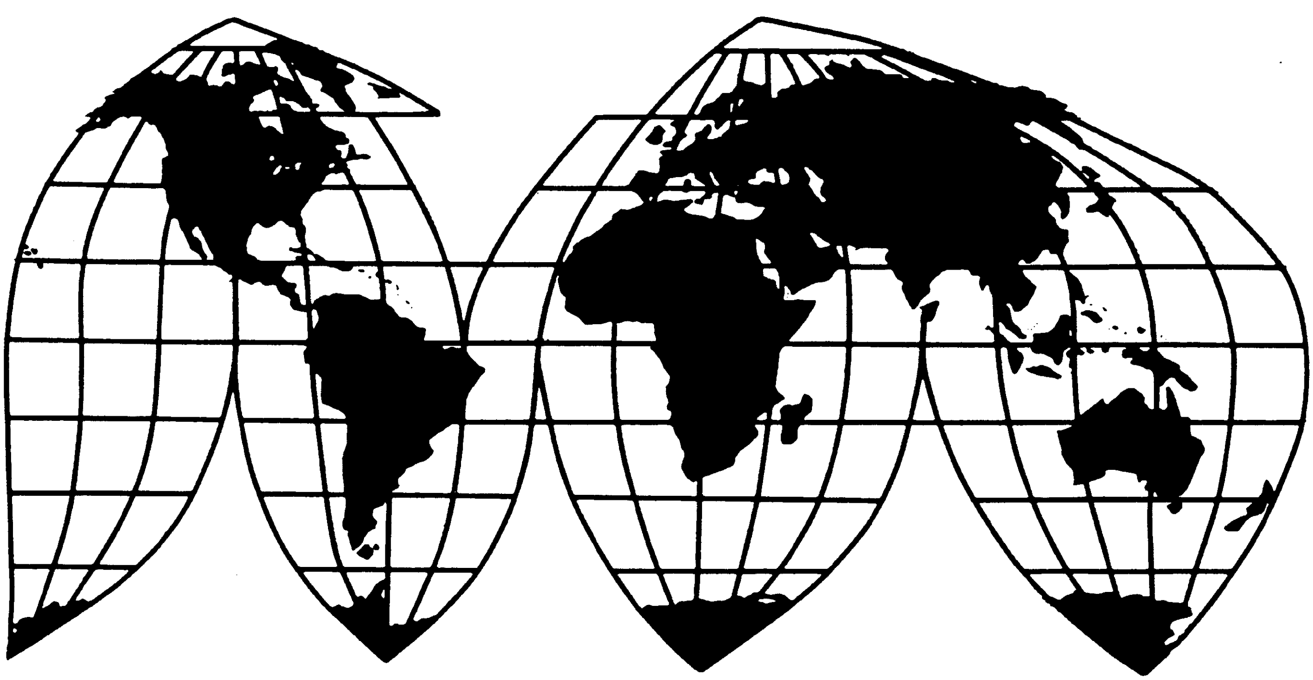
Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences With Respect to Certain Products Imported From India

Report to the President on
Investigation No. 332-420

Note.—This report is a declassified version of the confidential probable economic effect advice report submitted to the President on February 6, 2001

Publication 3397 **February 2001**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

Project Leader
Eric Land, *Office of Industries*

Deputy Project Leader
Cynthia B. Foreso, *Office of Industries*

Digest Authors
Gail Burns, Josephine Spalding, and Norman Van Toai
Office of Industries

Assisted by
Alan Fox, *Office of Economics*

Data Provided by
Eric Land, *Office of Industries*

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436

www.usitc.gov

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences With Respect to Certain Products Imported From India

Report to the President on
Investigation No. 332-420

Publication 3397 **February 2001**

02/01

ITC READER SATISFACTION SURVEY

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences With Respect to Certain Products Imported From India

The U.S. International Trade Commission (ITC) is interested in your voluntary comments (burden < 15 minutes) to help us assess the value and quality of our reports, and to assist us in improving future products. Please return survey by fax (202-205-2150) or by mail to the ITC.

Your name and title (please print; r*esponses below not for attribution)*: ____________________

Please specify information in this report most useful to you/your organization: ____________________

____

Was any information missing that you consider important? Yes (specify below) No

If yes, please identify missing information and why it would be important or helpful to you: ____________________

____

Please assess the *value* of this ITC report (answer below by circling all that apply): SA—Strongly Agree; A—Agree; N—No Opinion/Not Applicable; D—Disagree; SD—Strongly Disagree

" Report presents new facts, information, and/or data	SA	A	N	D	SD
" Staff analysis adds value to facts, information, and/or data	SA	A	N	D	SD
" Analysis is unique or ground breaking	SA	A	N	D	SD
" Statistical data are useful to me/my organization	SA	A	N	D	SD
" Subject matter and analysis are timely	SA	A	N	D	SD
" ITC is the only or the preferred source of this information	SA	A	N	D	SD

If not, please identify from what other source the information is available ____________________

Please evaluate the *quality* of this report (answer below by circling all that apply): SA—Strongly Agree; A—Agree; N—No Opinion/Not Applicable; D—Disagree; SD—Strongly Disagree

" Written in clear and understandable manner	SA	A	N	D	SD
" Report findings or executive summary address key issues	SA	A	N	D	SD
" Figures, charts, graphs are helpful to understanding issue	SA	A	N	D	SD
" Analysis throughout report answers key questions	SA	A	N	D	SD
" Report references variety of primary and secondary sources	SA	A	N	D	SD
" Sources are fully documented in text or footnotes	SA	A	N	D	SD

Please provide further comment on any of the above performance measures, as appropriate:

Suggestions for improving this report and/or future reports: ____________________

____

Other topics/issues of interest or concern: ____________________

Please provide your Internet address and update your mailing address below, if applicable:

OMB No.: 3117-0188

FOLD

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, DC 20436

OFFICIAL BUSINESS
PENALTY FOR PRIVATE, USE $300

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 12840 WASHINGTON, DC

POSTAGE WILL BE PAID BY ADDRESSEE

U.S INTERNATIONAL TRADE COMMISSION
500 E STREET, SW.
WASHINGTON, DC 20277–2840

ATTN:
OFFICE OF INDUSTRIES
Advice Concerning Possible Modifications to
the U.S. Generalized System of Preferences
With Respect to Certain Products Imported
From India

NOTICE

THIS REPORT IS A DECLASSIFIED VERSION OF THE CONFIDENTIAL PROBABLE ECONOMIC EFFECT ADVICE REPORT SUBMITTED TO THE PRESIDENT ON FEBRUARY 6, 2001. ALL CLASSIFIED PROBABLE ECONOMIC EFFECT ADVICE HAS BEEN REMOVED AND HAS BEEN REPLACED WITH “***.”

CONTENTS

INTRODUCTION[1]

On October 31, 2000, the U.S. International Trade Commission (Commission) received a request from the United States Trade Representative (USTR) for an investigation under section 332(g) of the Tariff Act of 1930 for the purpose of providing advice concerning possible modifications to the U.S. Generalized System of Preferences (GSP) with respect to certain products imported from India. The USTR request letter is included in appendix A. Following receipt of the request and in accordance therewith, the Commission instituted investigation No. 332-420 in order to provide advice as to whether any industry in the United States is likely to be adversely affected by a waiver of the competitive need limits specified in section 503(c)(2)(A) of the Trade Act of 1974, with respect to imports from India entered under the HTS subheadings listed below:

7113.19.25	7418.19.10
7113.19.29	9405.50.30
7113.19.50	

The Commission instituted the investigation on November 6, 2000, and indicated that it would seek to provide its advice no later than February 6, 2001, as requested by USTR. The Commission's notice of investigation is contained in appendix B.

All interested parties were afforded an opportunity to provide the Commission with written comments and information. In addition, the Commission scheduled a public hearing on the investigation in Washington, DC, on December 13, 2000. However, the hearing was canceled as there were no requests to appear before the Commission.

PRESENTATION OF ADVICE

The Commission has provided its advice in the form of commodity digests, as has been done in prior GSP investigations. Each digest deals with the effect of tariff modifications on a single HTS subheading, and advice is provided in terms of the traditional coding scheme noted later in this section.

This report contains five digests covering five HTS subheadings with each digest containing the following sections:

---

[1] The following *Federal Register* notices were issued by the USTR and the Commission relating to investigation No. 332-420:

Date	Notice	Subject
Nov. 1, 2000	65 F.R. 65370	USTR notice of GSP review
Nov. 14, 2000	65 F.R. 68157	Notice of USITC investigation

I. Introduction
This section provides basic information on the item, including description and uses, rate of duty, and an indication of whether there was a like or directly competitive article produced in the United States on January 1, 1995.

II. U.S. market profile
This section provides information on U.S. producers, employment, shipments, exports, imports, consumption, import market share, and capacity utilization. When actual data were not available, Commission staff prepared estimates based on the following coding system:

* = Based on partial information/data adequate for estimation with a moderately high degree of confidence, or

** = Based on limited information/data adequate for estimation with a moderate degree of confidence.

III. GSP import situation, 1999
This section provides 1999 U.S. import data, including world total and certain GSP-country specific data.

IV. Competitiveness profile, India
This section provides background information on India for the digest, its ranking as an import source, the price elasticities of supply and demand for imports from India, and the price and quality of the imports from India versus U.S. and other foreign products.[2]

V. Position of interested parties
This section provides a brief summary of the petition and provides summaries of hearing testimony and any written submissions from interested parties.

VI. Summary of probable economic effect advice
This section provides advice on the short-to-near-term (1 to 5 years) impact of the proposed GSP-eligibility modifications on U.S. industries producing like or directly competitive articles and on U.S. consumers. In the course of providing this advice, the Commission also estimates changes in the U.S. import levels resulting from the GSP modifications. The probable economic 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 supply and demand. Appendix C provides a brief textual and graphic presentation on the model used for evaluating the probable economic effect of changes in the GSP.

---

[2] Price elasticity is a measure of the changes in quantities supplied or demanded that result from a percent change in price. Generally, price elasticities of supply are positive and price elasticities of demand are negative. In this investigation, elasticity is characterized as low, moderate, or high based on the following guidelines. The elasticity is low when its absolute value is less than 1.0 because the change in quantity demanded or supplied is less than proportional to the change in price. The elasticity is moderate when its absolute value is between 1 and 2, with percentage changes in quantity being one to two times greater than the change in price. The elasticity is high when their absolute values exceed 2.0, as percentage changes in quantities exceed percentage changes in price by more than two times. It should be noted that the elasticity levels (low, moderate, and high) are estimates based on staff analysis of the subject industries.

It should be noted that the probable economic effect advice with respect to changes in import levels is presented in terms of the degree to which GSP modifications could affect the level of U.S. trade with the world. Consequently, if GSP beneficiaries supply a very small share of the total U.S. imports of a particular product or if imports from beneficiaries readily substitute for imports from developed countries, the overall effect on U.S. imports could be minimal.

The digests contain a coded summary of the probable economic effect advice. The coding scheme is as follows:

Level of total U.S. imports:

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

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 and profit levels, and departure of firms; effects on some segments of the industry may be substantial even though they are not industrywide).
- Code C: Substantial adverse impact (substantial unemployment, widespread idling of productive facilities, substantial declines in profit levels; effects felt by the entire industry).
- Code N: None.

U.S. consumer:[3]

- Code A: The bulk of duty saving (greater than 75 percent) is expected to be absorbed by the foreign suppliers. The price U.S. consumers pay is not expected to fall significantly.
- Code B: Duty saving is expected to benefit both the foreign suppliers and the domestic consumer (neither absorbing more than 75 percent of the costs).
- Code C: The bulk of duty saving (greater than 75 percent) is expected to benefit the U.S. consumer.
- Code N: None.

The probable economic effect advice for U.S. imports and the domestic industry is based on estimates of what is expected in the future with the proposed change in GSP eligibility compared with what is expected without it. That is, the estimated effects are independent of and in addition to any changes that will otherwise occur. Although other factors, such as exchange rate changes, relative inflation rates, and relative rates of economic growth, could have a significant effect on imports, these other factors are not within the scope of the USTR request.

[3] For waiver effects advice, "U.S. consumer" is limited to the first-level consumer and may be a firm receiving an intermediate good for further processing or an end-use consumer receiving a final good.

DIGEST LOCATOR

Report digests are listed in sequential order by HTS subheading. This listing provides the following information on the individual digests: a digest title, the proposed action, petitioner, probable economic effect advice, column 1 rate of duty, existence of U.S. production on January 1, 1995, and the name of the International Trade Analyst assigned.

HTS subheadings requiring probable economic effect advice and listing of digests

HTS sub-headings	Short title	Proposed action	Petitioners	Probable economic effect advice	Col. 1 rate of duty, Jan 1, 2001	U.S. production of like or directly competitive articles, Jan. 1, 1995	Analyst
7113.19.25	Gold necklaces and neck chains of mixed link	Waiver (India)	([1])	* * *	5.8%	Yes	Spalding
7113.19.29	Gold necklaces and neck chains, except of rope or mixed link	Waiver (India)	([1])	* * *	5.5%	Yes	Spalding
7113.19.50	Jewelry of gold or platinum other than necklaces and neck chains	Waiver (India)	([1])	* * *	5.5%	Yes	Spalding
7418.19.10	Copper kitchen and tableware, coated or plated with precious metal	Waiver (India)	([1])	* * *	3%	Yes	Van Toai
9405.50.30	Brass lamps and lighting fittings, non-electric	Waiver (India)	([1])	* * *	5.7%	Yes	Burns

[1] This investigation resulted from a request from the U.S. Trade Representative and is not associated with any petitions.

COMMODITY DIGESTS

DIGEST NO. 7113.19.25

GOLD NECKLACES AND NECK CHAINS OF MIXED LINK

Gold Necklaces and Neck Chains of Mixed Link

I. Introduction

_X_ Competitive-need-limit waiver: India

HTS subheading	Short description	Col. 1 rate of duty (1/1/01)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
		Percent ad valorem	
7113.19.25[1]	Gold necklaces and neck chains of mixed link	5.8 [2]	Yes

[1] Advice is requested on restoring normal limits for India as well as a waiver of all competitive need limits. India was proclaimed by the President as non-eligible for GSP treatment for articles included under subheading 7115.19.25 as of July 1, 2000, because imports of the subject articles from India exceeded the competitive need limit in 1999.

[2] This HTS subheading is not subject to further scheduled Normal Trade Relations staged tariff reductions.

Description and uses.--Gold mixed link necklaces and neck chains are worn for personal adornment. Gold necklaces are distinct from neck chains as necklaces are not made exclusively from chain.

II. U.S. market profile

Profile of U.S. industry and market, 1995-99

Item	1995	1996	1997	1998	1999
Producers (***number***)[1]	2,220	2,214	2,290	2,290	2,290
Employment (***1,000 employees***)[1]	30	29	35	35	35
Shipments (***1,000 dollars***)	**120,000	**120,000	**120,000	**120,000	**120,000
Exports (***1,000 dollars***)[2]	*8,187	*10,044	*14,571	*14,966	*20,960
Imports (***1,000 dollars***)	48,642	59,129	60,807	72,435	65,453
Consumption (***1,000 dollars***)	*160,455	*169,085	*166,236	*177,469	*164,493
Import-to-consumption ratio (***percent***) .	*30	*35	*37	*41	*40
Capacity utilization (***percent***)	*80	*82	*78	*75	*75

[1] Data shown include producers in the U.S. industry making all types of precious metal jewelry, not just articles classified under HTS 7113.19.25. Because production workers are engaged in the manufacture of a variety of jewelry articles, it is not possible to allocate employees to the production of jewelry classified in a single tariff rate line.

[2] U.S. export data, as shown in the above table, were determined by allocating data collected at the 6 digit HS level. The 4 percent export allocation of Schedule B number 7113.19 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Source: Data compiled from official statistics of the U.S. Department of Commerce, except as noted.

Comment.–The price of gold on the world market is an important cost of production and a chief determinant of the retail price and demand for articles of gold jewelry. Demand is also dependent upon the strength of the economy and consumer confidence. In the past 5 years, lower gold prices combined with the robust U.S. economy and high consumer confidence has resulted in a steady increase in gold jewelry consumption during 1995-98, with consumption declining modestly in 1999. In contrast to trends for the jewelry industry in general, there has been a reduction in the number of companies in the industry segment producing gold neck chains and necklaces. The more automated manufacturing processes for these products and intense competition has led to a reduction in the number of companies producing gold neck chains and necklaces, with remaining producers likely to be larger, more capitalized and efficient firms. This industry segment is characterized by frequent entries and exits by fringe producers.

III. GSP import situation, 1999

U.S. imports and share of U.S. consumption, 1999

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	65,453	100	([1])	40
Imports from GSP countries:				
GSP total	43,599	67	100	27
India	36,737	56	84	22
Bolivia	2,463	4	6	1
Ecuador	1,826	3	4	1
Turkey	574	1	1	([2])
All other	1,999	3	5	1

[1] Not applicable.
[2] Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--The share of the U.S. market for gold neck chains and necklaces supplied by imports from India increased in 1999, while the share accounted for by imports from Italy and Bolivia fell, mostly in response to increased production from India.

IV. Competitiveness profile, India

Ranking as a U.S. import supplier, 1999 1

Aggregate demand elasticity (price elasticity of U.S. demand for the product from all sources, foreign and domestic):

- Is the product a finished product for final sale to consumers? . . . . Yes X No ___
- Is the product an intermediate good used as an input in the production of another good? . . . . Yes ___ No X
- Is the product an agricultural or food product? . . . . Yes ___ No X
- What is the aggregate price elasticity of U.S. demand? . . . . High X Moderate ___ Low ___

Substitution elasticity:

- What is the similarity of product characteristics (such as quality, physical specifications, shelf-life, etc.) between imports from this supplier and:
  - Imports from other suppliers? . . . . High X Moderate ___ Low ___
  - U.S. producers? . . . . High X Moderate ___ Low ___
- What is the similarity of conditions of sale and distribution (such as lead times between order and delivery dates, payment terms, product service, minimum order size, variations in availability, etc.) between imports from this supplier and:
  - Imports from other suppliers? . . . . High ___ Moderate X Low ___
  - U.S. producers? . . . . High ___ Moderate ___ Low X
- What is the substitution elasticity? . . . . High ___ Moderate X Low ___

Supply elasticity for affected imports:

- Can production in the country be easily expanded or contracted in the short term? . . . . Yes X No ___
- 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 ___
- What is the price elasticity of supply for affected imports? . . . . 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 X Equivalent ___ Below ___

Comment.–India replaced Italy as the principal source of gold necklaces and neck chains of mixed link. Producers in India are highly cost efficient and provide cost competitive articles designed specifically for the U.S. market. Attaching the clasp of the necklace is the most labor intensive stage of production because it must be done by hand, giving India a cost advantage over Italy. To reduce costs, some producers ship chain in continuous lengths from factories in the United States and Italy to assembly plants in the Dominican Republic, Central America, and Andean countries where the chain is cut and clasps are attached. Finished neck chains from these countries qualify for preferential tariff treatment when exported to the United States.

V. Position of interested parties

There have been no comments received expressing either support or opposition to the waiver of the competitive need limit.

VI. Summary of probable economic advice-Competitive-need-limit waiver (India)

*   *   *   *   *   *   *

Table 1.--Gold necklaces and neck chains of mixed link: U.S. imports for consumption, by principal sources, 1995-99, January-August 1999-2000

Source						January- August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
India	6,931	6,520	9,923	11,273	36,737	24,337	29,638
Italy	38,735	48,669	47,540	50,027	20,575	10,890	9,775
Bolivia	0	0	755	8,234	2,463	1,416	1,288
Ecuador	0	0	0	175	1,826	1,278	1,573
Turkey	0	0	327	356	574	312	961
Thailand	141	160	166	245	544	378	287
Oman	0	21	367	554	516	430	553
Pakistan	46	0	5	41	276	34	494
Malaysia	1,362	1,580	373	250	252	208	21
Korea	0	0	3	155	179	103	0
All Other	1,427	2,179	1,348	1,125	1,511	564	2,924
Total	**48,642**	**59,129**	**60,807**	**72,435**	**65,453**	**39,950**	**47,514**
Total from GSP-eligible nations	**7,274**	**6,838**	**11,916**	**21,310**	**43,599**	**28,372**	**35,503**
	Percent						
India	14.2	11.0	16.3	15.6	56.1	60.9	62.4
Italy	79.6	82.3	78.2	69.1	31.4	27.3	20.6
Bolivia	0.0	0.0	1.2	11.4	3.8	3.5	2.7
Ecuador	0.0	0.0	0.0	0.2	2.8	3.2	3.3
Turkey	0.0	0.0	0.5	0.5	0.9	0.8	2.0
Thailand	0.3	0.3	0.3	0.3	0.8	0.9	0.6
Oman	0.0	0.0	0.6	0.8	0.8	1.1	1.2
Pakistan	0.1	0.0	0.0	0.1	0.4	0.1	1.0
Malaysia	2.8	2.7	0.6	0.3	0.4	0.5	0.0
Korea	0.0	0.0	0.0	0.2	0.3	0.3	0.0
All Other	2.9	3.7	2.2	1.6	2.3	1.4	6.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Share from GSP-eligible nations	**15.0**	**11.6**	**19.6**	**29.4**	**66.6**	**71.0**	**74.7**

Note.--Because of rounding, figures may not add to totals shown.

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

Table 2.--Gold necklaces and neck chains of mixed link: U.S. exports of domestic merchandise, by principal markets, 1995-99, January-August 1999-2000[1]

Market						January - August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Mexico	5,035	7,978	9,310	37,949	89,145	57,031	60,457
Canada	52,014	53,560	64,683	73,588	79,910	38,453	62,151
Netherlands Antilles	3,065	4,423	12,543	42,634	59,358	34,188	36,256
Switzerland	21,039	48,373	103,934	54,491	55,185	43,893	11,970
Hong Kong	16,764	11,963	10,871	20,130	37,987	22,115	19,657
Japan	10,460	13,660	14,337	22,511	30,374	18,924	16,902
United Kingdom	5,252	5,657	13,949	19,688	29,604	20,682	15,144
Dominican Republic	2,523	3,471	7,107	10,134	19,025	6,493	5,209
France	2,994	17,035	20,156	9,753	18,146	10,239	5,750
Israel	1,854	7,986	3,714	12,206	12,635	7,882	5,034
All other	83,680	76,995	103,680	71,069	92,634	52,361	63,538
Total	**204,680**	**251,101**	**364,284**	**374,153**	**524,003**	**312,261**	**302,068**
	Percent						
Mexico	2.5	3.2	2.6	10.1	17.0	18.3	20.0
Canada	25.4	21.3	17.8	19.7	15.2	12.3	20.6
Netherlands Antilles	1.5	1.8	3.4	11.4	11.3	10.9	12.0
Switzerland	10.3	19.3	28.5	14.6	10.5	14.1	4.0
Hong Kong	8.2	4.8	3.0	5.4	7.2	7.1	6.5
Japan	5.1	5.4	3.9	6.0	5.8	6.1	5.6
United Kingdom	2.6	2.3	3.8	5.3	5.6	6.6	5.0
Dominican Republic	1.2	1.4	2.0	2.7	3.6	2.1	1.7
France	1.5	6.8	5.5	2.6	3.5	3.3	1.9
Israel	0.9	3.2	1.0	3.3	2.4	2.5	1.7
All other	40.9	30.7	28.5	19.0	17.7	16.8	21.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] U.S. export data, as shown in the above table, are total trade from Schedule B subheading 7113.19.0000. Export data displayed in the text tabulations were determined by allocating data collected at the 6 digit HS level. The 4 percent export allocation of Schedule B number 7113.19.0000 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Note.--Because of rounding, figures may not add to totals shown.

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

DIGEST NO. 7113.19.29

GOLD NECKLACES AND NECK CHAINS EXCEPT OF ROPE OR MIXED LINK

Gold Necklaces and Neck Chains Except of Rope or Mixed Link

I. Introduction

_X_ Competitive-need-limit waiver: India

HTS subheading	Short description	Col. 1 rate of duty (1/1/01)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
		Percent ad valorem	
7113.19.29[1]	Gold necklaces and neck chains, except of rope or mixed link	5.5[2]	Yes

[1] Advice is requested on restoring normal limits for India as well as a waiver of all competitive need limits. India was proclaimed by the President as non-eligible for GSP treatment for articles included under subheading 7113.19.29 as of July 1, 1998, because imports from India exceeded the competitive need limit in 1997.

[2] This HTS subheading is not subject to further scheduled Normal Trade Relations staged tariff reductions.

Description and uses.–Gold necklaces and neck chains, except of rope or mixed link, are worn for personal adornment. Such gold neck chains are the least intricate of neck chains. All of the links in the chain are identical and the necklace is not fashioned to look like rope. Necklaces are distinct from neck chains because necklaces are not made exclusively of chain.

II. U.S. market profile

Profile of U.S. industry and market, 1995-99

Item	1995	1996	1997	1998	1999
Producers (***number***)[1]	2,220	2,214	2,290	2,290	2,290
Employment (***1,000 employees***)[1]	30	29	35	35	35
Shipments (***1,000 dollars***)[1]	**1,600,000	**1,600,000	**1,600,000	**1,600,000	**1,600,000
Exports (***1,000 dollars***)[2]	10,234	12,555	18,214	18,708	26,200
Imports (***1,000 dollars***)	637,068	663,370	750,036	931,220	932,807
Consumption (***1,000 dollars***)	*2,226,834	*2,250,815	*2,331,822	*2,512,512	*2,506,607
Import-to-consumption ratio (***percent***)	*29	*29	*32	*37	*37
Capacity utilization (***percent***)	*80	*82	*78	*75	*75

[1] Data shown include producers in the U.S. industry making all types of precious metal jewelry, not just articles classified under HTS 7113.19.29. Because production workers are engaged in the manufacture of a variety of jewelry articles, it is not possible to allocate employees to the production of jewelry classified in a single tariff rate line.

[2] U.S. export data, as shown in the above table, were determined by allocating data collected at the 6-digit HS level. The 5 percent export allocation of Schedule B number 7113.19 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Source: Data compiled from official statistics of the U.S. Department of Commerce, except as noted.

Comment.--The price of gold on the world market is an important cost of production and a chief determinant of the retail price and demand for articles of gold jewelry. Demand is also dependent upon the strength of the economy and consumer confidence. Lower gold prices combined with the robust U.S. economy and high consumer confidence resulted in a steady increase in gold jewelry consumption during 1995-98, with consumption leveling off in 1999. In contrast to trends for the jewelry industry in general, there has been a reduction in the number of companies in the industry segment producing gold neck chains and necklaces. The more automated manufacturing processes for these products and intense competition has led to a reduction in the number of companies producing gold neck chains and necklaces, with remaining producers likely to be larger, more capitalized and efficient firms. This industry segment in characterized by frequent entries and exits by fringe producers.

III. GSP import situation, 1999

U.S. imports and share of U.S. consumption, 1999

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	932,807	100	([1])	37
Imports from GSP countries:				
GSP total	227,003	24	100	9
India	35,406	4	16	1
Turkey	76,514	8	34	3
Thailand	16,313	2	7	1
Dominican Republic	15,575	2	7	1
All other	83,195	9	37	3

[1] Not applicable.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--India is the second largest GSP source (behind Turkey) of U.S. imports of gold necklaces and neck chains, except of rope or mixed link. U.S. imports of such items from India fell by $28 million (44 percent) during 1995-99 to $35 million, with a peak in 1997 of $102 million. In contrast, U.S. imports from Turkey rose from $6 million to $77 million. U.S. imports from Italy rose by $138 million to $566 during 1995-1999.

IV. Competitiveness profile, India

Ranking as a U.S. import supplier, 1999	4		
Aggregate demand elasticity (price elasticity of U.S. demand for the product from all sources, foreign and domestic):			
Is the product a finished product for final sale to consumers?	Yes X	No ___	
Is the product an intermediate good used as an input in the production of another good?	Yes ___	No X	
Is the product an agricultural or food product?	Yes ___	No X	
What is the aggregate price elasticity of U.S. demand?	High X	Moderate ___	Low ___
Substitution elasticity:			
What is the similarity of product characteristics (such as quality, physical specifications, shelf-life, etc.) between imports from this supplier and:			
Imports from other suppliers?	High ___	Moderate X	Low ___
U.S. producers?	High X	Moderate ___	Low ___
What is the similarity of conditions of sale and distribution (such as lead times between order and delivery dates, payment terms, product service, minimum order size, variations in availability, etc.) between imports from this supplier and:			
Imports from other suppliers?	High ___	Moderate X	Low ___
U.S. producers?	High ___	Moderate ___	Low X
What is the substitution elasticity?	High ___	Moderate X	Low ___
Supply elasticity for affected imports:			
Can production in the country be easily expanded or contracted in the short term?	Yes X	No ___	
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 ___	
What is the price elasticity of supply for affected imports?	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 ___	Below X

Comment.–India's share of U.S. imports has declined steadily since losing GSP-eligibility in 1997. India's lower labor costs are not a significant advantage in this industry because the production of these identical link neck chains is less labor-intensive than neck chains of mixed link. India is at a competitive disadvantage to U.S. imports from Turkey and Israel which enter duty free under GSP and the United States - Israel Free Trade Agreement, respectively.

V. <u>Position of interested parties</u>

There have been no comments received expressing either support or opposition to the waiver of the competitive need limit.

VI. Summary of probable economic advice-Competitive-need-limit waiver (India)

*   *   *   *   *   *   *

Table 1.--Gold necklaces and neck chains except of rope and mixed link: U.S. imports for consumption, by principal sources, 1995-99, January-August 1999-2000

Source						January- August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Italy	426,982	425,185	423,508	543,749	565,677	330,820	327,309
Turkey	5,823	7,739	24,962	49,834	76,514	46,784	68,904
Israel	41,488	57,448	64,852	58,921	51,394	31,794	30,404
India	63,682	62,123	101,574	89,263	35,406	22,492	16,529
Hong Kong	9,799	11,507	12,819	22,593	23,800	12,504	18,163
Thailand	6,290	6,294	11,734	14,416	16,313	10,398	14,707
Dominican Republic	120	5,791	7,250	9,002	15,575	8,036	4,428
Bolivia	6,496	7,797	9,575	9,627	14,728	7,650	5,736
Indonesia	639	2,553	853	8,934	13,329	7,121	8,133
Canada	13,153	13,665	12,818	9,313	12,855	6,253	6,491
All Other	62,596	63,268	80,091	115,568	107,216	66,703	57,383
Total	**637,068**	**663,370**	**750,036**	**931,220**	**932,807**	**550,555**	**558,187**
Total from GSP-eligible nations	**115,692**	**122,129**	**206,990**	**237,152**	**227,003**	**140,154**	**147,226**
	Percent						
Italy	67.0	64.1	56.5	58.4	60.6	60.1	58.6
Turkey	0.9	1.2	3.3	5.4	8.2	8.5	12.3
Israel	6.5	8.7	8.6	6.3	5.5	5.8	5.4
India	10.0	9.4	13.5	9.6	3.8	4.1	3.0
Hong Kong	1.5	1.7	1.7	2.4	2.6	2.3	3.3
Thailand	1.0	0.9	1.6	1.5	1.7	1.9	2.6
Dominican Republic	0.0	0.9	1.0	1.0	1.7	1.5	0.8
Bolivia	1.0	1.2	1.3	1.0	1.6	1.4	1.0
Indonesia	0.1	0.4	0.1	1.0	1.4	1.3	1.5
Canada	2.1	2.1	1.7	1.0	1.4	1.1	1.2
All Other	9.8	9.5	10.7	12.4	11.5	12.1	10.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Share from GSP-eligible nations	**18.2**	**18.4**	**27.6**	**25.5**	**24.3**	**25.5**	**26.4**

Note.--Because of rounding, figures may not add to totals shown.

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

Table 2.--Gold necklaces and neck chains except of rope and mixed link: U.S. exports of domestic merchandise, by principal markets, 1995-99, January-August 1999-2000[1]

Market	1995	1996	1997	1998	1999	January - August 1999	January - August 2000
	Value (1,000 dollars)						
Mexico	5,035	7,978	9,310	37,949	89,145	57,031	60,457
Canada	52,014	53,560	64,683	73,588	79,910	38,453	62,151
Netherlands Antilles	3,065	4,423	12,543	42,634	59,358	34,188	36,256
Switzerland	21,039	48,373	103,934	54,491	55,185	43,893	11,970
Hong Kong	16,764	11,963	10,871	20,130	37,987	22,115	19,657
Japan	10,460	13,660	14,337	22,511	30,374	18,924	16,902
United Kingdom	5,252	5,657	13,949	19,688	29,604	20,682	15,144
Dominican Republic	2,523	3,471	7,107	10,134	19,025	6,493	5,209
France	2,994	17,035	20,156	9,753	18,146	10,239	5,750
Israel	1,854	7,986	3,714	12,206	12,635	7,882	5,034
All other	83,680	76,995	103,680	71,069	92,634	52,361	63,538
Total	**204,680**	**251,101**	**364,284**	**374,153**	**524,003**	**312,261**	**302,068**
	Percent						
Mexico	2.5	3.2	2.6	10.1	17.0	18.3	20.0
Canada	25.4	21.3	17.8	19.7	15.2	12.3	20.6
Netherlands Antilles	1.5	1.8	3.4	11.4	11.3	10.9	12.0
Switzerland	10.3	19.3	28.5	14.6	10.5	14.1	4.0
Hong Kong	8.2	4.8	3.0	5.4	7.2	7.1	6.5
Japan	5.1	5.4	3.9	6.0	5.8	6.1	5.6
United Kingdom	2.6	2.3	3.8	5.3	5.6	6.6	5.0
Dominican Republic	1.2	1.4	2.0	2.7	3.6	2.1	1.7
France	1.5	6.8	5.5	2.6	3.5	3.3	1.9
Israel	0.9	3.2	1.0	3.3	2.4	2.5	1.7
All other	40.9	30.7	28.5	19.0	17.7	16.8	21.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] U.S. export data, as shown in the above table, are total trade from Schedule B subheading 7113.19.0000. Export data displayed in the text tabulations were determined by allocating data collected at the 6 digit HS level. The 5-percent export allocation of Schedule B number 7113.19.0000 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Note.--Because of rounding, figures may not add to totals shown.

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

DIGEST NO. 7113.19.50

JEWELRY OF GOLD OR PLATINUM OTHER THAN NECKLACES AND NECK CHAINS

Jewelry of Gold or Platinum Other than Necklaces and Neck Chains

I. Introduction

_X_ Competitive-need-limit waiver: India

HTS subheading	Short description	Col. 1 rate of duty (1/1/01)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
		Percent ad valorem	
7113.19.50 [1]	Jewelry of gold or platinum other than necklaces and neck chains	5.5%[2]	Yes

[1] Advice is requested on restoring normal limits for India as well as a waiver of all competitive needs limits. India was proclaimed by the President as non-eligible for GSP treatment for articles included under subheading 7113.19.50 as of July 1, 1993, because imports of the subject articles from India exceeded the competitive need limit in 1992.

[2] This HTS subheading is not subject to further scheduled Normal Trade Relations staged tariff reductions.

Description and uses.–Jewelry of gold or platinum other than necklaces and neck chains are worn for personal adornment. This category of jewelry includes rings, bracelets, earrings, charms, pins, and broaches.

II. U.S. market profile

Profile of U.S. industry and market, 1995-99

Item	1995	1996	1997	1998	1999
Producers (***number***)[1]	2,220	2,214	2,290	2,290	2,290
Employment (***1,000 employees***)[1]	30	29	35	35	35
Shipments (***1,000 dollars***)	**2,500,000	**2,500,000	**2,500,000	**2,500,000	**2,500,000
Exports (***1,000 dollars***)[2]	*61,404	*75,336	*109,286	*112,246	*157,201
Imports (***1,000 dollars***)	2,119,619	2,293,366	2,353,517	2,658,641	3,147,781
Consumption (***1,000 dollars***)	*4,558,215	*4,718,030	*4,744,231	*5,046,395	*5,490,580
Import-to-consumption ratio (***percent***)	*47	*49	*50	*53	*57
Capacity utilization (***percent***)	*80	*82	*78	*75	*75

[1] The data for the number of producers and employment include the U.S. industry making all types of precious metal jewelry, not just articles classified under HTS 7113.19.50. Because production workers are engaged in the manufacture of a variety of jewelry articles, it is not possible to allocate employees to the production of jewelry classified in a single tariff rate line.

[2] U.S. export data, as shown in the above table, were determined by allocating data collected at the 6-digit HS level. The 30 percent export allocation of Schedule B number 7113.19 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Source: Data compiled from official statistics of the U.S. Department of Commerce, except as noted.

Comment.--The price of gold or platinum on the world market is an important cost of production and a chief determinant of the retail price and demand for articles of gold or platinum jewelry. Demand is also dependent upon strength of the economy and consumer confidence. The production of rings, bracelets, earrings, charms, pins, and broaches is moderately labor intensive, particularly if it involves the setting or inlay of gems. Lower gold prices combined with the robust U.S. economy and high consumer confidence resulted in increased demand and a steady increase in gold jewelry consumption during 1995-99. Although the total number of jewelry manufacturers increased during the last 5 years, U.S. producers experienced increased competition from imports during 1995-99.

III. GSP import situation, 1999

U.S. imports and share of U.S. consumption, 1999

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	3,147,781	100	([1])	57
Imports from GSP countries:				
GSP total	1,236,108	39	100	23
India	449,835	14	36	8
Thailand	314,719	10	25	6
Dominican Republic	133,964	4	11	2
Turkey	98,432	3	8	2
All other	239,158	8	19	5

[1] Not applicable.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--U.S. imports of jewelry of gold or platinum other than necklaces and neck chains rose by $1.0 billion (48 percent) during 1995-99 to $3.1 billion. Loss of GSP-treatment for the subject items did not deter growth of Indian exports to the U.S. market during 1995-99 because of India’s significant labor cost advantage over several competing suppliers in these labor-intensive products. India accounted for the most significant import increase, as U.S. imports from India during this period rose by $284 million (172 percent) to $450 million. Hong Kong accounted for the next largest increase in imports, of $169 million (64 percent), to $435 million. U.S. imports from Italy, the principal source of these jewelry, fell by $13 million (2 percent), to $685 million.

IV. Competitiveness profile, India

Ranking as a U.S. import supplier, 1999 2

Aggregate demand elasticity (price elasticity of U.S. demand for the product from all sources, foreign and domestic):

Is the product a finished product for final sale to consumers? . . . . Yes X No ___

Is the product an intermediate good used as an input in the production of another good? . . . . Yes ___ No X

Is the product an agricultural or food product? . . . . Yes ___ No X

What is the aggregate price elasticity of U.S. demand? . . . . High X Moderate ___ Low ___

Substitution elasticity:

What is the similarity of product characteristics (such as quality, physical specifications, shelf-life, etc.) between imports from this supplier and:

Imports from other suppliers? . . . . High X Moderate ___ Low ___

U.S. producers? . . . . High X Moderate ___ Low ___

What is the similarity of conditions of sale and distribution (such as lead times between order and delivery dates, payment terms, product service, minimum order size, variations in availability, etc.) between imports from this supplier and:

Imports from other suppliers? . . . . High ___ Moderate X Low ___

U.S. producers? . . . . High ___ Moderate ___ Low X

What is the substitution elasticity? . . . . High ___ Moderate X Low ___

Supply elasticity for affected imports:

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

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 ___

What is the price elasticity of supply for affected imports? . . . . 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.–India’s share of U.S. imports of jewelry of gold or platinum other than necklaces and neck chains rose from 8 percent in 1995 to 14 percent in 1999, outpacing directly competitive jewelry manufactured in Hong Kong and Thailand. Producers in India provide cost competitive articles designed specifically for the U.S. market.

V. Position of interested parties

There have been no comments received expressing either support or opposition to the waiver of the competitive need limit.

VI. Summary of probable economic advice-Competitive-need-limit waiver (India)

* * * * * * *

Table 1.--Jewelry of gold or platinum other than necklaces and neck chains: U.S. imports for consumption, by principal sources, 1995-99, January-August 1999-2000

Source						January- August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Italy	698,587	710,864	673,691	666,399	685,493	393,582	427,822
India	165,928	215,670	234,106	309,899	449,835	236,034	328,658
Hong Kong	266,227	303,080	311,702	335,549	435,375	255,547	318,321
Thailand	231,487	224,138	194,275	198,606	314,719	187,471	230,695
Israel	186,122	203,774	159,329	154,867	171,114	92,895	105,778
Canada	63,373	74,962	89,113	113,870	145,595	83,437	104,367
Dominican Republic	95,058	91,104	94,163	130,891	133,964	71,333	73,506
Turkey	39,059	47,151	85,882	108,221	98,432	57,685	66,459
Mexico	59,348	74,513	79,988	108,481	96,746	59,161	62,576
China	21,945	32,048	36,136	51,800	91,946	48,228	84,332
All Other	292,485	316,062	395,132	480,058	524,562	312,896	354,428
Total	**2,119,619**	**2,293,366**	**2,353,517**	**2,658,641**	**3,147,781**	**1,798,269**	**2,156,9**
Total from GSP-eligible nations	**679,280**	**736,593**	**809,391**	**1,787,709**	**1,236,108**	**700,396**	**852,426**
	Percent						
Italy	33.0	31.0	28.6	25.1	21.8	21.9	19.8
India	7.8	9.4	9.9	11.7	14.3	13.1	15.2
Hong Kong	12.6	13.2	13.2	12.6	13.8	14.2	14.8
Thailand	10.9	9.8	8.3	7.5	10.0	10.4	10.7
Israel	8.8	8.9	6.8	5.8	5.4	5.2	4.9
Canada	3.0	3.3	3.8	4.3	4.6	4.6	4.8
Dominican Republic	4.5	4.0	4.0	4.9	4.3	4.0	3.4
Turkey	1.8	2.1	3.6	4.1	3.1	3.2	3.1
Mexico	2.8	3.2	3.4	4.1	3.1	3.3	2.9
China	1.0	1.4	1.5	1.9	2.9	2.7	3.9
All Other	13.8	13.8	16.8	18.1	16.7	17.4	16.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Share from GSP-eligible nations	**32.0**	**32.1**	**34.4**	**67.2**	**39.3**	**38.9**	**39.5**

Note.--Because of rounding, figures may not add to totals shown.

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

Table 2.--Jewelry of gold or platinum other than necklaces and neck chains: U.S. exports of domestic merchandise, by principal markets, 1995-99, January-August 1999-2000[1]

Market						January - August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Mexico	5,035	7,978	9,310	37,949	89,145	57,031	60,457
Canada	52,014	53,560	64,683	73,588	79,910	38,453	62,151
Netherlands Antilles	3,065	4,423	12,543	42,634	59,358	34,188	36,256
Switzerland	21,039	48,373	103,934	54,491	55,185	43,893	11,970
Hong Kong	16,764	11,963	10,871	20,130	37,987	22,115	19,657
Japan	10,460	13,660	14,337	22,511	30,374	18,924	16,902
United Kingdom	5,252	5,657	13,949	19,688	29,604	20,682	15,144
Dominican Republic	2,523	3,471	7,107	10,134	19,025	6,493	5,209
France	2,994	17,035	20,156	9,753	18,146	10,239	5,750
Israel	1,854	7,986	3,714	12,206	12,635	7,882	5,034
All other	83,680	76,995	103,680	71,069	92,634	52,361	63,538
Total	**204,680**	**251,101**	**364,284**	**374,153**	**524,003**	**312,261**	**302,068**
	Percent						
Mexico	2.5	3.2	2.6	10.1	17.0	18.3	20.0
Canada	25.4	21.3	17.8	19.7	15.2	12.3	20.6
Netherlands Antilles	1.5	1.8	3.4	11.4	11.3	10.9	12.0
Switzerland	10.3	19.3	28.5	14.6	10.5	14.1	4.0
Hong Kong	8.2	4.8	3.0	5.4	7.2	7.1	6.5
Japan	5.1	5.4	3.9	6.0	5.8	6.1	5.6
United Kingdom	2.6	2.3	3.8	5.3	5.6	6.6	5.0
Dominican Republic	1.2	1.4	2.0	2.7	3.6	2.1	1.7
France	1.5	6.8	5.5	2.6	3.5	3.3	1.9
Israel	0.9	3.2	1.0	3.3	2.4	2.5	1.7
All other	40.9	30.7	28.5	19.0	17.7	16.8	21.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] U.S. export data, as shown in the above table, are total trade from Schedule B subheading 7113.19.0000. Export data displayed in the text tabulations were determined by allocating data collected at the 6 digit HS level. The 30-percent export allocation of Schedule B number 7113.19.0000 is based on the assumption that the product mix of U.S. exports is comparable to product mix of U.S. imports.

Note.--Because of rounding, figures may not add to totals shown.

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

DIGEST NO. 7418.19.10

COPPER KITCHEN AND TABLEWARE, COATED OR PLATED WITH PRECIOUS METAL

Copper Kitchen Tableware, Coated or Plated with Precious Metal

I. Introduction

_X_ Competitive-need-limit waiver: India

HTS subheading	Short description	Col. 1 rate of duty (1/1/01)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
		Percent ad valorem	
7418.19.10[1]	Copper table, kitchen or other household articles and parts thereof, coated or plated with precious metals	3%[2]	Yes

[1] Advice is requested on restoring normal limits for India as well as a waiver of all competitive need limits. India was proclaimed by the President as non-eligible for GSP treatment for articles imported under subheading 7418.19.10 as of July 1, 2000, because imports of the subject articles from India exceeded the competitive need limit in 1999.

[2] This HTS subheading is not subject to further scheduled Normal Trade Relations staged tariff reductions.

Description and uses.-- HTS subheading 7418.19.10 covers assorted household articles made of copper and coated with precious metals. Articles classified in HTS subheading 7418.19.10 include, but are not limited to, items such as copper napkin rings, incense holders, buckets, boxes, baskets, switch plates, serving dishes, and ash trays. This category does not include copper candle holders, picture frames, umbrella stands, hardware, sanitary ware, or decorative articles.

II. U.S. market profile

Profile of U.S. industry and market, 1995-99

Item	1995	1996	1997	1998	1999
Producers (***number***)[1]	215	209	210	212	213
Employment (***1,000 employees***)[1]	7	8	6	6	6
Shipments (***1,000 dollars***)[1]	809	871	846	870	893
Exports (***1,000 dollars***)[2]	5,679	4,974	3,865	4,461	4,637
Imports (***1,000 dollars***)	13,592	12,152	16,447	12,233	15,316
Consumption (***1,000 dollars***)	([3])	([3])	([3])	([3])	([3])
Import-to-consumption ratio (***percent***)	([3])	([3])	([3])	([3])	([3])
Capacity utilization (***percent***)	([3])	([3])	([3])	([3])	([3])

[1] Ward's Business Directory Manufacturing USA, SIC Grouping 3914 (silverware and plated ware). Data represents industries producing plated ware using all types of metals for the base, not exclusively copper; therefore the data includes a significant number of additional items not included in the subject HTS subheading.

[2] The Schedule B subheadings (7418.10.00 (1995) and 7418.19.00 (1996-2000)) include a significant number of additional items not included in the subject HTS subheading.

[3] Not available.

Source: Official statistics of the U.S. Department of Commerce, unless noted otherwise.

Comment.-- Only a very small portion of the copper household articles made by the U.S. industry is plated with precious metal. Separate data cannot be estimated for the production and export of such articles. For the most part, domestic copper household articles (including those plated with precious metal) tend to be made from higher quality copper and thus are often higher priced than imported products, and may be sold to different segments of the U.S. market. The copper household articles market is tied to decorating preferences and style-based articles, rather than the U.S. business cycle. According to industry sources, the demand for copper has begun to contract as alternatives to copper, such as brass, nickel or iron, have become more fashionable.

Copper household articles, like most products, compete on the basis of both price and quality. According to industry sources, copper products are judged by weight and finish. An item made of high quality copper is heavier and has a mirror-like finish when compared with an item of lower quality copper, which is lighter in weight and distorts reflected images. Over the last 10 years, U.S. customers have become increasingly aware of such quality factors. Some foreign producers have improved the quality of their products. Several U.S. producers import low end goods to complement their domestic product mix.

III. GSP import situation, 1999

U.S. imports and share of U.S. consumption, 1999

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	15,316	100	([1])	([2])
Imports from GSP countries:				
GSP total	9,250	60	100	([2])
India	8,328	54	90	([2])
Indonesia	736	5	8	([2])
All other	186	1	2	([2])

[1] Not applicable.
[2] Not available.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.-- Craftsmen and artisans in India have worked with gold and other precious metals to make statuary and household articles plated or coated with precious metals for many generations, if not thousands of years. The combination of skilled workmanship and low labor costs gives producers in India a competitive advantage in the U.S. market over other global suppliers of lower quality copper household articles plated with precious metals.

IV. Competitiveness profile, India

Ranking as a U.S. import supplier, 1999 1

Aggregate demand elasticity (price elasticity of U.S. demand for the product from all sources, foreign and domestic):

Is the product a finished product for final sale to consumers?	Yes X	No ___	
Is the product an intermediate good used as an input in the production of another good?	Yes ___	No X	
Is the product an agricultural or food product?	Yes ___	No X	
What is the aggregate price elasticity of U.S. demand?	High X	Moderate ___	Low ___

Substitution elasticity:

What is the similarity of product characteristics (such as quality, physical specifications, shelf-life, etc.) between imports from this supplier and:

Imports from other suppliers?	High X	Moderate ___	Low ___
U.S. producers?	High ___	Moderate ___	Low X

What is the similarity of conditions of sale and distribution (such as lead times between order and delivery dates, payment terms, product service, minimum order size, variations in availability, etc.) between imports from this supplier and:

Imports from other suppliers?	High X	Moderate ___	Low ___
U.S. producers?	High ___	Moderate ___	Low X
What is the substitution elasticity?	High ___	Moderate X	Low ___

Supply elasticity for affected imports:

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 ___	
What is the price elasticity of supply for affected imports?	High ___	Moderate X	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 ___	Below X
Other foreign products	Above ___	Equivalent X	Below ___

Comment.-- Demand for U.S. imports from India has a high price elasticity owing to the substitutability of gold and silver plated copper household products[1] and because these products are discretionary items. Supply from India is moderately elastic as goods currently exported to the European

---

[1] Gold and silver are the most common precious metals used to be plated over copper, although it is possible to use other precious metals such as platinum or palladium. Products using such metals are also included in this digest.

market could be shifted to the U.S. market. While India has traditionally been the dominant supplier of U.S. imports of this type of product, China has been increasing its presence in the U.S. market. Indonesia is also a leading supplier; however, its share of the total U.S. import market is decreasing. Foreign suppliers vary in size, with a few large companies and many smaller producers. Gold or silver plated copper household articles produced in India typically are not substitutes for U.S. products.

V. Position of interested parties

There have been no comments received expressing either support or opposition to the waiver of the competitive need limit.

VI. Summary of probable economic advice-Competitive-need-limit waiver (India)

* * * * * * *

Table 1.–Copper kitchen and tableware, coated or plated with precious metal: U.S. imports for consumption, by principal sources, 1995-99, January-August 1999-2000

Source						January August	
	1995[1]	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
India	2,020	3,960	5,990	5,909	8,328	3,698	4,316
China	6,910	3,716	5,712	3,416	3,766	1,850	2,238
Indonesia	1,972	1,490	2,091	662	736	512	303
Canada	503	550	733	638	719	515	402
Italy	700	734	605	379	642	490	347
France	209	129	48	195	290	167	194
Hong Kong	562	581	238	265	227	165	36
United Kingdom	97	244	347	240	216	145	139
Argentina	0	0	139	104	116	53	62
Brazil	74	23	62	74	55	40	30
All Other	545	725	482	351	221	127	293
Total	**13,592**	**12,152**	**16,447**	**12,233**	**15,316**	**7,762**	**8,360**
Imports from GSP-eligible nations	**1,106**	**5,498**	**8,291**	**6,757**	**9,250**	**4,319**	**4,714**
	Percent						
India	14.9	32.6	36.4	48.3	54.4	47.6	51.6
China	50.8	30.6	34.7	27.9	24.6	23.8	26.8
Indonesia	14.5	12.3	12.7	5.4	4.8	6.6	3.6
Canada	3.7	4.5	4.5	5.2	4.7	6.6	4.8
Italy	5.2	6.0	3.7	3.1	4.2	6.3	4.2
France	1.5	1.1	0.3	1.6	1.9	2.2	2.3
Hong Kong	4.1	4.8	1.4	2.2	1.5	2.1	0.4
United Kingdom	0.7	2.0	2.1	2.0	1.4	1.9	1.7
Argentina	0.0	0.0	0.8	0.9	0.8	0.7	0.7
Brazil	0.5	0.2	0.4	0.6	0.4	0.5	0.4
All Other	4.0	6.0	2.9	2.9	1.4	1.6	3.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Share from GSP-eligible nations	**8.1**	**45.2**	**50.4**	**55.2**	**60.4**	**55.6**	**56.4**

[1] Changes in the HTS subheading in 1996 makes import data from 1995 not comparable to import data shown from the following years.

Note.--Because of rounding, figures may not add to totals shown.

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

Table 2.–Copper kitchen and tableware, coated or plated with precious metal: U.S. exports of domestic merchandise, by principal markets, 1995-99, January-August 1999-2000[1]

Market						January - August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Canada	1,504	1,269	1,066	1,191	997	630	590
Israel	973	428	872	538	852	667	193
Japan	898	337	349	412	543	344	332
Honduras	55	30	14	99	372	224	185
Ireland	38	154	84	322	226	155	90
Greece	99	52	117	20	223	223	58
Brazil	74	38	51	108	190	19	18
United Kingdom	56	27	41	190	169	156	163
Dominican Republic	73	8	0	38	141	117	40
Mexico	28	699	140	24	92	29	112
All other	1,881	1,932	1,131	1,519	832	515	1,999
Total	**5,679**	**4,974**	**3,865**	**4,461**	**4,637**	**3,079**	**3,780**
	Percent						
Canada	26.5	25.5	27.6	26.7	21.5	20.5	15.6
Israel	17.1	8.6	22.6	12.1	18.4	21.7	5.1
Japan	15.8	6.8	9.0	9.2	11.7	11.2	8.8
Honduras	1.0	0.6	0.4	2.2	8.0	7.3	4.9
Ireland	0.7	3.1	2.2	7.2	4.9	5.0	2.4
Greece	1.7	1.0	3.0	0.4	4.8	7.2	1.5
Brazil	1.3	0.8	1.3	2.4	4.1	0.6	0.5
United Kingdom	1.0	0.5	1.1	4.3	3.6	5.1	4.3
Dominican Republic	1.3	0.2	0.0	0.9	3.0	3.8	1.1
Mexico	0.5	14.1	3.6	0.5	2.0	0.9	3.0
All other	33.1	38.8	29.3	34.1	17.9	16.7	52.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] The Schedule B subheading does not precisely correspond to the subject HTS subheading. Therefore, the data include exports for a number of products not included in the digest.

Note.--Because of rounding, figures may not add to totals shown.

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

DIGEST NO. 9405.50.30

BRASS LAMPS AND LIGHTING FITTINGS, NON-ELECTRIC

Brass Lamps and Lighting Fittings, Non-electric

I. Introduction

_X_ Competitive-need-limit waiver: India

HTS subheading	Short description	Col. 1 rate of duty (1/1/01)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
		Percent ad valorem	
9405.50.30 [1]	Non-electrical lamps and lighting fittings of brass, other than lamps operated by propane, or compressed air and kerosene or gasoline	5.7%[2]	Yes

[1] Advice is requested on restoring normal limits for India as well as a waiver of all competitive need limits. India was proclaimed by the President as non-eligible for GSP treatment for articles included under subheading 9405.50.30 as of July 1, 1993, because imports of the subject articles from India exceeded the competitive need limit in 1992.

[2] This HTS subheading is not subject to further scheduled Normal Trade Relations staged tariff reductions.

Description and uses.--Candle holders are the leading types of articles imported under HTS 9405.50.30 from India. They are primarily used as decorative household items.

II. U.S. market profile

Profile of U.S. industry and market, 1995-99

Item	1995	1996	1997	1998	1999
Producers (***number***)[1]	*46	*46	*46	*46	*46
Employment (***1,000 employees***)[1]	*2	*2	*2	*2	*2
Shipments (***1,000 dollars***)[1]	*72,000	*76,000	*81,000	*85,000	*90,000
Exports (***1,000 dollars***)	21,476	26,059	24,054	28,148	28,393
Imports (***1,000 dollars***)	34,906	36,251	41,688	51,169	56,817
Consumption (***1,000 dollars***)[1]	*85,430	*86,192	*98,634	*108,021	*118,424
Import-to-consumption ratio (***percent***)[1]	*41	*42	*42	*47	*48
Capacity utilization (***percent***)[1]	*80	*80	*85	*88	*87

[1] Estimated by Commission.

Source: Data compiled from official statistics of the U.S. Department of Commerce, except as noted.

Comment.–During 1995-99, the number of U.S. producers remained stable; however, capacity utilization increased from 80 percent to 87 percent. U.S. shipments increased during the same period by 25 percent. U.S. imports of non-electric brass lamps and fitting increased annually during 1995-99, reaching $56.8 million, representing a 63-percent increase over 1995. In 1999, imports accounted for an estimated 48 percent of consumption, 7 percentage points above that of 1995. U.S. exports totaled $28.4 million in 1999, an increase of 32 percent over 1995. U.S. imports are lower priced than domestic production and are of a lower quality. The U.S. market for candle holders has increased with the rising use of candles for aesthetic and aromatic purposes.

III. GSP import situation, 1999

U.S. imports and share of U.S. consumption, 1999

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	56,817	100	([1])	48
Imports from GSP countries:				
GSP total	38,492	68	100	33
India	36,992	65	96	31
Thailand	933	2	2	1
All other	567	1	2	([2])

[1] Not applicable.
[2] Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Imports of non-electric brass lamps and fittings from India in 1999 made up 65 percent of all such imports, and accounted for 96 percent of the total GSP imports in that category.

IV. Competitiveness profile, India

Ranking as a U.S. import supplier, 1999 1

Aggregate demand elasticity (price elasticity of U.S. demand for the product from all sources, foreign and domestic):

Is the product a finished product for final sale to consumers? . . . . Yes X No ___

Is the product an intermediate good used as an input in the production of another good? . . . . Yes ___ No X

Is the product an agricultural or food product? . . . . Yes ___ No X

What is the aggregate price elasticity of U.S. demand? . . . . High ___ Moderate X Low ___

Substitution elasticity:

What is the similarity of product characteristics (such as quality, physical specifications, shelf-life, etc.) between imports from this supplier and:

Imports from other suppliers? . . . . High ___ Moderate X Low ___

U.S. producers? . . . . High ___ Moderate X Low ___

What is the similarity of conditions of sale and distribution (such as lead times between order and delivery dates, payment terms, product service, minimum order size, variations in availability, etc.) between imports from this supplier and:

Imports from other suppliers? . . . . High ___ Moderate X Low ___

U.S. producers? . . . . High ___ Moderate ___ Low X

What is the substitution elasticity? . . . . High ___ Moderate ___ Low X

Supply elasticity for affected imports:

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

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 ___

What is the price elasticity of supply for affected imports? . . . . 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 ___ Below X

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

V. Position of interested parties

There have been no comments received expressing either support or opposition to the waiver of the competitive need limit.

VI. Summary of probable economic advice - Competitive-need-limit waiver (India)

* * * * * * *

Table 1.–Brass lamps and lighting fittings, non-electric: U.S. imports for consumption, by principal sources, 1995-99, January-August 1999-2000

Source	1995	1996	1997	1998	1999	January- August 1999	January- August 2000
	Value (1,000 dollars)						
India	20,960	22,701	27,402	34,866	36,992	23,525	20,205
China	5,515	6,236	6,386	8,527	12,823	10,012	6,454
Taiwan	3,804	2,608	2,937	3,020	1,725	1,150	721
Mexico	47	35	296	475	1,343	733	625
Thailand	811	744	842	1,045	933	638	549
Italy	599	1,012	730	1,116	766	547	563
United Kingdom	282	197	231	439	528	194	240
Hong Kong	1,151	925	664	657	370	252	248
Philippines	139	77	117	238	292	194	25
Netherlands	221	240	189	58	251	215	101
All other	1,377	1,476	1,894	718	796	615	216
Total	**34,906**	**36,251**	**41,688**	**51,169**	**56,817**	**38,075**	**29,947**
Total from GSP-eligible nations	**22,084**	**23,776**	**29,083**	**36,460**	**38,492**	**24,528**	**20,835**
	Percent						
India	60.0	62.6	65.7	68.1	65.1	61.8	67.5
China	15.8	17.2	15.3	16.7	22.6	26.3	21.6
Taiwan	10.9	7.2	7.0	5.9	3.0	3.0	2.4
Mexico	0.1	0.1	0.7	0.9	2.4	1.9	2.1
Thailand	2.3	2.1	2.0	2.0	1.6	1.7	1.8
Italy	1.7	2.8	1.8	2.2	1.3	1.4	1.9
United Kingdom	0.8	0.5	0.6	0.9	0.9	0.5	0.8
Hong Kong	3.3	2.6	1.6	1.3	0.7	0.7	0.8
Philippines	0.4	0.2	0.3	0.5	0.5	0.5	0.1
Netherlands	0.6	0.7	0.5	0.1	0.4	0.6	0.3
All other	4.0	4.1	4.5	1.4	1.3	1.5	0.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Share from GSP-eligible nations	**63.3**	**65.6**	**69.8**	**71.3**	**67.7**	**64.4**	**69.6**

Note.--Because of rounding, figures may not add to totals shown.

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

Table 2.-–Brass lamps and lighting fittings, non-electric: U.S. exports of domestic merchandise, by principal markets, 1995-99, January-August 1999-2000

Market						January - August	
	1995	1996	1997	1998	1999	1999	2000
	Value (1,000 dollars)						
Canada	7,189	10,470	13,168	15,878	17,020	10,130	8,267
United Kingdom	885	1,716	2,167	2,257	2,474	1,600	1,143
Japan	8,949	8,161	2,592	2,340	2,223	2,066	2,617
Mexico	107	158	958	1,426	1,523	979	1,392
Netherlands	249	69	364	1,717	1,123	830	155
Australia	539	1,136	400	313	389	206	572
Belgium	93	111	463	641	366	362	349
Korea	85	120	100	0	340	132	114
Germany	304	207	157	96	224	167	404
Taiwan	135	140	37	73	208	164	24
All other	2,941	3,771	3,648	3,407	2,503	1,617	1,379
Total	**21,476**	**26,059**	**24,054**	**28,148**	**28,393**	**18,253**	**16,416**
	Percent						
Canada	33.5	40.2	54.7	56.4	59.9	55.5	50.4
United Kingdom	4.1	6.6	9.0	8.0	8.7	8.8	7.0
Japan	41.7	31.3	10.8	8.3	7.8	11.3	15.9
Mexico	0.5	0.6	4.0	5.1	5.4	5.4	8.5
Netherlands	1.2	0.3	1.5	6.1	4.0	4.5	0.9
Australia	2.5	4.4	1.7	1.1	1.4	1.1	3.5
Belgium	0.4	0.4	1.9	2.3	1.3	2.0	2.1
Korea	0.4	0.5	0.4	0.0	1.2	0.7	0.7
Germany	1.4	0.8	0.7	0.3	0.8	0.9	2.5
Taiwan	0.6	0.5	0.2	0.3	0.7	0.9	0.1
All other	13.7	14.5	15.2	12.1	8.8	8.9	8.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note.--Because of rounding, figures may not add to totals shown.

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

APPENDIX A

U.S. Trade Representative's Request Letter

2144

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

OCT 31 2000

00 NOV -1 PM 3:58

The Honorable Stephen Koplan
Chairman
United States International Trade
Commission
500 E Street, S.W.
Washington, D.C. 20436

Dear Chairman Koplan:

As a result of a White House initiative with India, the Trade Policy Staff Committee (TPSC) has recently announced in the Federal Register the initiation of a review to consider modification of the Generalized System of Preferences (GSP) with respect to certain products imported from India. Modifications to the GSP which may result from this review will be announced in the spring of 2001. In this connection, I am making the request listed below.

Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I request, in accordance with section 503(d)(1)(A) of the Trade Act of 1974, that the Commission provide advice on whether any industry in the United States is likely to be adversely affected by a waiver of the competitive need limits specified in section 503(c)(2)(A) of the 1974 Act with respect to the articles in the enclosed Annex imported from India. Currently, the articles are ineligible for duty-free treatment under the GSP for India. It should be assumed that eligibility would be restored under the GSP for those articles for which India is granted a waiver of the competitive need limits.

With respect to the competitive need limit in section 503(c)(2)(A)(i)(I) of the 1974 Act, the Commission is requested to use the dollar value limit of $95,000,000.

It is requested that the advice be provided by February 6, 2001. To the maximum extent possible, the probable economic effects advice and statistics (i.e., profile of the United States industry and market and United States import and export data) and any other relevant information or advice should be provided separately and individually for each Harmonized Tariff Schedule of the United States (HTS) subheading for the products in this investigation.

I direct you to mark as "Confidential" those portions of the Commission's report and related working papers that contain the Commission's advice on the probable economic effect on United States industries producing like or directly competitive articles. All other parts of the report are unclassified, but the overall classification marked on the front and back covers of the report should be "Confidential" to conform with the confidential sections contained therein. All business confidential information contained in the report should be clearly identified.

The Honorable Stephen Koplan
Page Two

When the Commission's confidential report is provided to my Office, the Commission should issue, as soon as possible thereafter, a public version of the report containing only the unclassified sections, with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

Charlene Barshefsky

APPENDIX B

U.S. International Trade Commission's Notice of Investigation

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[NV-930-1430-HN; Nev-057245]

Notice of Opening Order of Public Lands; Washoe County, NV

SUMMARY: This notice opens the following described 153.48 acres of public land in Spanish Springs Valley to the operation of the public land laws:

Mount Diablo Meridian

T. 20 N., R. 20 E.,
Sec. 14, lots 1–3, SW¼NE¼

EFFECTIVE DATE: The effective date of this Notice is November 29, 2000.

FOR FURTHER INFORMATION CONTACT: Jo Ann Hufnagle, Realty Specialist, Bureau of Land Management, Carson City Field Office, 5665 Morgan Mill Road, Carson City, NV 89701; telephone (775) 885–6000.

SUPPLEMENTARY INFORMATION: On September 5, 1997, Patent No. 27–08–0044 was issued to Washoe County pursuant to the Recreation and Public Purposes Act of June 14, 1926 (44 Stat. 741; 43 U.S.C. 869) as amended, for the above described land. The land was never developed for recreational use and Washoe County has reconveyed that land to the United States.

At 10 a.m. on November 29, 2000, the land will become open to the operation of the public land laws generally, subject to valid existing rights, the provisions of existing withdrawals, other segregations of record and the requirements of applicable law. All valid applications received at or prior to 10 a.m. on November 29, 2000, shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

At 10 a.m. on December 14, 2000, the land will also be open to location under the United States mining laws. Appropriation of the land under the general mining laws prior to the date and time of restoration is unauthorized. Any such attempted appropriation, including attempted adverse possession under 30 U.S.C. 38, shall vest no rights against the United States. Acts required to establish a location and to initiate a right of possession are governed by State law where not in conflict with Federal law. The Bureau of Land Management will not intervene in disputes between rival locators over possessory rights since Congress has provided for such determination in local courts.

Dated: November 1, 2000.

Richard Conrad,

Assistant Manager, Non-renewable Resources.

[FR Doc. 00–29044 Filed 11–13–00; 8:45 am]

BILLING CODE 4310–HC–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Availability of United States Virgin Islands Territorial Submerged Lands Act Boundary Determination and Submerged Lands Jurisdictions

AGENCY: Minerals Management Service, Interior.

ACTION: Availability of United States Virgin Islands Territorial Submerged Lands Act Boundary Determinations and Submerged Lands Jurisdictions.

SUMMARY: Notice is hereby given that the Minerals Management Service's Mapping and Boundary Branch has prepared for review and comment by interested parties on the Territorial Submerged Lands Act Boundary Determinations and Submerged Lands Jurisdictions for the United States Virgin Islands, including St. Thomas, St. John, and St. Croix. The Mapping and Boundary Branch has conducted pursuant to 48 U.S.C. 1705(b), coastline ownership record searches, field investigations, baseline point development, and review and mathematical computations to derive and define these boundaries and jurisdictions. The Territorial Submerged Lands Act Boundary and Submerged Lands Jurisdictions referenced in this notice were derived in part by using copies of the most current National Ocean Service nautical charts. The Territorial Submerged Lands Act Boundary was developed as an ambulatory boundary. This means that the boundary will continue to move with the erosions and accretions of the coastline. Outer Continental Shelf Official Protraction Diagrams and Supplemental Official Outer Continental Shelf Block Diagrams approved on the date indicated below are on file and available to the public for review, comment, and information in the Minerals Management Service, Mapping and Boundary Branch, Lakewood, Colorado. In accordance with Title 43, U.S.C. Sections 1457 and 1458 and Title 48, U.S.C. Section 1705, those diagrams listed below are the basic record for the legal description of the Territorial Submerged Lands and Federal and Territorial Submerged Lands jurisdictions in the United States Virgin Islands.

Description	Date
NE20–04, St. Thomas (With supporting Supplemental Official OCS Block Diagrams)	June 4, 2000
NE20–07, St. Croix (With Supporting Supplemental Official OCS Block Diagrams)	June 4, 2000

Copies of this information may be obtained by logging on to the Minerals Management Service's website at *ftp://mmspub.mms.gov/pub/mapping/vi/*

FOR FURTHER INFORMATION CONTACT: Mr. Leland F. Thormahlen, Chief, Mapping and Boundary Branch, P.O. Box 25165 MS 4011, Denver Federal Center, Lakewood, Colorado 80225. Telephone (303) 275–7120 or E-Mail leland.thormahlen@mms.gov.

Dated: November 8, 2000.

Carolita U. Kallaur,

Associate Director for Offshore Minerals Management.

[FR Doc. 00–29082 Filed 11–13–00; 8:45 am]

BILLING CODE 4310–MR–M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–420]

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences With Respect to Certain Products Imported From India

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: On October 31, 2000, the Commission received a request from the United States Trade Representative (USTR) for an investigation under section 332(g) of the Tariff Act of 1930 for the purpose of providing advice concerning possible modifications to the Generalized System of Preferences (GSP) with respect to certain products imported from India.

Following receipt of the request and in accordance therewith, the Commission instituted investigation No. 332–420 in order to provide advice as to whether any industry in the United States is likely to be adversely affected by a waiver of the competitive need limits specified in section 503(c)(2)(A) of the Trade Act of 1974, with respect to the HTS subheadings [1] listed below imported from India:

7113.19.25	7418.10.10
7113.19.29	9405.50.30
7113.19.50	

With respect to the competitive need limit in section 503(c)(2)(A)(i)(I) of the 1974 Act, the Commission, as requested, will use the dollar value limit of $95,000,000.

As requested by USTR, the Commission will seek to provide its advice not later than February 6, 2001.

EFFECTIVE DATE: November 6, 2000.

FOR FURTHER INFORMATION CONTACT: (1) Project Manager, Eric Land (202–205–3349), (2) Deputy Project Manager, Cynthia B. Foreso (202–205–3348). The above persons are in the Commission's Office of Industries. For information on legal aspects of the investigation contact William Gearhart of the Commission's Office of the General Counsel at 202–205–3091.

Background

The subject articles the product of India are currently ineligible for duty-free treatment under the GSP program because imports from India exceed the competitive need limits. The USTR letter noted that as a result of a White House Initiative with India, the Trade Policy Staff Committee (TPSC) recently announced in the Federal Register the initiation of a review to consider modification of the GSP with respect to such products imported from India. Modifications to the GSP which may result from this review will be announced in the spring of 2001.

Public Hearing

A public hearing in connection with this investigation is scheduled to begin at 9:30 a.m. on December 13, 2000, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. All persons 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 a letter with the Secretary, United States International Trade Commission, 500 E St., SW., Washington, DC 20436, not later than the close of business (5:15 p.m.) on November 27, 2000. In addition, persons appearing should file prehearing briefs (original and 14 copies) with the Secretary by the close of business on November 29, 2000. Posthearing briefs should be filed with the Secretary by close of business on December 21, 2000. In the event that no requests to appear at the hearing are received by the close of business on November 27, 2000, the hearing will be canceled. Any person interested in attending the hearing as an observer or non-participant may call the Secretary to the Commission (202–205–1816) after November 28, 2000 to determine whether the hearing will be held.

Written Submissions

In lieu of or in addition to appearing 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 December 21, 2000. 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, DC. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205–1810.

Issued: November 7, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–29072 Filed 11–13–00; 8:45 am]

BILLING CODE 7020–02–P

[1] See USTR Federal Register notice of November 1, 2000 (65 FR 65370) for article description.

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Importation of Controlled Substances; Notice of Application

Pursuant to section 1008 of the Controlled Substances Import and Export Act (21 U.S.C. 958(i)), the Attorney General shall, prior to issuing a registration under this Section to a bulk manufacturer of a controlled substance in Schedule I or II and prior to issuing a regulation under Section 1002(a) authorizing the importation of such a substance, provide manufacturers holding registrations for the bulk manufacture of the substance an opportunity for a hearing.

Therefore, in accordance with section 1301.34 of Title 21, Code of Federal Regulations (CFR), notice is hereby given that on February 3, 2000, Stepan Company, Natural Products Department, 100 W. Hunter Avenue, Maywood, New Jersey 07607, made application by renewal to the Drug Enforcement Administration to be registered as an importer of coca leaves (9040), a basic class of controlled substance listed in Schedule II.

The firm plans to import the coca leaves to manufacture bulk controlled substance.

Any manufacturer holding, or applying for, registration as a bulk manufacturer of this basic class of controlled substance may file written comments on or objections to the application described above and may, at the same time, file a written request for a hearing on such application in accordance with 21 CFR 1301.43 in such form as prescribed by 21 CFR 1316.47.

Any such comments, objections or requests for a hearing may be addressed, in quintuplicate, to the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, United States Department of Justice, Washington, DC 20537, Attention: DEA Federal Register Representative (CCR), and must be filed no later than (30 days from publication).

This procedure is to be conducted simultaneously with and independent of the procedures described in 21 CFR 1301.34(b), (c), (d), (e), and (f). As noted in a previous notice at 40 FR 43745–46 (September 23, 1975), all applicants for registration to import a basic class of any controlled substance in Schedule I or II are and will continue to be required to demonstrate to the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration that the requirements for such registration pursuant to 21 U.S.C. 958(a), 21 U.S.C. 823(a), and 21 CFR 1301.34(a), (b), (c), (d), (e), and (f) are satisfied.

Dated: October 31, 2000.

John H. King,

Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.

[FR Doc. 00–29036 Filed 11–13–00; 8:45 am]

BILLING CODE 4410–09–M

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

DNA Advisory Board Meeting

Pursuant to the provisions of the Federal Advisory Committee Act, notice

APPENDIX C

Model for Evaluating Probable Economic Effect of Changes in GSP Status

MODEL FOR EVALUATING THE PROBABLE ECONOMIC EFFECT OF CHANGES IN GSP STATUS

This appendix presents the method used to analyze the effects of immediate tariff elimination for selected products from India on total U.S. imports of affected products, competing U.S. industries, and U.S. consumers. First, the method is introduced. Then the derivation of the model for estimating changes in imports, U.S. domestic production, and consumer effects is presented. These processes are discussed in chapter 1 of the text.

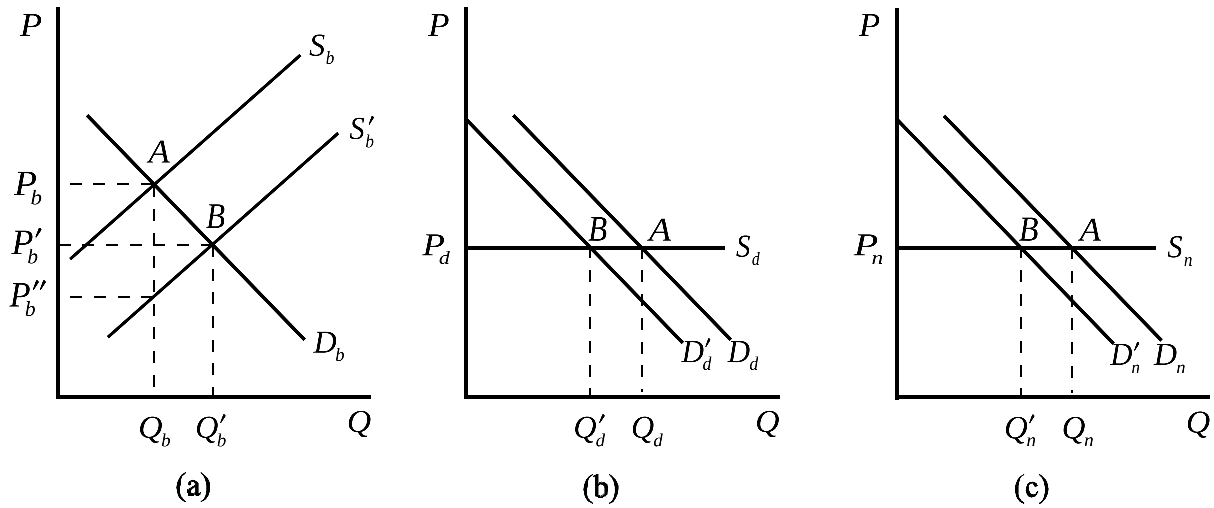
Introduction

Commission staff used partial equilibrium modeling to estimate probable economic effects (PE) of immediate tariff elimination on total U.S. imports, competing U.S. industries, and U.S. consumers. The model used in this study is a nonlinear, imperfect substitutes model.[1] Trade data were taken from official statistics of the U.S. Department of Commerce. U.S. production data were estimated by USITC industry analysts. Elasticities were estimated by industry analysts in consultation with the assigned economist based on relevant product and market characteristics. Trade and production data used were for 1999, and tariff rates used were for 2000.

The following model illustrates the case of granting a product GSP duty-free status. The illustration is for a product for which domestic production, GSP imports, and non-GSP imports are imperfect substitutes, and shows the basic results of a tariff removal on a portion of imports.

[1] For derivations, see Paul S. Armington, "A Theory of Demand for Products Distinguished by Place of Production," *IMF Staff Papers*, vol. 16 (1969), pp. 159-176, and J. Francois and K. Hall, "Partial Equilibrium Modeling," in J. Francois and K. Reinert, eds., *Applied Methods for Trade Policy Analysis, A Handbook* (Cambridge: Cambridge University Press, 1997).

Figure D-1
U.S. markets for GSP beneficiary imports (panel a), domestic production (panel b), and nonbeneficiary imports (panel c)



Consider the market for imports from India illustrated in fig. D-1, panel (a). The line labeled D_b is the U.S. demand for imports from India, the line labeled S_b is the supply of imports from India with the tariff in place, and the line labeled S_b' is the supply of imports from India without the tariff (i.e., the product is receiving duty-free treatment under GSP). Point A is the equilibrium with the tariff in place, and point B is the equilibrium without the tariff. Q_b and Q_b' are equilibrium quantities at A and B, respectively. P_b and P_b' are equilibrium prices at A and B, and P_b'' is the price received by Indian producers when the tariff is in place. The difference between P_b and P_b'' denotes the tariff, t.

In the model, a tariff reduction leads to a decrease in the price of the imported good and an increase in sales of the good in the United States. The lower price paid for the import in the

United States leads to a reduction in the demand for U.S. production of the good, as well as for imports from non-GSP countries. These demand shifts, along with supply responses to the lower demand, determine the reduction in U.S. output and non-GSP imports.

The changes that take place in panel (a) lead to the changes seen in panels (b) and (c), where the demand curves shift from D_d and D_n to D_d' and D_n', respectively. Equilibrium quantity in the market for domestic production moves from Q_d to Q_d', and in a similar manner for the market for nonbeneficiary imports, equilibrium quantity falls from Q_n to Q_n'.

Derivation of Import, U.S. Production, and Consumer Effects

The basic building blocks of the model are shown below. Armington shows that if consumers have well-behaved constant elasticity of substitution (CES) utility functions, demand for a good in a product grouping can be expressed as follows:

$$q_i = b_i^{s} q \left(\frac{p_i}{p} \right)^{-s}$$

where q_i denotes quantity demanded for good i in the U.S. market;[2] p_i is the price of good i in the U.S. market; ó is the elasticity of substitution for the product grouping; q is the demand for the aggregate product (that is, all goods in the product grouping); p is a price index for the aggregate product (defined below); and $b_i^{ó}$ is a constant.[3] As Armington states, the above

[2] The product grouping consists of similar goods from different sources. For example, goods *i*, *j*, and *k* would indicate three similar goods from three different sources. See Armington (1969) for further discussion of the concept.

[3] Armington (1969), p. 167.

equation "... can be written in a variety of useful ways."[4] One of these useful ways can be derived as follows. The aggregate price index p is defined as

$$p = \left(\sum_i b_i^{\sigma} p_i^{1-\sigma} \right)^{\frac{1}{1-\sigma}} . \tag{2}$$

In addition the aggregate quantity index q can be defined as

$$q = k_A p^{\eta_A} \tag{3}$$

where k_A is a constant and η_A is the aggregate demand elasticity for the product grouping (natural sign). Substituting equation (3) into equation (1) yields

$$q_i = b_i^{\sigma} k_A p^{\eta_A} \left(\frac{p_i}{p} \right)^{-\sigma} .$$

Further manipulation and simplification yields

$$q_i = b_i^{\sigma} k_A \frac{p^{(\sigma + \eta_A)}}{p_i^{\sigma}} ,$$

which establishes the demand for q_i in terms of prices, elasticities, and constants.

The supply of each good in the product grouping is represented in constant supply elasticity form:

$$q_i = K_{si} p_i^{\varepsilon_{si}} ,$$

where K_{si} is a constant and ε_{si} is the price elasticity of supply for good i .

Excess supply functions are set up for each good in the product grouping with the

[4] Ibid., p. 168.

following general form:

$$K_{si}\, p_i^{\varepsilon_{si}} - \beta_i^{\sigma}\; k_A \frac{p^{\sigma + \eta_A}}{p^{\sigma}} = 0. \tag{4}$$

The model is calibrated using initial trade and production data and setting all internal prices to unity in the benchmark calibration. It can be shown that calibration yields $K_{si} = \beta_i^{\sigma} k_A$ for the i^{th} good so that equation (4) can be rendered as

$$p_i^{\varepsilon_{si}} - \frac{p^{\sigma + \eta_A}}{p_i^{\sigma}} = 0 \;. \tag{4′}$$

If there are n goods, the model consists of n equations like (4′) plus an equation for the price aggregator p, which are solved simultaneously in prices by an iterative technique.

For the case of adding a product to the list of products eligible for GSP duty-free treatment, the equations are as follows:

$$\left[p_b(1+t)\right]^{\varepsilon_{sb}} - \frac{p^{\sigma+\eta_A}}{p_b^{\sigma}} = 0 \quad \text{for imports from GSP }\underline{\text{b}}\text{eneficiary countries,}$$

$$p_n^{\varepsilon_{sn}} - \frac{p^{\sigma+\eta_A}}{p_n^{\sigma}} = 0 \quad \text{for imports from }\underline{\text{n}}\text{onbeneficiary countries,}$$

$$p_d^{\varepsilon_{sd}} - \frac{p^{\sigma+\eta_A}}{p_d^{\sigma}} = 0 \quad \text{for U.S. }\underline{\text{d}}\text{omestic production, and}$$

$$p = \left(\sum_{i=b,n,d} \beta_i^{\sigma}\, p_i^{1-\sigma}\right)^{\frac{1}{1-\sigma}} \quad \text{for the price aggregator.}$$

The prices obtained in the solution to these equations are used to calculate trade and production values, and resulting percentage changes in total imports and domestic production are computed relative to the original (benchmark) import and production values.

Consumer effects

Consumer effects are estimated in terms of the portion of the duty reduction that is passed on to U.S. consumers on the basis of the import demand and supply elasticity estimates. The formula for determining the division of the duty savings between U.S. consumers and foreign exporters is approximated by $SV = \frac{h_{ii}}{(h_{ii} - e_{si})}$, where SV is the percentage of duty savings retained by exporters from source i, h_{ii} is the own price elasticity of demand,[5] and e_{si} is the price elasticity of supply from source i. An "A" code indicates that more than 75 percent of the duty savings are retained by foreign exporters $\left(\frac{h_{ii}}{h_{ii} - e_{si}} > 0.75\right)$, and less than 25 percent passed through to U.S. consumers. A "B" code covers the range between 75 percent and 25 percent $\left(0.75 > \frac{h_{ii}}{h_{ii} - e_{si}} > 0.25\right)$. A "C" code covers the case where less than 25 percent of the duty savings are retained by foreign exporters and more than 75 percent of the savings are passed through to U.S. consumers $\left(\frac{h_{ii}}{h_{ii} - e_{si}} < 0.25\right)$.

The default assumption for the probable effect on consumers is a "B" code. This assumption reflects the possibility that short-run supply elasticities may be less than perfectly elastic and the world supply price may rise in the short run in the face of increased demand when U.S. duties are reduced. In the long run, unless there are extraordinary market structure circumstances, supply elasticities are likely to be perfectly elastic for any one product considered in isolation, implying that a "C" code for the consumer effects is probably more appropriate in the long run in most cases. "A" and "C" codes for consumer effects are assigned when analysts have information indicating that they are appropriate.

---

[5] At any given vector of prices, such as at the benchmark equilibrium, $h_{ii} = S_i h_A - (1 - S_i) s$ is the own price elasticity of demand from imports from source i, where S_i is the share of total expenditures on the product grouping spent on good i at that vector of prices. See Armington, p. 175.