

**UNITED STATES INTERNATIONAL TRADE COMMISSION**  
**Washington, D.C.**

Investigation No. 332-472

Probable Economic Effect of the Reduction of U.S. Tariffs: Update of Advice for Certain Items

AGENCY: United States International Trade Commission

ACTION: Institution of investigation

EFFECTIVE DATE: July 29, 2005

**SUMMARY:** Following receipt of a request on July 29, 2005, from the U.S. Trade Representative (USTR), the Commission instituted investigation No. 332-472, *Probable Economic Effect of the Reduction of U.S. Tariffs: Update of Advice for Certain Items*, under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

**BACKGROUND:** In August 2002, at the request of the USTR, the Commission provided advice as to the probable economic effect of implementing certain tariff reduction scenarios (Inv. No. 332-440, *Probable Economic Effect of the Reduction or Elimination of U.S. Tariffs*). The advice was based on 2002 U.S. Harmonized Tariff System (HTS) nomenclature and 2000 trade data. In his letter of July 29, 2005, the USTR noted that U.S. imports of certain products have risen significantly since 2000, and directed that the Commission update its advice on products that have experienced a substantial increase in imports as defined by certain criteria.

As requested by the USTR, the Commission will provide advice as to the probable economic effect on industries producing like or directly competing articles and on consumers of reducing U.S. tariffs by 75 percent on dutiable imports from all U.S. trading partners for products (8-digit HTS items) that meet all of the following criteria:

- at least a 50-percent increase in the value of dutiable imports from 2000-2004;
- at least a \$10 million increase in the value of dutiable imports from 2000-2004;
- dutiable imports were valued at more than \$500,000 in 2000;
- a 2004 *ad valorem* equivalent U.S. tariff on dutiable imports of at least 5 percent; and
- the Commission's 2002 advice for the item did not indicate a substantial adverse effect on U.S. industry as a result of U.S. tariff elimination.

The USTR requested that the Commission base its advice on 2005 HTS nomenclature and 2004 trade data. He also asked that the advice include a concordance to the 1996 Harmonized System nomenclature that is being used in the WTO negotiations. In addition, he requested that the report identify the five largest sources of dutiable imports (including import values) for each item analyzed under the criteria identified above. The USTR also asked that the Commission provide supplementary analysis that examines factors affecting trade and the competitive position of U.S. industry if, in conducting its analysis based on the more recent data, the Commission identifies items for which the 75 percent tariff reduction scenario indicates a greater adverse effect on U.S. industry than was indicated for those items under the tariff elimination scenario presented in the 2002 report.

As requested, the Commission will transmit its report by no later than December 13, 2005.

FOR FURTHER INFORMATION CONTACT: Industry-specific information may be obtained from George S. Serletis, Project Leader (202-205-3315 or [george.serletis@usitc.gov](mailto:george.serletis@usitc.gov)), Laura A. Polly, Deputy Project Leader (202-205-3408 or [laura.polly@usitc.gov](mailto:laura.polly@usitc.gov)), or Robert Carr, Deputy Project Leader (202-205-3405 or [robert.carr@usitc.gov](mailto:robert.carr@usitc.gov)), Office of Industries, U.S. International Trade Commission, Washington, DC 20436. The media should contact Peg O’Laughlin, Public Affairs Officer (202-205-1819 or [margaret.olaughlin@usitc.gov](mailto:margaret.olaughlin@usitc.gov)). For information on legal aspects of this investigation, contact William Gearhart of the Office of General Counsel (202-205-3091 or [william.gearhart@usitc.gov](mailto:william.gearhart@usitc.gov)). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on 202-205-1810. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on the Commission’s electronic docket (EDIS-ONLINE) at <http://edis.usitc.gov/hvwebex>.

WRITTEN SUBMISSIONS: Interested persons are invited to submit written statements concerning the investigation. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436, and should be received no later than the close of business on September 16, 2005. All written submissions must conform with the provisions of section 201.8 of the Commission’s *Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 of the rules requires that a signed original (or a copy designated as an original) and fourteen (14) copies of each document be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission’s rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, [http://hotdocs.usitc.gov/pubs/electronic\\_filing\\_handbook.pdf](http://hotdocs.usitc.gov/pubs/electronic_filing_handbook.pdf)).

Any submissions that contain confidential business information (CBI) must also conform with the requirements of section 201.6 of the Commission’s *Rules of Practice and Procedure* (19 C.F.R. 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the “confidential” or “non-confidential” version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for CBI, will be made available in the Office of the Secretary to the Commission for inspection by interested parties. The Commission may include some or all of any CBI submitted in the report it sends to the USTR. Because the USTR has indicated that portions of the Commission’s report will be classified as “confidential” under Executive Order 12958 and that it also considers the Commission’s report to be an inter-agency memorandum that will contain pre-decisional advice and be subject to the deliberative process privilege, the Commission does not plan to publish a public version of its report. Should the Commission later publish a public version, any CBI received by the Commission in this investigation and used in preparing the report will not be published in a manner that would reveal the operations of the firm supplying the information.

Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Secretary at 202-205-2000.

By order of the Commission.

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Marilyn R. Abbott  
Secretary to the Commission

Issued: August 16, 2005