	11.8
Canada.....	0.7	1.0	1.2	7.4
Belgium.....	4.9	9.3	9.0	6.3
Sweden.....	3.6	3.1	1.5	5.7
FR Germ.....	9.9	13.1	5.3	4.1
Brazil.....	0.2	0.1	0.2	0.5
Chile.....	4.5	3.0	0.2	0.2
Cook Is.....	0.0	0.0	0.0	0.1
Cocos.I.....	0.3	0.1	0.1	0.1
Italy.....	0.0	0.0	0.0	0.0
Mexico.....	1.7	0.0	0.1	0.0
Argent.....	0.0	0.0	0.0	0.0
All other total..	9.0	5.7	0.8	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	7.0	3.3	0.9	1.0

Source: Compiled from official statistics of the U.S. Department of Commerce

Product: MOLYBDENUM ORE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Nethlds.....	189,116	95,598	160,249	75,801
Japan.....	73,566	17,705	26,201	16,555
U.King.....	20,047	14,336	15,462	14,499
Belgium.....	24,069	20,171	30,114	8,781
Canada.....	2,204	1,377	1,979	8,148
Sweden.....	13,555	3,031	2,895	6,046
FR Germ.....	30,374	20,917	7,757	4,299
Brazil.....	1,052	245	627	760
Cocos.I.....	1,177	182	232	449
Cook Is.....	37	26	18	174
Mexico.....	5,969	52	135	136
Chile.....	7,690	1,988	377	130
Argent.....	17	33	31	60
Taiwan	30	19	71	58
All other total..	37,907	9,435	1,535	101
Total.....	406,816	185,122	247,690	136,006
GSP total....	17,287	2,876	2,141	1,823
Percent				
Nethlds.....	46.5	51.6	64.7	55.7
Japan.....	18.1	9.6	10.6	12.2
U.King.....	4.9	7.7	6.2	10.7
Belgium.....	5.9	10.9	12.2	6.5
Canada.....	0.5	0.7	0.8	6.0
Sweden.....	3.3	1.6	1.2	4.4
FR Germ.....	7.5	11.3	3.1	3.2
Brazil.....	0.3	0.1	0.3	0.6
Cocos.I.....	0.3	0.1	0.1	0.3
Cook Is.....	0.0	0.0	0.0	0.1
Mexico.....	1.5	0.0	0.1	0.1
Chile.....	1.9	1.1	0.2	0.1
Argent.....	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0
All other total..	9.3	5.1	0.6	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	4.2	1.6	0.9	1.3

Source: Compiled from official statistics of the U.S. Department of Commerce

Certain Metal-Bearing Materials of Molybdenum (Molybdic trioxide)

I. Introduction

Col. 1 rate of duty: 13.2 cents per kilogram 2/ + 1.9 percent ad valorem (1986 AVE 4.6%)

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation: (Countries— , ,)

Competitive-need-limit waiver (Countries— , ,)

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Molybdic trioxide is the form of molybdenum most commonly used in consuming industries and is the base material used for further upgrading to ferromolybdenum, molybdenum chemicals, and molybdenum metal powder. Molybdic trioxide is produced by roasting molybdenum concentrates to a temperature of 800 degrees F. Metallurgical applications, including the use of molybdenum in steels, cast irons, superalloys and other alloys, and as a refractory metal, account for about 90 percent of domestic consumption; chemical and other nonmetallurgical applications account for the remaining 10 percent.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, - 1986 versus 1981
Number of U.S. producers (number of firms).....	2	2	2	2	0
Total U.S. employment (1,000 employees) <u>3/</u>	6	3	2	1	-83
U.S. shipments (thousand dollars).....	***	***	***	***	***
U.S. exports (thousand dollars).....	*24,211	*14,442	*15,750	*24,566	1
U.S. imports (thousand dollars).....	9,574	12,985	7,328	3,283	-66
U.S. consumption (thousand dollars).....	***	***	***	***	***
Import to consumption ratio (percent).....	***	***	***	***	-
Capacity utilization (nearest 10 percent).....	50	10	30	30	-

1/ Probable effects advice for these or closely related products on the basis of the TSUS nomenclature is contained in the Digest for TSUS item No. 603.40.

2/ On molybdenum content.

3/ Includes mine and mill employment.

Comment: U.S. consumption of molybdc trioxide has declined an estimated *46 percent in quantity during 1981-86 due to a reduction in demand by steel producers who consume 75 percent of all molybdenum produced. As a result, U.S. producers have been faced with overcapacity in their molybdenum operations. During 1981-86 imports of molybdc trioxide have not been significant, as Chilean and Mexican producers have tended to export principally to the larger Western European markets. Chilean molybdc trioxide is presently sold below the price of the domestically produced product.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds, gross weight)</u>				
Total.....	1,786	100	-	*2
Imports from GSP countries:				
Total.....	1,625	91	100	*2
Chile.....	1,116	62	69	*2
Mexico.....	502	28	31	*1
Taiwan.....	6	1/	1/	1/
<u>Value (1,000 dollars)</u>				
Total.....	3,283	100	-	*2
Imports from GSP countries:				
Total.....	3,011	92	100	*2
Chile.....	1,996	61	66	*1
Mexico.....	973	30	32	*1
Taiwan.....	40	1	1	1/

1/ Less than 0.5 percent.

Note.—During the first six months of 1987, imports from GSP countries rose to 3.6 million gross pounds (\$6.7 million) compared to 457,147 gross pounds (\$815,000) during the same period in 1986. Imports from Chile rose from 410,028 gross pounds (\$699,000) to 3.5 million gross pounds (\$6.2 million) during this time period. Although Chile has traditionally exported to Western European countries, Chile began exporting increased quantities of molybdc trioxide to the United States in 1987. ***

HS item No.
2620.90.10—Con.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Chile for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes No X

Does the country have significant export
markets besides the United States?..... Yes X No

Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No

Price sensitivity of import supply..... High X Moderate Low

Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No

Price sensitivity of U.S. demand..... High X Moderate Low

Price level compared with:

U.S. products..... Above Equivalent Below X

Other foreign products..... Above Equivalent Below X

Quality compared with:

U.S. products..... Above Equivalent X Below

Other foreign products..... Above Equivalent X Below

Comment: Chile has been able to establish a presence in the U.S. market due to the low price of its molybdic trioxide. However, U.S. manufacturers retain such advantages as dependable service and delivery. Almost 60 percent of Chilean exports were sent to Western Europe during 1986. All of Chile's molybdenum is produced as a byproduct of copper. After Zaire, Chile is the lowest-cost copper producer in the world. Chile is presently operating at full production capacity and is exporting excess ore, not roasted in Chile, to the Netherlands, Belgium, and to West Germany to be processed. Chile has recently announced plans to expand its production capacity by 10 million pounds, or by 35 percent. Chilean oxide production in 1987 has been adversely affected by electrical power losses and storms which have closed roads between its mines and roasting facilities. Some Canadian ore is exported to Chile due to a lack of roasting capacity in Canada and due to efforts by Canada to serve the Latin American market.

HS item No.
2620.90.10—Con.

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes ___ No X
Does the country have significant export
markets besides the United States?..... Yes X No ___
Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No ___
Price sensitivity of import supply..... High X Moderate ___ Low ___
Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___
Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent ___ Below X
Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___
Other foreign products..... Above ___ Equivalent X Below ___

Comment: A small amount of Mexican molybdc trioxide is purchased by U.S. consumers primarily to assure access to low-cost sources of supply. The ability of Mexico to expand production and exports is currently limited by the lack of roasting capacity and by the inconsistent production of molybdenum ore used as feedstock. Most Mexican exports of oxide are sent to Japan.

V. Position of interested parties

Petitioner.—Cyprus Minerals Company is a leading U.S. producer of molybdenum ore and oxide. Cyprus believes that low-priced GSP imports in the United States have depressed domestic prices leading to U.S. mine closings. The petitioner also alleges that foreign producers and merchants send non-GSP molybdenum concentrates to GSP countries for conversion, and then sell the converted products to the United States.

Support.—AMAX, a leading U.S. producer of molybdenum ore and oxide, supports Cyprus Minerals' petition and feels that molybdenum producers in Chile and Mexico suffer no competitive disadvantage versus producers in the United States and other developed countries and should not be entitled to GSP preferences.

Opposition.—Corporation Nacional del Cobre de Chile (Codelco) is the principal Chilean producer and exporter of molybdc trioxide. Codelco contends that imports of Chilean molybdc trioxide are minor in comparison with U.S. domestic production and consumption and that there is no correlation between Chilean imports and depressed conditions in the U.S. industry.

HS item No.
2620.90.10--Con.

*

*

*

*

*

*

*

TS number: 60340

6

HS item No.
2620.90.10--Con.

Product: Materials chief value molybdenum

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds, gross weight)				
Chile.....	1,192,992	2,033,387	2,064,586	1,115,830
Mexico.....		355,308	233,689	502,366
Nethlds.....				80,284
Austria.....				42,328
France.....				39,070
Taiwan.....				6,422
Canada.....	135,723	699,760	1,416,475	
U King.....		38,272	133,766	
FR Germ.....		3,952		
Belgium.....	121,424	314,239	249,095	
Italy.....			74,956	
China.P.....	22,512			
Japan.....	170,690			
Rep Saf.....	7,200			
All other total..				
Total.....	1,650,541	3,444,918	4,172,567	1,786,300
GSP total....	1,192,992	2,388,695	2,298,275	1,624,618

Percent				
Chile.....	72.3	59.0	49.5	62.5
Mexico.....	0.0	10.3	5.6	28.1
Nethlds.....	0.0	0.0	0.0	4.5
Austria.....	0.0	0.0	0.0	2.4
France.....	0.0	0.0	0.0	2.2
Taiwan.....	0.0	0.0	0.0	0.4
Canada.....	8.2	20.3	33.9	0.0
U King.....	0.0	1.1	3.2	0.0
FR Germ.....	0.0	0.1	0.0	0.0
Belgium.....	7.4	9.1	6.0	0.0
Italy.....	0.0	0.0	1.8	0.0
China.P.....	1.4	0.0	0.0	0.0
Japan.....	10.3	0.0	0.0	0.0
Rep Saf.....	0.4	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	72.3	69.3	55.1	90.9

Source: Compiled from official statistics of the U.S. Department of Commerce

HS number: 26209010

7

HS item No.
2620.90.10--Con.

Product: Ash and residues

U.S. imports for consumption, by principal sources, 1981 1983 1985 and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Chile.....	7,793	6,864	3,823	1,996
Mexico.....		1,829	325	973
Nethlds.....				143
Austria.....				66
France.....				62
Taiwan				40
Italy.....			146	
Rep Saf.....	24			
Canada.....	871	3,161	2,597	
Japan.....	93			
FR Germ.....		16		
U King.....		108	300	
Belgium.....	634	1,004	136	
China P.....	156			
All other total..				
Total.....	9,574	12,985	7,328	3,283
GSP total....	7,793	8,694	4,148	3,011

Percent				
Chile.....	81.4	52.9	52.2	60.8
Mexico.....	0.0	14.1	4.4	29.7
Nethlds.....	0.0	0.0	0.0	4.4
Austria.....	0.0	0.0	0.0	2.0
France.....	0.0	0.0	0.0	1.9
Taiwan	0.0	0.0	0.0	1.2
Italy.....	0.0	0.0	2.0	0.0
Rep Saf.....	0.3	0.0	0.0	0.0
Canada.....	9.1	24.3	35.4	0.0
Japan.....	1.0	0.0	0.0	0.0
FR Germ.....	0.0	0.1	0.0	0.0
U King.....	0.0	0.8	4.1	0.0
Belgium.....	6.6	7.7	1.9	0.0
China P.....	1.6	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	81.4	67.0	56.6	91.7

Source: Estimated from official statistics of the U.S. Department of Commerce

Product: METAL-BEARING MATERIALS NSPF

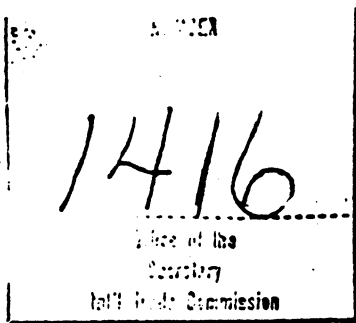
U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Belgium.....	13,243	6,306	8,597	7,683
Japan.....	3,300	1,621	1,927	6,809
Switzld.....		5	4	3,571
FR Germ.....	3,339	2,061	1,783	2,214
U.King.....	1,662	1,755	795	1,794
Canada.....	1,848	2,236	1,865	1,329
France.....	28	32	89	267
India.....	1	13	21	245
Cocos.I.....	2	3	29	147
Brazil.....	19			111
Israel.....		4	5	79
Austria.....	96	15	77	74
Italy.....	6	1	213	72
Mexico.....	46	56	21	53
All other total..	613	328	318	110
Total.....	24,211	14,442	15,750	24,566
GSP total....	100	149	139	696
Percent				
Belgium.....	54.7	43.7	54.6	31.3
Japan.....	13.6	11.2	12.2	27.7
Switzld.....	0.0	0.0	0.0	14.5
FR Germ.....	13.8	14.3	11.3	9.0
U.King.....	6.9	12.2	5.1	7.3
Canada.....	7.6	15.5	11.8	5.4
France.....	0.1	0.2	0.6	1.1
India.....	0.0	0.1	0.1	1.0
Cocos.I.....	0.0	0.0	0.2	0.6
Brazil.....	0.1	0.0	0.0	0.5
Israel.....	0.0	0.0	0.0	0.3
Austria.....	0.4	0.1	0.5	0.3
Italy.....	0.0	0.0	1.4	0.3
Mexico.....	0.2	0.4	0.1	0.2
All other total..	2.5	2.3	2.0	0.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	0.4	1.0	0.9	2.8

Source: Compiled from official statistics of the U.S. Department of Commerce

APPENDIX A

U.S. Trade Representative Request of August 7, 1987,
for Probable Effect Advice



THE UNITED STATES TRADE REPRESENTATIVE
 WASHINGTON
 20506

ST AUG 10 11:32

August 7, 1987

OFFICE OF THE SECRETARY
 DOCKET/USITC

The Honorable Susan Liebeler
 Chairman
 United States International Trade
 Commission
 701 E Street, N.W.
 Washington, D.C. 20436

Dear Chairman Liebeler:

The Trade Policy Staff Committee (TPSC) has recently announced in the Federal Register the acceptance of petitions for modification of the Generalized System of Preferences received as part of the 1987 annual review. In this connection, I am making the requests listed below.

Modifications to the GSP which may result from this review will be announced in early 1988 and become effective July 1, 1988. Inasmuch as current plans call for the United States to implement the Harmonized Commodity Description and Coding System (the Harmonized System) in its tariff nomenclature on January 1, 1988, work in the current GSP annual review has had to be conducted in terms of both the nomenclature of our existing tariff schedule and the proposed Harmonized System nomenclature, and the notice of petitions accepted for review is given in both nomenclatures. It is also necessary that the Commission's response to the following requests be in terms of both nomenclatures.

In accordance with sections 503(a) and 131(a) of the Trade Act of 1974 (the Act), and pursuant to the authority of the President delegated to the United States Trade Representative by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the International Trade Commission that the articles identified in Part A of the enclosed lists are being considered for designation as eligible articles for purposes of the United States Generalized System of Preferences (GSP), set forth in Title V of the Act.

Pursuant to sections 503(a) and 131(a) of the Act, I request that the Commission provide its advice, with respect to each article listed in Part A of the enclosed lists, as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers of the elimination of United States import duties under the GSP.

The Honorable Susan Liebeler
August 7, 1987
Page Two

In providing its advice, I request the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive need" limits specified in section 504(c) of the Act.

At the direction of the President, pursuant to section 332(g) of the Tariff Act of 1930, I further request:

(a) with respect to each article listed in Parts B and C of the enclosed lists, that the Commission provide its advice as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers (1) of the removal of articles in Part B of the lists from eligibility for duty-free treatment under the GSP; (2) of the removal of the GSP duty-free status from articles in Part C of the lists which are imported from the respective countries specified which currently receive GSP duty-free treatment; and (3) the redesignation for GSP duty-free treatment for articles in Part C of the lists which are imported from a specified country which does not currently receive GSP duty-free treatment for the articles; and

(b) in accordance with section 504(c)(3)(A)(i) of the Act, that the Commission provide advice as to the probable economic effect on domestic industries producing like or directly competitive articles and on U.S. consumers of waiving the competitive need limits for countries specified with respect to the articles listed in Part D of the lists.

Section 504(d) of the Act exempts from one of the competitive need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on January 3, 1985. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, I request that the Commission provide advice with respect to whether products like or directly competitive with those described in Part A of the enclosed lists were being produced in the United States on January 3, 1985.

Under the provisions of the Act, the Commission has six months to provide the advice requested herein on Part A of the enclosed list. However, it would be greatly appreciated if all of the requested advice could be provided by November 1, 1987, in order to permit any actions to be taken on these items to be included in the Executive Order which should be issued in early March, 1988.

The Honorable Susan Liebeler
August 7, 1987
Page Three

In addition, with respect to two cases involving molybdenum ore and metal-bearing materials in chief value of molybdenum (87-26 and 87-27, TSUS items 601.33 and 603.40; and 87-HS-22 and 87-HS-23, HS items 2613.10.00 and 2620.90.10), the TPSC has granted a request from Cyprus Minerals Company to conduct the review on an expedited basis. The Commission is therefore requested to consider these cases separately from its normal investigation and to provide its advice on these two cases not later than October 1, 1987. In view of this compressed time, we do not expect the Commission to hold a public hearing on these two cases.

Sincerely,



Clayton Yeutter

CY:dfd

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
[The bracketed language in this list has been included only to clarify the scope of the numbered items which are being considered, and such language is not itself intended to describe articles which are under consideration.]			
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u>			
87-1	112.01	Fish, prepared or preserved in any manner, not in oil, in airtight containers: Anchovies: In containers weighing with their contents not over 15 pounds each	Government of Morocco
87-2	131.27	Milled grain products: Fit for human consumption: Oats: Valued over \$8 per 100 pounds	Government of Colombia
87-3	141.15	Vegetables (whether or not reduced in size), packed in salt, in brine, pickled, or otherwise prepared or preserved (except vegetables in subpart B, part 8, schedule 1 of the Tariff Schedules of the United States): Beans: [Soybeans] Other: Pickled [Articles provided for in items 141.25 thru 141.70]	Government of Morocco
87-4	141.83	Other: [Packed in salt, in brine, or pickled] Other: Corn in airtight containers	Government of Thailand
87-5	161.08	Capers: [In immediate containers holding more than 7.5 pounds] Other	Government of Morocco
87-6	169.13	Rum (including <u>cana paraguaya</u>): In containers each holding not over 1 gallon	Government of the Philippines
87-7	169.1415	In containers each holding over 1 gallon: Valued over \$3.50 per gallon	do.

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u> (con.)			
		Wood blinds, shutters, screens, and shades, all the foregoing, with or without their hardware: [Consisting of wooden frames in the center of which are fixed louver boards or slats, with or without their hardware]	
87-8	206.67	Other	Eastman Bell, Costa Mesa, CA; Online Corporation, Gardenia, CA
		Strips (in continuous form), whether known as artificial straw, yarns, or by any other name: Not laminated: Valued not over \$1 per pound	
87-9	309.20		Government of Mexico, Cordelrias Filamentos y Costales, S.A. de C.V. (COFISCA), Mexico
87-10	309.21	Valued over \$1 per pound	do.
		Other handkerchiefs, not ornamented: Of silk: Hemmed: Containing 70 percent or more by weight of silk	
87-11	370.8405		Government of Thailand
		Not hemmed: Containing 70 percent or more by weight of silk	
87-12	370.8450		do.
		Mufflers, scarves, shawls, and veils, all the foregoing of textile materials: [Lace or net articles, whether or not ornamented, and other articles, ornamented:]	
		Other articles, not ornamented: Of silk: Knit: Containing 70 percent or more by weight of silk	
87-13	372.5005		do.
		Not knit: Weighing over 1 ounce per square yard and rectangular in shape: Valued not over \$5 per dozen Containing 70 percent or more by weight of silk	
87-14	372.5505		do.

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1/</u> item No.	Article	Petitioner
-------------	----------------------------------------	---------	------------

A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences. (con.)

Articles not specially provided for, of textile materials:

[Lace or net articles, whether or not ornamented, and other articles ornamented:]

Other articles, not ornamented:

Of man-made fibers:

Knit (except pile or tufted construction):

87-15 389.40(pt.)

Plastic pot scourers used chiefly to clean pots and other household articles used in preparing, serving, and storing food

Government of Mexico;
Filtros Y Mallas
Industriales, S.A.,
Mexico

Products suitable for medicinal use, and drugs:

Obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of part 1, schedule 4, of the Tariff Schedules of the United States:

Drugs:

Imidazoline derivatives:

[Articles provided for in items 411.00 and 411.04]

87-16 411.08(pt.)2/

Other:

Anthelmintic compound - - containing a thiazoline ring fused to a imidazoline ring

Cyanamid Latin
American Group,
Wayne, NJ

87-17 455.04 Pectin

Grinsted de Mexico,
S.A.,
Mexico

Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:

Of chinaware or of subporcelain:

Household ware:

Of nonbone chinaware or of subporcelain:

Not available in specified sets:

[Articles provided for in items 533.72 thru 533.78]

87-18 533.79

Other articles 3/

Corning Glassware,
Corning, NY

1/ Tariff Schedules of the United States. (19 U.S.C. 1202).

2/ Currently eligible for GSP under the TSUS; request is for GSP eligibility under the HS.

3/ 504(d) waiver also requested for TSUS item 533.79.

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA ^{1/} item No.	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences. (con.)</u>			
		Smokers' articles, household articles, and art and ornamental objects such as, but not limited to, statues, figurines, flowers, vases, lamp bases, bric-a-brac, and wall plaques, all the foregoing not specially provided for, of ceramic ware: [Articles provided for in items 534.21 thru 534.94]	
87-19	534.97	Other ^{2/}	Corning Glassware, Corning, NY
		Ferrous alloys: Ferrochromium: Not containing over 3 percent by weight of carbon	Government of Zimbabwe
87-20	606.22		
87-21	606.42	Ferrosilicon chromium	Government of Zimbabwe
		Dolls, and parts of dolls including doll clothing: [Doll clothing imported separately] Other: Dolls (with or without clothing): [Stuffed] Other	
87-22	737.2415	Over 13 inches in height	Playmates Toys, Inc., La Mirada, CA
87-23	755.15	Fireworks	Government of Colombia
		Fountain pens, including stylographic pens and ball-point pens and ball-point pencils, and combination pens and pencils: Ball-point pens and ball-point pencils	
87-24	760.0520		Government of Thailand

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

^{2/} Currently eligible for GSP under the TSUS; request is for GSP eligibility under the HS; 504(d) waiver also requested for TSUS 534.97.

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
B. <u>Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.</u>			
		Flavoring extracts, and fruit flavors, essences, esters, and oils, all the foregoing whether or not containing ethyl alcohol: Not containing alcohol: [In ampoules, capsules, tablets, or similar forms]	
		Other: Spice oleoresins: Black pepper	
87-25	450.2015		Kalsec, Inc., Kalamazoo, MI
		Metal-bearing ores and the dross or residuum from burnt pyrites: Molybdenum ore	
87-26	601.33		Cyprus Minerals, Englewood, CO
		Other metal-bearing materials of a type commonly used for the extraction of metal or as a basis for the manufacture of chemical compounds: [Articles provided for in items 603.05 thru 603.30]	
		Other: Materials in chief value of molybdenum	
87-27	603.40		do.
		Pipe and tube fittings of iron or steel: Cast-iron fittings, malleable: Advanced in condition by operations or processes subsequent to the casting process	
87-28	610.74		American Pipe Fittings Association, Washington, D.C.
		Jewelry and other objects of personal adornment not provided for in the foregoing provisions of part 6, schedule 7, of the Tariff Schedules of the United States (except articles excluded by headnote 3 of subpart A, part 6, schedule 7, of the Tariff Schedules of the United States), and parts thereof: Valued over 20 cents per dozen pieces or parts: [Articles provided for in items 740.34 thru 740.39]	
87-29	740.61	Other	Manufacturing Jewelers and Silversmiths of America, Inc., Providence, RI

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences. (con.)			
87-30	740.50	Religious articles of a purely devotional character designed to be worn on apparel or carried on or about or attached to the person: Rosaries and chaplets	Manufacturing Jewelers and Silversmiths of America, Inc., Providence, RI
		Crucifixes and medals: [Of precious metals (including rolled precious metals)]	
87-31	740.60	Other	do.
		Rope, curb, cable, chain, and similar articles produced in continuous lengths, all the foregoing, whether or not cut to specific lengths and whether or not set with imitation pearls or imitation gemstones, of metal or of metal and such pearls or gemstones, suitable for use in the manufacture of articles provided for in subpart A, part 6, schedule 7, of the Tariff Schedules of the United States: [Of precious metals (including rolled precious metals)]	
87-32	740.75	Other: Valued not over 30c per yard	do.
87-33	740.80	Valued over 30c per yard	do.
		Clasps, handbag and similar frames incorporating clasps, and snap fasteners; all the foregoing and parts thereof: Valued over 20 cents per dozen pieces or parts: For jewelry and other objects of personal adornment: [Of precious metal except silver (including rolled precious metal except silver)]	
87-34	745.6740	Other: [Silver] Other	do.

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences 2/</u>			
Products obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of part 1, schedule 4 of the Tariff Schedules of the United States: Plastics materials: [Articles provided for in items 408.44 and 408.48]			
Other:			
87-35	408.72 (Korea)	Thermoplastic resins: Acrylonitrile-butadiene-styrene (ABS) resins	Borg-Warner Chemicals, Inc., Parkersburg, WV; Dow Chemicals, USA, Midland, MI
Other inorganic compounds: [Articles provided for in items 422.90 thru 422.94]			
Other:			
[Rare-earth oxides except cerium oxide; hydrogen peroxide]			
87-36	423.0050 (Brazil)	Other oxides, hydroxides and peroxides	Teledyne Industries, Albany, OR
87-37	618.15 (Argentina, Brazil, Mexico, Taiwan, Venezuela, Yugoslavia)	Wrought rods of aluminum	Southwire Company, Carrollton, GA
87-38	618.20 (Argentina, Brazil, Venezuela)	Aluminum wire: Not coated or plated with metal	do.

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex I
 Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
----------	------------------------------	---------	------------

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.^{2/} (con.)

		Strands, ropes, cables, and cordage, all the foregoing, of wire, whether or not cut to length, and whether or not fitted with hooks, swivels, clamps, clips, thimbles, sockets or other fittings or made up into slings, cargo nets, or similar articles:	
		Fitted with fittings, or made up into articles:	
87-39	642.2010 (Korea)	Ropes, cables or cordage fitted with fittings	Committee of Domestic Steel Wire Rope and Specialty Steel Mfg., Washington, D.C.
87-40	652.80 (Korea, Mexico)	Expanded metal, of base metal	Expanded Metal Fair Trade Coalition, Washington, D.C.
		Generators, motors, motor-generators, converters (rotary or static), transformers, rectifiers and rectifying apparatus, and inductors; all the foregoing which are electrical goods, and parts thereof:	
		Motors:	
		Of 1 horsepower or more, but not over 20 horsepower:	
		AC:	
87-41	682.4130 (Korea, Taiwan)	Polyphase	National Electrical Manufacturers Association, Washington, D.C.
		Of 200 or more horsepower:	
		Of 200 horsepower:	
87-42	682.5010 (Korea, Taiwan)	AC	do.
		Of over 200 horsepower but not over 500 horsepower:	
87-43	682.5030 (Korea, Taiwan)	AC	do.

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA ^{1/} item No.	Article	Petitioner
----------	--------------------------------------------	---------	------------

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.^{2/} (con.)

Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and television cameras; record players, phonographs, tape recorders, dictation recording and transcribing machines, record changers, and tone arms; all the foregoing, and any combination thereof, whether or not incorporating clocks or other timing apparatus, and parts thereof:

Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and parts thereof:

[Articles provided for in 684.90 thru 685.08]

Other:

[Articles provided for in 685.10 thru 685.24]

Other transmission apparatus incorporating reception apparatus:

[Cordless handset telephones]

Other

87-44 685.28
(Hong Kong,
Korea,
Taiwan)

— Motorola, Inc.,
Schaumburg, IL

87-45 688.20
(Brazil,
Korea,
Taiwan,
Venezuela)

Uninsulated electrical conductors:

Comprised of aluminum wire or strand spirally wound or twisted around a steel or aluminum core

Southwire Company,
Carrollton, GA

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

^{2/} The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.</u>^{2/} (con.)			
87-46	735.09 (Korea, Taiwan)	Beach balls, play balls, toy balls, and other balls for games or sports not provided for in the foregoing provisions of subpart D, part 5, schedule 7, of the Tariff Schedules of the United States: Inflatable balls	Hedstrom Corporation, Ashland, OH
87-47	735.10 (Korea, Taiwan)	Noninflatable hollow balls not over 7.5 inches in diameter	do.
87-48	735.11 (Korea, Taiwan)	Sponge rubber balls	do.
87-49	735.12 (Korea, Taiwan)	Other	do.
87-50	745.32 (Taiwan)	Buttons: Of acrylic resin, of polyester resin, or of both such resins	Cresthill Industries Inc., New York, NY
87-51	772.06 (Hong Kong, Korea, Mexico)	Articles chiefly used for preparing, serving or storing food or beverages, or food or beverage ingredients; and household articles not specially provided for; all the foregoing of rubber or plastics: Plates, cups, saucers, soup bowls, cereal bowls, sugar bowls, creamers, gravy boats, serving dishes, and platters	Ullman Co., Hauppauge, NY
87-52	772.09 (Hong Kong, Korea, Mexico)	Trays	do.

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

^{2/} The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA ^{1/} item No.	Article	Petitioner
D. <u>Petitions for waiver of competitive-need limit for a product on the list of eligible products</u>			
87-53	547.3720 (Taiwan)	Glass envelopes (including bulbs and tubes), without fittings, designed for electric lamps, vacuum tubes or other electrical devices: [Bulbs for incandescent lamps] Other Glass envelopes for cathode-ray tubes	Clinton Electronics Corporation, Rockford, IL
87-54	657.40(ot.) (Taiwan)	Articles of aluminum, not coated or plated with precious metal: Luggage frames	Skyway Luggage Co., Seattle, WA
87-55	685.25 (Korea)	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and television cameras; record players, phonographs, tape recorders, dictation recording and transcribing machines, record changers, and tone arms; all the foregoing, and any combination thereof, whether or not incorporating clocks or other timing apparatus, and parts thereof: Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and parts thereof: [Television apparatus, and parts thereof] Other: [Articles provided for in 685.10 thru 685.24] Other transmission apparatus incorporating reception apparatus: Cordless handset telephones	Maxon Electronics, Inc., Kansas City, MO

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
D. <u>Petitions for waiver of competitive-need limit for a product on the list of eligible products (con.</u>			
Chassis, bodies (including cabs), and parts of the foregoing motor vehicles:			
[Bodies (including cabs) and chassis:]			
Other:			
[Articles provided for in item 692.24]			
Other:			
[Articles provided for in items 692.29 and 692.31]			
Other:			
87-56	692.3262 (Mexico)	Brakes and parts thereof: Brake drums and rotors (discs)	Cifunsa, S.A., Mexico
87-57	692.3264 (Mexico)	Other	do.
Beach balls, play balls, toy balls, and other balls for games or sports, not provided for in the foregoing provisions of subpart D, part 5, schedule 7, of the Tariff Schedules of the United States:			
87-58	735.09 (Mexico)	Inflatable balls	Kenner Parker Toys, Inc., Beverly, MA; Mattel, Inc., Hawthorne, CA
87-59	735.10 (Mexico)	Noninflatable hollow balls not over 7.5 inches in diameter	do.
87-60	735.11 (Mexico)	Sponge rubber balls	do.
87-61	735.12 (Mexico)	Other	do.

1/ Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I

Petitions Accepted for Review

Case No.	TSUS or TSUSA ^{1/} item No.	Article	Petitioner
----------	--------------------------------------	---------	------------

D. Petitions for waiver of competitive-need limit for a product on the list of eligible products (c

		Model trains, model airplanes, model boats and other model articles, all the foregoing whether or not toys; and construction kits or sets for assembling such model articles: [Articles provided for in item 737.05] Other models and construction kits or sets:	
87-62	737.07 (Mexico)	Rail locomotives and rail vehicles; railroad and railway rolling stock; track, including switching track; rail depots, round houses, signal towers, water towers, and other trackside structures; trolley buses and trolley-bus systems; cable-car systems; highway vehicles; ships and harbor structures; and airplanes and spacecraft; all the foregoing made to scale of the actual article at the ratio of 1 to 85 or smaller	Kenner Parker Toys, Inc., Beverly, MA; Mattel, Inc., Hawthorne, CA
		[Articles provided for in items 737.09 and 737.14]	
		[Construction kits or sets with construction units prefabricated to precise scale of the actual article]	
87-63	737.14 (Mexico)	Articles described in item 737.07 made to a scale of the actual article at a ratio larger than 1 to 85	do.
87-64	737.16 (Mexico)	Other	do.
87-65	737.80 (Mexico)	Toys, and parts of toys, not specially provided for: Toys having a spring mechanism Other:	do.
87-66	737.93 (Mexico)	[Kites] Toys having an electric motor	do.
87-67	737.9 (Mexico)	Toys wholly or almost wholly of rubber or plastics, not inflatable	do.
87-68	737.98 (Mexico)	Other	do.

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

Annex I
Petitions Accepted for Review

Case No.	TSUS or TSUSA ^{1/} item No.	Article	Petitioner
----------	--------------------------------------------	---------	------------

D. Petitions for waiver of competitive-need limit for a product on the list of eligible products (cc

Jewelry and other objects of personal adornment, and small articles ordinarily carried in the pocket, in the handbag, or on the person for mere personal convenience, all the foregoing, and parts thereof, of precious metal (including rolled precious metal), of precious stones, of natural pearls, of precious metal (including rolled precious metal) set with semiprecious stones, cameos, intaglios, amber, or coral, or of any combination of the foregoing:

[Of silver (including rolled silver) and valued not over \$18 per dozen pieces or parts]

Other:

Of precious metals:

[Necklaces and neck chains, almost wholly of gold]

87-69 740.14
(Thailand)

Other

Government of Thailand

^{1/} Tariff Schedules of the United States (19 U.S.C. 1202).

Annex II
Petitions Accepted for Review

Case No.	HS Subheading	Article	Petitioner
----------	---------------	---------	------------

[The bracketed language in this list has been included only to clarify the scope of the numbered items which are being considered, and such language is not itself intended to describe articles which are under consideration.]

A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences.

87-HS-1	1104.12.00	1104 Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of heading 1006; germ of cereals, whole, rolled, flaked or ground: Rolled or flaked grains: Of oats	Government of Colombia
87-HS-2	1302.20.00	1302 Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products: Pectic substances, pectinates and pectates	Grinsted de Mexico, S.A., Mexico
87-HS-3	1604.16.40	1604 Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs: Fish, whole or in pieces, but not minced: Anchovies: [In oil, in airtight containers] Other: -In immediate containers weighing with their contents 6.8 kg or less each	Government of Morocco
87-HS-4	2001.90.20	2001 Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid: [Cucumbers including gherkins; onions] Other: Capers: [In immediate containers holding more than 3.4 kg]	do.
87-HS-5	2001.90.30	Other: Vegetables: Beans	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u>(con.)			
87-HS-6	2005 2005.80.00	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen: Sweet corn (<u>Zea mays var. saccharata</u>)	Government of Thailand
87-HS-7	2208 2208.40.00.30	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 percent vol.; spirits, liqueurs and other spirituous beverages; compound alcoholic preparations of a kind used for the manufacture of beverages: Rum and tafia: In containers each holding not over 4 liters	Government of the Philippines
87-HS-8	2208.40.00.80	In containers each holding over 4 liters: Valued over 92c per liter	do.
87-HS-9	2934 2934.90 2934.90.25	Other heterocyclic compounds: [Articles provided for in subheadings 2934.10 thru 2934.30] Other: Aromatic or modified aromatic: [Articles provided for in subheadings 2934.90.05 and 2934.90.06] Other: Drugs	Cynamid Latin America Group, Wayne, NJ
87-HS-10	3604 3604.10.00	Fireworks, signalling flares, rain rockets, for signals and other pyrotechnic articles: Fireworks	Government of Colombia
87-HS-11	3920 3920.20.00	Other plates, sheets, film, foil and strip, of plastics, noncellular and not reinforced, laminated, supported or similarly combined with other materials: Of polymers of propylene	Government of Mexico Cordelerias Filamentos v Costales, S.A. de C.V. (COFICSA), Mexico

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (CPO Stock Number: 040-000-00516-1).

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u> (con.)			
	4421	Other articles of wood: [Clothes hangers] Other: Wood blinds, shutters, screens and shades, all the foregoing with or without their hardware: [Consisting of wooden frames in the center of which are fixed louver boards or slats, with or without their hardware]	
87-HS-12	4421.90.40	Other	Eastman Bell, Inc., Costa Mesa, CA; Online Corporation, Gardenia, CA
	6117	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories:	
	6117.10	Shawls, scarves, mufflers, mantillas, veils and the like: [Of wool or fine animal hair; of man-made fibers]	
		Other:	
87-HS-13	6117.10.30(pt.)	Containing 70 percent or more by weight of silk	Government of Thailand
	6213	Handkerchiefs:	
87-HS-14	6213.10.00	Of silk or silk waste	do.
	6214	Shawls, scarves, mufflers, mantillas, veils and the like:	
87-HS-15	6214.10.00	Of silk or silk waste	do.
	6307	Other made up articles, including dress patterns: [Articles provided for in subheadings 6307.10 and 6307.20]	
	6307.90	Other: [Articles provided for in subheadings 6307.90.30 thru 6307.90.75]	
		Other:	
87-HS-16	6307.90.80(pt.)	Plastic pot scourers used chiefly to clean pots and other household articles used in preparing, serving and storing food	Government of Mexico; Filtros Y Mallas Industriales, S.A., Mexico

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u>(con.)			
87-HS-17	7013 7013.10.00	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018): Of glass-ceramics 2/	Corning Glassware, Corning, NY
	7202	Ferrous alloys: Ferrochromium: [Containing by weight more than 4 percent of carbon]	
	7202.49	Other: [Containing by weight more than 3 percent of carbon]	
87-HS-18	7202.49.50	Other	Government of Zimbabwe
87-HS-19	7202.50.00	Ferrosilicon chromium	do.
	9502	Dolls representing only human beings and parts and accessories thereof:	
	9502.10	Dolls, whether or not dressed: [Stuffed]	
		Other: [Not over 33 cm in height]	
87-HS-20	9502.10.3060	Other	Playmate Toys, Inc., La Mirada, CA
	9608	Ball point pens; felt tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils (for example, mechanical pencils); pen-holders, pencil-holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609:	
87-HS-21	9608.10.00	Ball point pens	Government of Thailand

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

2/ 504(d) waiver also requested for 7013.10.00.

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
B. <u>Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.</u>			
87-HS-22	2613 2613.10.00	Molybdenum ores and concentrates: Roasted	Cyprus Minerals, Englewood, CO
	2620	Ash and residues (other than from the manufacture of iron or steel) containing metals or metallic compounds: [Articles provided for in subheadings 2620.11 thru 2620.50]	
87-HS-23	2620.90 2620.90.10	Other: Containing mainly molybdenum	do.
	3301	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils:	
	3301.30	Resinoids: Prepared oleoresins consisting essentially of nonvolatile components of the natural raw plant:	
87-HS-24	3301.30.1020	Black pepper	Kalsec, Inc., Kalamazoo, MI
	7117	Imitation jewelry: Of base metal, whether or not plated with precious metal:	
87-HS-25	7117.11.00	Cuff links and studs	Manufacturing Jewelers and Silversmiths of America, Inc., Providence, RI
	7117.19	Other: Rope, curb, cable, chain and similar articles produced in continuous lengths, all the foregoing, whether or not cut to specific lengths and whether or not set with imitation pearls or imitation gemstones, suitable for use in the manufacture of articles provided for in this heading:	
87-HS-26	7117.19.10	Valued not over 33 cents per meter	do.
87-HS-27	7117.19.20	Valued over 33 cents per meter	do.
87-HS-28	7117.19.30	Religious articles of a purely devotional character designed to be worn on apparel or carried on or about or attached to the person	do.
87-HS-29	7117.19.50	Other	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

Annex II
Petitions Accepted for Review

Case No.	HS Subheading	Article	Petitioner
B. <u>Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.</u> (con.)			
	7307	Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel: Cast fittings: [Of nonmalleable cast iron]	
	7307.19	Other: [Ductile fittings]	
87-HS-30	7307.19.90	Other	American Pipe Fittings Association, Washington, DC
C. <u>Petitions to remove duty-free status from a beneficiary developing country on the list of eligible articles for the Generalized System of Preferences.</u> 2/			
	2825	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides: [Articles provided for in subheadings 2825.10 thru 2825.80]	
	2825.90	Other: [Beryllium oxide and hydroxide; tin oxides; tungsten oxides]	
87-HS-31	2825.90.50 (Brazil)	Other	Teledyne Industries, Albany, OR
87-HS-32	3903 3903.30.00 (Korea)	Polymers of styrene, in primary forms: Acrylonitrile-butadiene-styrene (ABS) copolymers	Borg-Warner Chemicals, Inc., Parkersburg, WV; Dow Chemical, USA, Midland, MI
	3924	Tableware, kitchenware, other household articles and toilet articles, of plastics: Tableware and kitchenware:	
87-HS-33	3924.10 3924.10.20 (Hong Kong, Korea, Mexico)	Plates, cups, saucers, soup bowls, cereal bowls, sugar bowls, creamers, gravy boats, serving dishes and platters	Ullman Company, Inc., Hauppauge, NY
87-HS-34	3924.10.30 (Hong Kong, Korea, Mexico)	Trays	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature A-25 (GPO Stock Number: 040-000-00516-1).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex II

Petitions Accepted for Review

Case No.	HS Subheading	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country on the list of eligible articles for the Generalized System of Preferences. 2/ (con.)</u>			
	7312	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated:	
	7312.10	Stranded wire, ropes and cables: Ropes, cables and cordage other than stranded wire:	
87-HS-35	7312.10.50 (Korea)	Of stainless steel: Fitted with fittings or made up into articles	Committee of Domestic Steel Wire Rope and Special Steel Mfg., Washington, DC
87-HS-36	7312.10.70 (Korea)	Other: Fitted with fittings or made up into articles	do.
	7314	Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel:	
87-HS-37	7314.50.00 (Korea, Mexico)	Expanded metal	Expanded Metal Fair Trade Coalition, Washington, DC
	7414	Cloth (including endless bands), grill and netting, of copper wire; expanded metal of copper:	
87-HS-38	7414.90.00 (Korea, Mexico)	[Endless bands, for machinery] Other	do.
	7604	Aluminum bars, rods and profiles:	
	7604.10	Of aluminum, not alloyed: Bars and rods:	
87-HS-39	7604.10.30 (Argentina, Brazil, Mexico, Taiwan, Venezuela, Yugoslavia)	Having a round cross section	Southwire Company, Carrollton, GA
	7604.29	Of aluminum alloys: [Hollow profiles] Other:	
87-HS-40	7604.29.30 (Argentina, Brazil, Mexico, Taiwan, Venezuela, Yugoslavia)	Bars and rods: Having a round cross section	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country on the list of eligible articles for the Generalized System of Preferences. 2/ (con.)</u>			
	7605	Aluminum wire:	
		Of aluminum, not alloyed:	
87-HS-41	7605.11.00 (Argentina, Brazil, Venezuela)	Of which the maximum cross-sectional dimension exceeds 7 mm	Southwire Company, Carrollton, GA
87-HS-42	7605.19.00 (Argentina, Brazil, Venezuela)	Other	do.
		Of aluminum alloys:	
87-HS-43	7605.21.00 (Argentina, Brazil, Venezuela)	Of which the maximum cross-sectional dimension exceeds 7 mm	do.
87-HS-44	7605.29.00 (Brazil, Korea, Taiwan, Venezuela)	Other	do.
	7614	Stranded wire, cables, plaited bands and the like, including slings and similar articles, of aluminum, — not electrically insulated:	
		With steel core:	
87-HS-45	7614.10 7614.10.50 (Argentina, Brazil, Venezuela)	Fitted with fittings or made up into articles	do.
		Other:	
87-HS-46	7614.90 7614.90.50 (Argentina, Brazil, Venezuela)	Fitted with fittings or made up into articles	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country or the list of eligible articles for the Generalized System of Preferences.</u> 2/ (con.)			
	8501	Electric motors and generators (excluding generating sets): [Articles provided for in subheadings 8501.10 to 8501.40] Other AC motors, multi-phase:	
	8501.52	Of an output exceeding 750 W but not exceeding 75 kW:	
87-HS-47	8501.52.40 (Korea, Taiwan)	Exceeding 750 W but not exceeding 14.92 kW	National Electrical Manufacturers Association, Washington, DC
		Of an output exceeding 75 kW: [Exceeding 75 kW but under 149.2 kW] 149.2 kW or more but not exceeding 150 kW	do.
87-HS-48	8501.53.60 (Korea, Taiwan)		do.
		Other:	
87-HS-49	8501.53.80 (Korea, Taiwan)	Exceeding 150 kW but not exceeding 373 kW	do.
	8525	Transmission apparatus for radiotelephony, radio-telegraphy, radiobroadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras:	
	8525.20	Transmission apparatus incorporating reception apparatus: [Transceivers] Other:	
		[Cordless handset telephones] Other	
87-HS-50	8525.20.60 (Hong Kong, Korea, Taiwan)		Motorola, Inc., Schaumburg, IL
	9503	Other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds; parts and accessories thereof: [Articles provided for in subheadings 9503.10 thru 9503.80]	
	9503.90	Other:	
		[Kites] Other	
87-HS-51	9503.90.40 (Korea, Taiwan)		Hedstrom Corporation, Ashland, OH

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country or the list of eligible articles for the Generalized System of Preferences. 2/ (con.)</u>			
	9506	Articles and equipment for gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this chapter; swimming pools and wading pools; parts and accessories thereof: Balls, other than golf balls and table-tennis balls:	
		[Lawn-tennis balls]	
	9506.62	Inflatable balls:	
		[Footballs and soccer balls]	
87-HS-52	9506.62.80 (Korea, Taiwan)	Other	Hedstrom Corporation, Ashland, OH
	9506.69	Other:	
		[Baseballs and softballs]	
87-HS-53	9506.69.40 (Korea, Taiwan)	Noninflatable hollow balls not over 19 cm in diameter	do.
87-HS-54	9506.69.60 (Korea, Taiwan)	Other	do.
	9606	Buttons, press-fasteners, snap-fasteners and press-studs, button molds and other parts of these articles; button blanks:	
		Buttons:	
	9606.21	Of plastics, not covered with textile material:	
		[Of casein]	
87-HS-55	9606.21.40 (Taiwan)	Of acrylic resin, of polyester resin or of both such resins	Cresthill Industries Inc., New York, NY

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

2/ The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

Annex II
Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
D. <u>Petitions for waiver of competitive-need limit for a product on the list of eligible products.</u>			
87-HS-56	7011 7011.20.00 (Taiwan)	7011 Glass envelopes (including bulbs and tubes), open, and glass parts thereof, without fittings, for electric lamps, cathode-ray tubes or the like: For cathode-ray tubes	Clinton Electronics Corporation, Rockford, IL
	7113 7113.11	7113 Articles of jewelry and parts thereof, of precious metal or of metal clad with precious metal: Of precious metal whether or not plated or clad with precious metal: Of silver, whether or not plated or clad with other precious metal: [Articles provided for in subheading 7113.11.10] Other: [Valued not over \$18 per dozen pieces or parts]	
87-HS-57	7113.11.50 (Thailand) 7113.19	Other Of other precious metal, whether or not plated or clad with precious metal: [Articles provided for in subheading 7113.19.10] Other: [Necklaces and neck chains, of gold; clasps and parts thereof]	Government of Thailand
	87-HS-58	7113.19.50 (Thailand) 7113.20	do.
87-HS-59	7113.20	Of base metal clad with precious metal: [Articles provided for in subheading 7113.20.10] Other: [Necklaces and neck chains, of gold; clasps and parts thereof]	
	7113.20.50 (Thailand)	Other	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

Annex II
 Petitions Accepted for Review

Case No.	HS Subheading	Article	Petitioner
D. Petitions for waiver of competitive-need list for a product on the list of eligible products.			
	7616	Other articles of aluminum: [Nails, tacks, staples (other than those of heading 8305), screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers and similar articles]	
87-HS-60	7616.90.00(pt.) (Taiwan)	Other: Luggage frames	Skyway Luggage Co., Seattle, WA
	8525	Transmission apparatus for radio telephony, radio-telegraphy, radiobroadcasting, television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras:	
	8525.20	Transmission apparatus incorporating reception apparatus: [Transceivers] Other:	
87-HS-61	8525.20.50 (Korea)	Cordless hand telephones	Maxon Electronics, Inc., Kansas City, MO
	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705: Brakes and servo-brakes and parts thereof: [Mounted brake linings]	
	8708.39	Other: [For tractors suitable for agricultural use]	
87-HS-62	8708.39.50 (Mexico)	For other vehicles	Cifunsa, S.A., Mexico
87-HS-63	8708.39.5010 (Mexico)	Brake drums and rotors (disc)	do.
87-HS-64	8708.39.5050 (Mexico)	Other	do.
	9503	Other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds; parts and accessories thereof: [Articles provided for in subheadings 9503.10 thru 9503.80]	
	9503.90	Other: [Kites] Other	
87-HS-65	9503.90.40 (Mexico)		Kenner Parker Toys, Inc. Beverly, MA; Mattel, Inc., Hawthorne, CA

Annex II

Petitions Accepted for Review

Case No.	HS Subheading 1/	Article	Petitioner
D. Petitions for waiver of competitive-need limit for a product on the list of eligible products.			
	9506	Articles and equipment for gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this chapter; swimming pools and wading pools; parts and accessories thereof: Balls, other than golf balls and table-tennis balls:	
		[Lawn-tennis balls]	
	9506.62	Inflatable balls:	
		[Football and soccer balls]	
87-HS-66	9506.62.80 (Mexico)	Other	Kenner Parker Toys, Inc., Beverly, MA; Mattel, Inc., Hawthorne, CA
	9506.69	Other:	
		[Baseballs and softballs]	
87-HS-67	9506.69.40 (Mexico)	Noninflatable hollow balls not over 19 cm in diameter	do.
87-HS-68	9506.69.60 (Mexico)	Other	do.

1/ Proposed United States Tariff Schedules Annotated in the Harmonized System Nomenclature (GPO Stock Number: 040-000-00516-1).

APPENDIX B

U.S. International Trade Commission Notice of
Investigation and Hearing

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(TA-503(a)-15 and 332-249)

PRESIDENT'S LIST OF ARTICLES WHICH MAY BE DESIGNATED OR MODIFIED AS ELIGIBLE
ARTICLES FOR PURPOSES OF THE U.S. GENERALIZED SYSTEM OF PREFERENCES

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: Following receipt on August 10, 1987, of a request from the U.S. Trade Representative made in part at the direction of the President, the Commission instituted investigation No. TA-503(a)-15 and 332-249 under sections 503(a) and 131(b) of the Trade Act of 1974 (19 U.S.C. 2463(a) and 2151(b)) and section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g))--

- (1) pursuant to sections 503(a) and 131(a) of the Trade Act, and the authority of the President delegated to the U.S. Trade Representative by sections 4(c) and 8(c) and (d) of Executive Order 11846, as amended, to advise the President, with respect to each article listed in Part A of the attached Annexes, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties under the U.S. Generalized System of Preferences (GSP). In providing its advice, the USTR requested the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive need" limitations specified in section 504(c) of the Act.
- (2) Pursuant to section 332(g) of the Tariff Act and at the direction of the President--
 - (A) to advise the President, with respect to each article listed in Parts B and C of the attached Annexes, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers (a) of the removal of articles in Part B from eligibility for duty-free treatment under the GSP, (b) of the removal of the GSP duty-free status from articles in Part C of the list which are imported from the respective countries specified which currently receive GSP duty-free treatment, and (c) the redesignation for GSP duty-free treatment for articles in Part C of the list which are imported from a specified country which does not currently receive GSP duty-free treatment for the article;

- (B) in accordance with section 504(c)(3)(A)(i) of the Trade Act, to advise the President on whether any industry in the United States is likely to be adversely affected by waiving the competitive need limits for countries specified with respect to the articles listed in Part D of the attached Annexes; and
- (C) to advise the President, with respect to whether products like or directly competitive with those described in Part A of the attached Annexes were being produced in the United States on January 3, 1985, for purposes of section 504(d) of the Trade Act.

In addition, with respect to two cases involving molybdenum ore and metal-bearing materials in chief value of molybdenum (TSUS items 601.33 and 603.40; HS items 2613.10.00 and 2620.90.10), the USTR requested that the Commission consider these products separately from its normal investigation and provide advice on these two products not later than October 1, 1987. In view of the compressed time on these products, public hearings will not be held on these products.

EFFECTIVE DATE: August 20, 1987

FOR FURTHER INFORMATION CONTACT:

- (1) Agricultural products, Mr. Fred Warren (202-724-0090)
- (2) Textiles and apparel, Mr. Lee Cook (202-523-0348)
- (3) Chemical products, Mr. Larry Johnson (202-523-0127)
- (4) Minerals and metals, Mr. Jim Brandon (202-523-5437)
- (5) Machinery and equipment, Mr. John Cutchin (202-523-0231)
- (6) General manufactures, Mr. Ruben Moller (202-724-1732) -

All of the above are in the Commission's Office of Industries. For information on legal aspects of the investigation contact Mr. William Gearhart of the Commission's Office of the General Counsel at 202-523-0487.

BACKGROUND: The USTR announced the items which have been sent to the Commission for probable effects advice in the Federal Register of August 4, 1987 (52 F.R. 28896).

PUBLIC HEARING: A public hearing in connection with the investigation will be held in the Commission Hearing Room 701 E Street NW., Washington, DC 20436, beginning at 9:30 a.m. on October 7, 1987, and continuing as required on October 8 and 9. All persons shall have the right to appear by counsel or in person, to present information, and to be heard. Persons wishing to appear at the public hearing should file requests to appear and should file prehearing briefs (original and 14 copies) with the Secretary, United States International Trade Commission, 701 E Street, NW., Washington, DC 20436, not later than noon, September 25, 1987. Post-hearing briefs are required by October 16, 1987.

WRITTEN SUBMISSIONS: In lieu of or in addition to appearances at the public hearing, interested persons are invited to submit written statements concerning the investigation. Written statements should be received by the close of business on October 2, 1987. 1/ Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C.

Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 724-0002.

By order of the Commission.



Kenneth R. Mason
Secretary

Attachment

Issued: August 21, 1987

1/ For the above mentioned molybdenum ore and materials which are being considered on an expedited basis, written submissions are required by September 8, 1987.

Annex I (TSUS Item Numbers) 1/

A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences.

112.01	169.13	370.8405	411.08(pt.) 2/	606.42
131.27	169.1415	370.8450	455.04	737.2415
141.15	206.67	372.5005	533.79	755.15
141.83	309.20	372.5505	534.97 2/ 3/	760.0520
161.08	309.21	389.40(pt.)	606.22	

B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.

450.2015	740.50
601.33	740.60
603.40	740.75
610.74	740.80
740.41	745.6740

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.

408.72 (Korea)
 423.0050 (Brazil)
 618.15 (Argentina, Brazil, Mexico, Taiwan, Venezuela 4/, Yugoslavia)
 618.20 (Argentina, Brazil, Venezuela)
 642.2010 (Korea)
 652.80 (Mexico, Korea)
 682.4130 (Taiwan, Korea)
 682.5010 (Taiwan, Korea)
 682.5030 (Taiwan, Korea)
 685.28 (Korea, Hong Kong, Taiwan)
 688.20 (Brazil, Korea, Taiwan, Venezuela)
 735.09 (Taiwan 4/, Korea)
 735.10 (Taiwan 4/, Korea)
 735.11 (Taiwan, Korea)
 735.12 (Taiwan 4/, Korea)
 745.32 (Taiwan)
 772.06 (Korea, Mexico, Hong Kong)
 772.09 (Korea, Mexico, Hong Kong)

1/ See USTR Federal Register notice of August 4, 1987 (52 F.R. 28896) for article descriptions.

2/ Currently eligible for GSP under the TSUS; request is for GSP eligibility under the HS.

3/ Section 504(d) waiver requested.

4/ Advice is requested on the probable effects of redesignation of the country as eligible for the GSP.

Annex I--Continued

D. Articles being considered for waiver of competitive-need limit for a product on the list of eligible products.

547.3720 (Taiwan)
 657.40(pt.) (Taiwan)
 685.25 (Korea)
 692.3262 (Mexico)
 692.3264 (Mexico)
 735.09 (Mexico)
 735.10 (Mexico)
 735.11 (Mexico)
 735.12 (Mexico)
 737.07 (Mexico)
 737.14 (Mexico)
 737.16 (Mexico)
 737.80 (Mexico)
 737.93 (Mexico)
 737.96 (Mexico)
 737.98 (Mexico)
 740.14 (Thailand)

Annex II (HS Item Numbers) 1/

A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences.

1104.12.00	2005.80.00	3920.20.00	6307.90.80(pt.)	9608.10.00
1302.20.00	2208.40.00.30	4421.90.40	7013.10.00	
1604.16.40	2208.40.00.80	6117.10.30(pt.)	7202.49.50	
2001.90.20	2934.90.25	6213.10.00	7202.50.00	
2001.90.30	3604.10.00	6214.10.00	9502.10.30.60	

B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.

2613.10.00	7117.11.00	7117.19.30
2620.90.10	7117.19.10	7117.19.50
3301.30.10.20	7117.19.20	7307.19.90

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.

2825.90.50 (Brazil)
 3903.30.00 (Korea)
 3924.10.20 (Hong Kong, Korea, Mexico)
 3924.10.30 (Hong Kong, Korea, Mexico)
 7312.10.50 (Korea)
 7312.10.70 (Korea)
 7314.50.00 (Korea, Mexico)
 7414.90.00 (Korea, Mexico)

B-7

1/ See USTR Federal Register notice of August 4, 1987 (52 F.R. 28896) for article descriptions.

Annex II--Continued

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences--Continued.

7604.10.30 (Argentina, Brazil, Mexico, Taiwan, Venezuela 1/, Yugoslavia)
 7604.29.30 (Argentina, Brazil, Mexico, Taiwan, Venezuela 1/, Yugoslavia)
 7605.11.00 (Argentina, Brazil, Venezuela)
 7605.19.00 (Argentina, Brazil, Venezuela)
 7605.21.00 (Argentina, Brazil, Venezuela)
 7605.29.00 (Brazil, Korea, Taiwan, Venezuela)
 7614.10.50 (Argentina, Brazil, Venezuela)
 7614.90.50 (Argentina, Brazil, Venezuela)
 8501.52.40 (Korea, Taiwan)
 8501.53.60 (Korea, Taiwan)
 8501.53.80 (Korea, Taiwan)
 8525.20.60 (Hong Kong, Korea, Taiwan)
 9503.90.40 (Korea, Taiwan 1/)
 9506.62.80 (Korea, Taiwan 1/)
 9506.69.40 (Korea, Taiwan 1/)
 9506.69.60 (Korea, Taiwan)
 9606.21.40 (Taiwan)

D. Petitions for waiver of competitive-need limit for a product on the list of eligible products.

7011.20.00 (Taiwan)
 7113.11.50 (Thailand)
 7113.19.50 (Thailand)
 7113.20.50 (Thailand)
 7616.90.00(pt) (Taiwan)
 8525.20.50 (Korea)
 8708.39.50 (Mexico)
 8708.39.50.10 (Mexico)
 8708.39.50.50 (Mexico)
 9503.90.40 (Mexico)
 9506.62.80 (Mexico)
 9506.69.40 (Mexico)
 9506.69.60 (Mexico)

1/ Advice is requested on the probable effects of redesignation of the country as eligible for the GSP.

APPENDIX C

Types of Trade Shifts Resulting from Modifications of
GSP Eligibility

Appendix

Price and Quantity Changes Resulting From
Changes in GSP Status of a Product

This report examines the probable economic effects of changing the GSP status of certain commodities and in some cases, certain commodities from particular countries. The major cases involve adding products to the list of articles eligible for GSP duty-free treatment, and removing products or products from certain countries from the eligibility list.

Figure 1 illustrates the case of granting a product GSP duty-free status. The illustration is for a homogeneous product, and shows the basic results of a tariff removal on a portion of imports. In addition, the illustration serves as a reference for departures from the case of perfect substitutes.

The removal of a tariff on a portion of imports is illustrated by the shift in the supply of affected imports from S_G' to S_G , with an increase in total supply from S_T' to S_T . The basic result of this tariff removal is a lower U.S. price, a greater overall quantity of the good purchased in the U.S., a greater quantity of the good imported from GSP countries, and reductions in purchases from other foreign suppliers and from U.S. suppliers. In this case of perfect substitutes, the price change, the quantity change, and the division of the quantity change are mainly determined by the demand and supply elasticities, relative market shares, and the size of the tariff that is removed.

The most interesting of the supply elasticities is that of foreign suppliers not granted the tariff elimination. The more elastic this supply is, other things being the same, the smaller the price reduction will be and the smaller will be the displacement of U.S. production as a result of the

tariff elimination. In the limit, where there is a perfectly elastic supply of other foreign imports, there will be no reduction in U.S. price or production. Imports granted duty-free status will displace only other imports.

The relative market share of the imports granted duty-free status and the size of the tariff that is eliminated will largely determine the shift in the total supply curve (assuming all supply curves are positively sloped). The shift in supply (from S_T to S_T'), given U.S. demand, will largely determine the change in the U.S. price. The smaller the market share of imports granted duty-free status, and the lower the tariff rate, the smaller will be the shift in supply. The smaller the shift in supply, the smaller the drop in U.S. price and in U.S. production.

The case where the duty-free status of a product is ended can also be illustrated using figure 1. In this case the shift is from the unprimed to the primed designations, e.g., a shift from S_G to S_G' . The comments made above with respect to supply elasticities, market shares and tariff rates apply in this case except with price and quantity changes reversed in direction from their changes in the original case.

PRICE

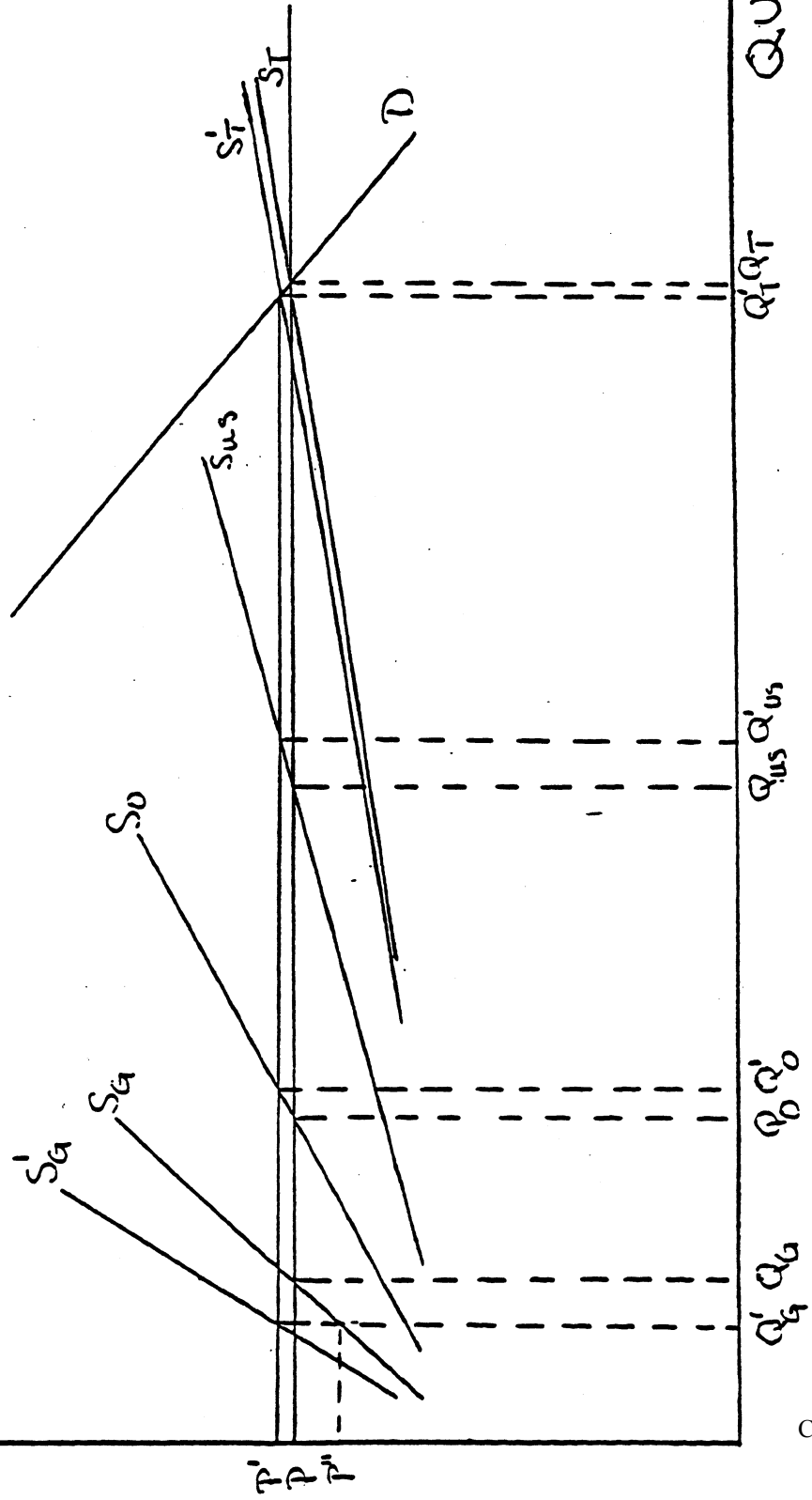


Figure 1

Key to figure 1

- D = U.S. demand for product
- S_G = supply to the U.S. market from GSP eligible countries without duty on these products
- S_0 = supply to the U.S. market from other foreign countries
- S_{US} = supply to the U.S. market from U.S. producers
- S'_G = supply to the U.S. market from GSP eligible countries with duty on these products
- S_T = total supply to the U.S. market - this is the "horizontal sum" of S_G , S_0 and S_{US} . The "horizontal sum" is taken by summing the quantity supplied by all producers at each price to get the total quantity supplied at each price.
- S'_T = total supply to the U.S. market if the duty is assessed on the subject imports, the "horizontal sum" of S'_G , S_0 and S_{US} .

With no duty on GSP eligible products

- P = price paid by consumers and received by all suppliers
- Q_G = quantity supplied by GSP eligible countries
- Q_0 = quantity supplied by other foreign countries
- Q_{US} = quantity supplied by U.S. producers
- Q_T = total quantity supplied = $Q_G + Q_0 + Q_{US}$

With duty on GSP eligible products

- P' = price paid by U.S. consumers and received by U.S. suppliers and any foreign suppliers enjoying duty-free privileges
- P'' = price received by foreign suppliers that pay the duty. This is shown explicitly for the (formerly) GSP eligible suppliers. It is implicit for other suppliers that may be paying the duty. The duty = $T = P' - P''$
- Q'_G = quantity supplied by GSP eligible countries
- Q'_0 = quantity supplied by other foreign countries
- Q'_{US} = quantity supplied by U.S. producers
- Q'_T = total quantity supplied = $Q'_G + Q'_0 + Q'_{US}$