



United States
International Trade Commission

Generalized System of Preferences: Possible Modifications, 2016 Review

Publication Number: 4692
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June 2017

United States International Trade Commission

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United States International Trade Commission

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Chapter 1

Introduction and Summary of Advice

Introduction¹

This report by the U.S. International Trade Commission (Commission or USITC) provides advice relating to the probable economic effect of certain proposed modifications to the U.S. Generalized System of Preferences (GSP) program, as requested by the U.S. Trade Representative (USTR).² Specifically, the report provides advice concerning:

1. The probable economic effect on total U.S. imports, on U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties for certain articles considered for addition to the GSP program for all beneficiary developing countries (BDCs). These articles, and the respective Harmonized Tariff Schedule of the United States (HTS) subheadings, are rolled or flaked grains of cereals, other than of barley or oats (HTS 1104.19.90); pineapples, otherwise prepared or preserved, nesi (HTS 2008.20.00); saturated acyclic monocarboxylic acids, nesoi (HTS 2915.90.18); finishing agents, dye carriers, and other preparations used in leather and like industries, <5% by weight aromatic (mod.) substance(s) (HTS 3809.93.50); and cellulose nitrates (including collodions), in primary forms (HTS 3912.20.00).
2. The probable economic effect of the removal of glycine (HTS 2922.49.40.20) from eligibility for duty-free treatment under the GSP program ("removal") from all countries on total U.S. imports, on U.S. industries producing like or directly competitive articles, and on U.S. consumers.
3. Whether any industry in the United States is likely to be adversely affected by a waiver of the competitive need limitation (CNL)³ specified in section 503(c)(2)(A) of the 1974 Trade Act for the following country and article: coniferous wood continuously shaped

¹ The information in these chapters is for the purpose of this report only. Nothing in this report should be construed as indicating how the Commission would find in an investigation conducted under any other statutory authority.

² The request consisted of the initial request letter dated January 5, 2017, and one additional letter, dated February 17, 2017, that made certain modifications to the initial request. See appendix A for copies of each of the letters, and see appendix B for copies of each of the Commission notices published in the *Federal Register* in response to the letters.

³ The 2016 dollar value limit for CNLs was \$175 million.

Chapter 1: Introduction

along any of its ends, whether or not also continuously shaped along any of its edges or faces, from Brazil (HTS 4409.10.05).⁴ Further, whether like or directly competitive products were being produced in the United States on January 1, 1995, and the probable economic effect on total U.S. imports, as well as on consumers, of the requested waivers.

⁴ In a letter on behalf of the Acting USTR, dated February 17, 2017, USTR advised the Commission that several petitioners have withdrawn requests for waivers of the CNL under the GSP program, and that in view of the withdrawals USTR is withdrawing its request for Commission advice for these six HTS subheadings which were included in the January 5, 2017, request letter: edible products of animal origin, nesi (HTS 0410.00.00); fresh or chilled dasheens, whether or not sliced or in the form of pellets (HTS 0714.90.10); new pneumatic radial tires, of rubber, of a kind used on buses or trucks (HTS 4011.20.10); monumental or building stone and articles thereof, nesoi, further worked than simply cut/sawn, nesoi (HTS 6802.99.00); television cameras, nesi (8525.80.30); and spectacle lenses of materials other than glass, unmounted (HTS 9001.50.00).

Analytical Approach

* * * * *

Chapter 2

Addition: Other Rolled or Flaked Grains (Beneficiary Developing Countries)⁵

Table 2.1: Other rolled or flaked grains

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017
1104.19.90 ^a	Other rolled or flaked grains	0.45 cents per kg (1.3 percent ad valorem equivalent)

^a HTS subheading 1104.19.90 is currently eligible for duty-free treatment for least-developed beneficiary developing countries under the provisions of the GSP.

Description and Uses

The products classified under HTS subheading 1104.19.90 are grains other than oats, barley, or rice that have been rolled or flaked.⁶ This subheading includes rolled or flaked grains such as quinoa, wheat, corn, rye, sorghum, buckwheat, millet, amaranth, and kamut. At grain mills that produce rolled or flaked grains, grains are typically washed and sorted, then steamed and passed through rollers or flaking rollers. The exact process varies depending on the specific final product. For example, to produce buckwheat flakes, buckwheat is cut and then flaked.⁷ The rolling or flaking process can result in intermediate products or in finished foods. Rolled or flaked grains are primarily used as breakfast cereals, as ingredients for processed foods (e.g., for bread, cereal, crackers, granola, nutritional bars, and snacks), for brewing, as animal feed, and in cosmetic and industrial products (e.g., facial scrubs, soap, industrial fermentation products).⁸

⁵ The Ministry of Foreign Affairs of Bolivia filed a petition with the USTR requesting the addition of this HTS subheading to the list of articles eligible for duty-free treatment under the provisions of the GSP for all beneficiary developing countries (BDCs).

⁶ This category does not include some grain products that have been rolled but are classified under other HTS subheadings, such as flour, groats, meal, pellets, or powders.

⁷ Dakota Specialty Milling, "Products: Buckwheat Flakes,"

www.dakotaspecialtymilling.com/products/186/buckwheat-flakes (accessed March 20, 2017).

⁸ The rolling or flaking process is also used to make whole rolled flakes and quick flakes. Quick flakes are thinner and hydrate more quickly, resulting in breakfast products with shorter preparation time or faster absorbency when making dough.

Advice

* * * * *

Profile of U.S. Industry and Market, 2012–16

The United States has a large grain milling industry. Shipments of all non-flour milled products totaled nearly \$2.0 billion in 2015,⁹ though products classified under HTS 1104.19.90 accounted for only a small portion of these shipments. While precise U.S. production and consumption figures for the products classified under this HTS subheading are not available, they are much larger than those for U.S. imports and exports, which were \$5.1 million and \$10.8 million, respectively, in 2016 (table 2.2). Grain mills are located throughout the United States, with concentrations near large grain production areas in the Midwest and Pacific Northwest, and near the larger consumer markets in California and on the East Coast. Grain mills vary greatly in size and structure, with some mills operated by multinational corporations (such as ADM and Cargill) or food and cereal manufacturers (such as General Mills and the Kellogg Company), while others are smaller-scale specialty grain mills. There is a high degree of integration between U.S. and Canadian grain production and milling.¹⁰

The United States is among the top three producers of a number of grains, including corn, sorghum, and wheat, and has significant production of other grains including buckwheat, millet, and rye. However, there are grains, such as quinoa, that are not widely produced in the United States.¹¹ Different rolled or flaked grains have unique nutritional properties, flavor, and texture characteristics. For some applications, they may be interchangeable, but for others they are not. For example, rolled or flaked grains used in livestock feed are somewhat interchangeable with one another, depending on price and feed nutrition requirements, although higher-value grains such as quinoa are not likely put to this use. And although consumers may substitute one grain product for another within the breakfast cereal category, rolled or flaked grains intended for specific breakfast cereals are not interchangeable with each other.

⁹ U.S. Census, “Value of Shipments for Product Classes” (accessed January 23, 2017). This includes wheat mill products, excluding flour (NAICS code 3112114) and other grain mill products (NAICS 311211B). It could include products from oats and barley, which are not covered by HTS 1104.19.90.

¹⁰ USDA, ERS, “North America Moves towards One Market,” June 1, 2005, 3. Many grain handling, milling, and food manufacturing companies have operations in Canada and the United States.

¹¹ U.S. quinoa production is growing, but is still so minor that total quinoa acreage is not shown in the agricultural census. One report estimates U.S. quinoa production to be 3,000 to 5,000 acres. Fox News, “American Quinoa Farmers Growing in Numbers,” October 6, 2016; Cernankys, “American-Growth Quinoa,” November 21, 2016.

Table 2.2: Other rolled or flaked grains (HTS subheading 1104.19.90): U.S. producers, employment, production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	(^a)				
Employment (1,000 employees)	(^a)				
Production (1,000 \$)	(^a)				
Exports (1,000 \$)	6,325	5,943	5,320	4,811	10,792
Imports (1,000 \$)	4,739	5,228	4,889	4,401	5,137
Consumption (1,000 \$)	(^a)				
Import-to-consumption ratio (percent)	(^a)				
Capacity utilization (percent)	(^a)				

Source: Trade data compiled from official statistics from the U.S. Department of Commerce.

^a Not available.

GSP Import Situation, 2016

U.S. imports from all GSP-eligible countries under HTS subheading 1104.19.90 are relatively small, valued at about \$739,000 in 2016, or 14 percent of total U.S. imports of these products (table 2.3). The majority (77 percent) of imports from GSP-eligible countries came from Bolivia, with additional imports from Ghana, India, Nepal, and Moldova.¹² Although information is not available on the specific types of rolled or milled grains imported, they most likely are either (1) rolled or flaked specialty grains, such as quinoa, to be used as inputs by food manufacturers (accounting for the majority of imports from Bolivia); or (2) rolled or flaked grains that are packaged as branded, retail-ready products destined for ethnic markets (accounting for the majority of imports from Ghana, India, Nepal, and Moldova). These branded products would likely include rolled or flaked millet, sorghum, rye, and buckwheat that consumers use to make hot cereals, porridges, snack foods, and baked goods. Product mixes likely differ by country, depending on the specific types of grains that are popular in each country's cuisine. While U.S. consumption values for this HTS subheading are not available, imports from GSP countries likely represented less than 1 percent, based on the total value of all non-flour shipments from U.S. millers.

The U.S. market is important to the Bolivian rolled and flaked grains industry, accounting for a significant portion of its global exports in this category, which were \$1.6 million in 2016.¹³ The United States was its leading export market, followed by Brazil and Australia; these three countries together accounted for 84 percent of Bolivian exports in this category.¹⁴

¹² Imports from Ghana are already eligible for duty-free treatment for this product under the African Growth and Opportunity Act (AGOA).

¹³ India HS 1104.19.00 is rolled/flaked grains of other cereals, excluding rice and oats. IHS Markit, Global Trade Atlas database (accessed April 19, 2017).

¹⁴ IHS Markit, Global Trade Atlas database (accessed April 3, 2017).

Conversely, the United States is not a major destination for India's exports, which were approximately \$388,000 in 2016 and mostly destined for the Middle East.¹⁵ Indian exports are likely mostly rolled or flaked wheat, millet, or sorghum packaged for retail sale.

Table 2.3: Other rolled or flaked grains (HTS subheading 1104.19.90): U.S. imports for consumption (thousand dollars) and share of U.S. consumption (percent), 2016

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	5,137	100	(^a)	(^b)
Imports from GSP-eligible countries:				
Total	739	14	100	(^b)
Bolivia	568	11	77	(^b)
Ghana	78	2	11	(^b)
India	53	1	7	(^b)
Nepal	31	1	4	(^b)
Moldova	8	(^c)	1	(^b)

^a Not applicable.

^b Not available.

^c Less than 0.5 percent.

U.S. Imports and Exports

By far the largest supplier of other rolled or flaked grains to the United States is Canada (table 2.4), which supplies products for both food and animal feed use. In 2016, imports from Canada accounted for 71 percent of total U.S. imports in this category and likely included rolled or flaked corn, wheat, barley, millet, buckwheat, rye, and spelt. There is a large degree of integration and a well-established supply chain between the U.S. and Canadian grain markets for both food manufacturing and feed use.¹⁶ There are also potentially some U.S. imports of rolled or flaked quinoa from Canada that were made from Bolivian whole-grain quinoa (imported by Canada under HS Chapter 10) and that were rolled or flaked before being re-exported to the United States (under HS Chapter 11).¹⁷ Imports from Canada are eligible for duty-free treatment under the North American Free Trade Agreement (NAFTA).

¹⁵ Ibid. (accessed April 19, 2017).

¹⁶ USDA, ERS, "North America Moves towards One Market," June 1, 2005, 3.

¹⁷ Government of Bolivia, Notice of intent to testify and pre-hearing brief, February 21, 2017, 5.

Most U.S. imports of rolled or flaked grains from countries other than Canada are likely products for human consumption, including rolled or flaked quinoa from Bolivia, to be used as an ingredient for cereals, snacks, and other food products. Bolivia and South Korea account for most of the rest of U.S. imports under this HTS subheading. Between 2012 and 2016, U.S. imports from South Korea fell from 680 metric tons valued at \$927,734 to 480 metric tons valued at \$436,775. In absolute terms, this is not a large decrease, and could have been the result of changes in production, pricing, sourcing, or importing decisions from a single snack food or cereal company. At the same time, U.S. imports from Bolivia expanded from zero in 2012 to \$568,221 in 2016, when Bolivia overtook South Korea to become the second-largest source for U.S. imports in this category. The expansion of U.S. imports from Bolivia and Peru is likely due to growing demand for rolled or flaked quinoa in the United States for use in food preparations.¹⁸ Bolivian quinoa production¹⁹ grew nearly three-fold between 2005 and 2014.²⁰ Quinoa production has increased in response to higher global prices and increased global demand due to its “superfood” status.²¹ U.S. imports of rolled or flaked quinoa from Bolivia, however, are small compared to U.S. imports of Bolivian whole grain quinoa (\$37.4 million in 2016).²²

Table 2.4: Other rolled or flaked grains (HTS subheading 1104.19.90): U.S. imports for consumption by principal sources, 2012–16 (\$)

Country	2012	2013	2014	2015	2016
Canada ^a	3,622,010	4,296,160	4,074,694	3,432,568	3,653,204
Bolivia	0	70,109	40,654	214,587	568,221
South Korea ^a	927,734	688,324	594,062	349,113	436,775
United Kingdom	0	35,427	2,091	22,800	122,805
Peru ^a	0	0	0	96,222	80,548
Ghana	0	0	0	71,361	78,313
India	9,323	12,803	19,903	40,610	53,175
Germany	7,299	23,374	40,709	35,307	37,116
Nepal	0	2,781	12,090	6,974	30,569
Italy	2,118	0	0	50,799	19,753
All other	170,960	98,970	105,210	81,072	56,134
Total	4,739,444	5,227,948	4,889,413	4,401,413	5,136,613
Imports from GSP-eligible countries:					
Bolivia	0	70,109	40,654	214,587	568,221
Ghana	0	0	0	71,361	78,313
India	9,323	12,803	19,903	40,610	53,175
Nepal	0	2,781	12,090	6,974	30,569
Moldova	0	0	2,674	2,627	8,305
Sri Lanka	0	6,677	0	0	0

¹⁸ *Economist*, “Quinoa: Against the Grain,” May 21, 2016.

¹⁹ There are at least three producers of rolled or flaked quinoa in Bolivia: Coronilla, Manka, and the National Association of Quinoa Producers. Government of Bolivia, Notice of intent to testify and pre-hearing brief, February 21, 2017, 6.

²⁰ FAO, FAOSTAT crop production database (accessed March 15, 2017); World Bank, “Quinoa: A ‘Superfood,’” February 19, 2013.

²¹ Aubrey, “Your Love of Quinoa Is Good News,” July 17, 2013.

²² USITC/USDOC, DataWeb, (accessed March 15, 2017).

Country	2012	2013	2014	2015	2016
Mali	0	0	4,600	0	0
Armenia	33,911	0	0	0	0
Nigeria	0	0	10,544	0	0
Turkey	0	0	12,000	0	0
Lebanon	0	0	2,100	2,625	0
Total	43,234	92,370	104,565	338,784	738,583

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

^a Free Trade Agreement (FTA) partner.

In 2016, the United States exported a record \$10.8 million worth of other rolled or flaked grains (table 2.5). These exports were mostly to NAFTA partners, with 67 percent destined for Mexico, which accounted for most of the growth, and another 20 percent to Canada. Based on the high unit values, most of the exports are likely inputs for food manufacturing, including products such as rolled or flaked corn, rye, wheat, sorghum, and millet. This growth in exports is likely because of increased Mexican production of cereals, snacks, and biscuit products to meet consumer demand in both Mexico and the United States. This appears to reverse a previous trend, as U.S. exports fell from \$6.3 million in 2012 to \$4.8 million in 2015.

Table 2.5: Other rolled or flaked grains (Schedule B 1104.19.90): U.S. exports of domestic merchandise, by market, 2012–16 (\$)

Country	2012	2013	2014	2015	2016
Mexico ^a	1,815,992	1,057,867	2,099,618	1,720,452	7,262,682
Canada ^a	2,007,884	1,579,782	2,184,193	2,170,948	2,191,929
Israel ^a	91,745	315,425	279,275	402,172	522,319
Malaysia	245,048	238,108	236,807	122,887	430,668
Turks and Caicos	0	0	39,083	52,109	85,961
Turkey	66,140	0	0	0	68,554
Bahamas	21,015	23,000	0	118,419	46,215
Ireland	0	0	0	0	28,200
United Kingdom	25,114	0	7,100	10,354	26,206
China	0	1,265,815	0	3,052	15,661
All other	2,052,523	1,463,349	473,966	211,045	113,510
Total	6,325,461	5,943,346	5,320,042	4,811,438	10,791,905

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

^a FTA partner.

Positions of Interested Parties

Petitioner. The Vice Ministry of International Trade and Integration of the Ministry of Foreign Affairs of Bolivia filed a petition with USTR under the provisions of the GSP requesting the addition of HTS subheading 1104.19.90. The petitioner also appeared at the USITC hearing and submitted written comments.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 3

Addition: Preserved Pineapples (Beneficiary Developing Countries)²³

Table 3.1: Preserved pineapples

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017
2008.20.00 ^a	Otherwise prepared or preserved pineapple	0.35 cents per kg (0.3 percent ad valorem equivalent)

^a HTS subheading 2008.20.00 is currently eligible for duty-free treatment under the provisions of the GSP only for least-developed beneficiary countries.

Description and Uses

The product classified under HTS subheading 2008.20.00 is prepared or preserved pineapple, whether or not containing cane and/or beet sugar. This HTS subheading contains canned pineapple, dried pineapple,²⁴ pineapple pulp,²⁵ and other preserved pineapple products such as pineapple pie filling. The preserved pineapple products in this category do not include jams, purees, or pastes obtained by cooking. Canned pineapple, the most common product in the category, is produced from fresh pineapple from which the peel and core have been removed. The principal styles of canned pineapple sold in the U.S. market include slices, spears, tidbits, chunks, and crushed.²⁶ Preserved pineapple is a shelf-stable food commonly consumed alone as a snack, dessert, or side dish, but it is also used as an ingredient in fruit salads or cocktails, on pizzas, on meats, and in sauces. In addition, preserved pineapple is used in the preparation of baked goods such as cakes, breads, pies, and other desserts.²⁷ Preserved pineapple is sold at the retail level, through food service distributors, and to food manufacturers for downstream processing.²⁸

²³ The Ministry of Foreign Affairs of Bolivia filed a petition with the USTR requesting the addition of this HTS subheading to the list of articles eligible for duty-free treatment under the provisions of the GSP for all beneficiary developing countries (BDCs).

²⁴ U.S. Customs and Border Protection Ruling N006496, "Tariff Classification of Prepared Fruits from Thailand and the Philippines," February 20, 2007.

²⁵ U.S. Customs and Border Protection Ruling NY J87670, "Tariff Classification of Fruit Pulp from Colombia," August 13, 2003.

²⁶ USITC, "Canned Pineapple Fruit from Thailand," March 2007, I-13.

²⁷ USITC, "Canned Pineapple Fruit from Thailand," March 2007, I-14.

²⁸ Canned pineapple fruit is typically sold in 20-ounce, 15–15.5-ounce, and 8-ounce cans at the retail level, and in 1-gallon (number 10) cans at the food-service level. USITC, "Canned Pineapple Fruit from Thailand," March 2007, I-14.

Advice

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Profile of U.S. Industry and Market, 2012–16

There is no large-scale commercial canned pineapple industry or production in the United States (table 3.2).²⁹ Maui Land and Pineapple Co., the last U.S. producer of canned pineapple,³⁰ ended its canning operations in 2007.³¹ There is some small-scale domestic production of preserved pineapple products, such as pineapple pie filling, but this production does not include canned pineapple.³² Due to limited domestic production of preserved pineapple products, U.S. consumption is supplied almost entirely through imports.

U.S. demand for canned pineapple is largely driven by retail, institutional, and food service purchasing.³³ Preserved pineapple is sold at retail outlets and is also used by food processors as an ingredient in baked goods and other processed foods. In 2015, domestic demand for canned pineapple was 733 million pounds.³⁴ On a per capita basis, domestic demand for canned pineapple declined slightly (by 1 percent) between 2012 and 2015, from 2.31 pounds per capita in 2012 to 2.28 pounds per capita in 2015.³⁵

²⁹ USDA, *Fruit and Tree Nuts Yearbook*, table G-27, “Canned Pineapples: Supply and Utilization, Processed-Weight Basis, 1980 to Date” (accessed March 6, 2017).

³⁰ USITC, “Canned Pineapple Fruit from Thailand,” March 2007, 3.

³¹ Maui Pineapple halted canning in 2007. At the end of 2009, Maui Land & Pineapple Inc. announced it would shut down all pineapple operations. *Hawaii StarBulletin*, “Maui Pineapple Harvests Final Crop,” December 24, 2009; Paiva, “End of an Era,” November 4, 2009.

³² Industry representative, telephone interview by USITC staff, March 2017.

³³ USITC, “Canned Pineapple Fruit from Thailand,” March 2007, II-13. This report notes, “Purchasers reported seasonal variation in demand. Retail demand for canned pineapple fruit increases around Easter, and is highest during the Thanksgiving/Christmas holiday season, as noted by 12 purchasers. Six purchasers described demand as being ‘consistent’ throughout the year. Two purchasers in the food service market segment reported that demand is driven largely by school purchases, and declines in the summer months.”

³⁴ USDA, *Fruit and Tree Nuts Yearbook*, 2017, table G-27, “Canned Pineapples: Supply and Utilization, Processed-Weight Basis, 1980 to Date.” Utilization data are available only for canned pineapple, not the entire preserved or prepared pineapple category. Utilization data are not available on a value basis.

³⁵ USDA, *Fruit and Tree Nuts Yearbook*, 2017, table G-27, “Canned Pineapples: Supply and Utilization, Processed-Weight Basis, 1980 to Date.”

Table 3.2: Preserved pineapple (HTS subheading 2008.20.00): U.S. producers, employment, production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	(^a)				
Employment (1,000 employees)	(^a)				
Production (1,000 \$)	(^a)				
Exports (1,000 \$)	2,537	3,188	2,602	3,023	3,830
Imports (1,000 \$)	315,603	319,420	307,738	386,836	383,076
Consumption (1,000 \$)	(^a)				
Import-to-consumption ratio (percent)	(^a)				
Capacity utilization (percent)	(^a)				

Source: Trade data compiled from official statistics from the U.S. Department of Commerce.

^a Not available.

GSP Import Situation, 2016

Imports of preserved pineapple from GSP-eligible suppliers accounted for at least 94 percent of total U.S. imports in each year of the 2012–16 period. In 2016, U.S. imports from all GSP-eligible countries under HTS subheading 2008.20.00 were \$359 million (table 3.3). Imports of preserved pineapple from the three largest suppliers (Thailand, the Philippines, and Indonesia) together accounted for 93 percent of total imports and 99 percent of all GSP-eligible imports in 2016. Thailand consistently accounted for about half of total U.S. imports during 2012–16,³⁶ while the Philippines consistently accounted for almost one-third, and Indonesia accounted for between 13 and 18 percent of total U.S. import values during this time.

The majority of imports from GSP-eligible countries were of canned pineapple fruit. Thailand, the Philippines, and Indonesia³⁷ have mature canned pineapple industries in terms of

³⁶ Thailand has therefore already exceeded the competitive needs limitation threshold for GSP benefits.

³⁷ There are two major canned pineapple exporters in Indonesia. One of these, Great Giant Pineapple (GGP), “operates the largest integrated canned pineapple facility in the world,” according to its website; GGP states that it “processes more than 500,000 tons of pineapples and exports 11,000 containers of canned pineapples to more than 60 countries.” Gunung Sewu, Great Giant Pineapple website, <http://gunungsewu.com/our-business/pt-giant-great-pineapple> (accessed February 2017).

machinery and method. Major U.S.-headquartered canned fruit companies, including Dole and Del Monte, also have a notable presence in Thailand and the Philippines.³⁸

Some GSP-eligible countries that do not currently export canned or preserved pineapple to the United States have shown an interest in the U.S. market. For example, there were no imports from Bolivia, the petitioner for the product addition. In 2015, Bolivia only exported about \$438,000 worth of preserved pineapple, primarily to Argentina.³⁹ By 2016, however, Bolivia more than doubled its total exports to \$1.1 million, about three-quarters of which were exported to Argentina and the remainder to Uruguay.⁴⁰ The Bolivian government is actively involved in establishing an export-oriented processed pineapple industry through a publicly owned firm, Insumos Bolivia, which produces canned pineapple.⁴¹ While Kenya's import market share was less than 1 percent in 2016, it reached a high of 3 percent in 2015. In addition, its exports to the United States generally increased over the period; however, Kenya already benefits from duty-free treatment for eligible goods under the African Growth and Opportunity Act (AGOA).⁴²

³⁸ For example, Dole Thailand Co., Ltd. (Dole Thailand) has pineapple production and processing facilities in Thailand. Dole Thailand website, <http://www.dole.co.th/about> (accessed February 2017). Del Monte Philippines operates the largest integrated pineapple operation in the world, according to its website. The website also states that some 700,000 tons of pineapple and papaya are processed each year at its manufacturing plant, accounting for about one-tenth of the world's annual production of processed pineapple products. Del Monte Philippines website, <http://www.delmonte.ph/about-us> (accessed February 2017).

³⁹ IHS Markit, Global Trade Atlas database, export data for HS2008.20 "Pineapples, prepared or preserved, whether or not containing added sweetening or spirit, nesoi" (accessed March 6, 2017). Bolivia's exports to Argentina accounted for 98 percent of its total exports in this subheading.

⁴⁰ IHS Markit, Global Trade Atlas database, export data for HS2008.20 "Pineapples, prepared or preserved, whether or not containing added sweetening or spirit, nesoi" (accessed March 6, 2017).

⁴¹ USITC, hearing transcript, February 21, 2017, 26–32 (testimony of Mr. Bilbao la Vieja Ruiz, Minister-Counselor, Ministry of Foreign Affairs, Embassy of Bolivia). The U.S. Agency for International Development (USAID) has also promoted the establishment of a pineapple industry in Bolivia. In June 2015, Insumos Bolivia established a pineapple processing plant as part of an "alternative development plan" established by the Bolivian government. This plan replaced a "U.S. funded program seeking to eradicate coca in Bolivia" (Embassy of Bolivia, written submission to USITC, February 21, 2017, 8–9). Insumos Bolivia has installed capacity to produce canned pineapple. The canned pineapple may be cut into slices or into triangular pieces from the pulp of harvested pineapple. Production can reach 259,277 cans of pineapple slices per year, 1,037,110 cans of pineapple pieces per year, and 21,606 boxes containing 12 cans of 1 kg per box, or 24 cans per carton of 0.5 kg per box (Embassy of Bolivia, written submission to the USITC, February 21, 2017, 9–10).

⁴² General Note 16 to 2017 Harmonized Tariff Schedule of the United States, 194. The product under HTS subheading 2008.20.00 is free of duty under special rate code "D" (AGOA), upon importer claim.

Table 3.3: Preserved pineapple (HTS subheading 2008.20.00): U.S. imports for consumption (thousand dollars) and share of U.S. consumption (percent), 2016

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	383,076	100	(^a)	(^b)
Imports from GSP-eligible countries:				
Total	359,310	93	100	(^b)
Thailand	208,650	54	58	(^b)
Philippines	96,698	25	27	(^b)
Indonesia	50,569	13	14	(^b)
Kenya	2,869	1	1	(^b)
Sri Lanka	383	(^c)	(^c)	(^b)

^a Not applicable.^b Not available.^c Less than 0.5 percent.

U.S. Imports and Exports

The largest suppliers of prepared or preserved pineapple to the United States are large GSP-eligible pineapple producers in Southeast Asia, primarily Thailand, the Philippines, and Indonesia (table 3.4). Total U.S. imports in 2016 reached \$383 million.⁴³ In 2016, imports from Thailand, the Philippines, and Indonesia together accounted for approximately 93 percent of total U.S. imports. Most of the imports from non-GSP eligible countries were from China, Vietnam, and Malaysia, and in 2016, these countries together represented only 5 percent of total imports. Imports of originating goods from Canada and Mexico were less than \$1 million each in 2016 and were eligible for duty-free treatment under NAFTA.

⁴³ Although U.S. imports increased by 21 percent in value terms between 2012 and 2016, the actual volume of preserved pineapple products declined by 3 percent, from 330,327 mt in 2012 to 320,554 mt in 2016.

Table 3.4: Preserved pineapple (HTS subheading 2008.20.00): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Thailand	157,128,165	161,010,594	155,941,516	196,412,392	208,650,302
Philippines	88,384,370	99,674,631	87,576,207	91,026,789	96,698,111
Indonesia	51,554,908	43,254,234	53,123,405	69,093,526	50,568,778
China	10,180,632	9,775,791	3,676,470	9,638,726	12,529,241
Vietnam	1,451,409	534,836	1,859,439	4,582,156	7,024,985
Kenya	0	457,632	1,579,535	10,027,099	2,869,428
Malaysia	2,606,324	1,959,367	1,297,627	1,538,428	1,189,674
Canada ^a	1,215,221	1,028,688	771,260	981,751	947,487
Mexico ^a	1,692,483	661,567	790,617	884,488	901,992
Colombia ^a	(^b)	161,065	279,194	411,431	547,656
All other	1,144,966	901,573	842,771	2,239,339	1,148,410
Total	315,602,586	319,419,978	307,738,041	386,836,125	383,076,064
Imports from GSP-eligible countries:					
Thailand	157,128,165	161,010,594	155,941,516	196,412,392	208,650,302
Philippines	88,384,370	99,674,631	87,576,207	91,026,789	96,698,111
Indonesia	51,554,908	43,254,234	53,123,405	69,093,526	50,568,778
Kenya	0	457,632	1,579,535	10,027,099	2,869,428
Sri Lanka	11,236	71,149	112,430	1,093,291	382,880
Ecuador	3,391	9,080	7,289	44,189	68,337
India	2,006	98,084	0	0	43,039
Lebanon	0	0	5,175	13,995	16,256
South Africa	0	0	0	0	11,250
Brazil	0	11,972	5,832	0	2,005
Colombia	244,108	(^b)	(^b)	(^b)	(^b)
Total	297,328,184	304,587,376	298,351,389	367,711,281	359,310,386

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

^a Free trade agreement (FTA) partner.

^b On May 15, 2012, the U.S.-Colombia Trade Promotion Agreement entered into force, ending Colombia's GSP eligibility (Presidential Proclamation 8818 of May 14, 2012). As a result, imports from Colombia are included only in the top section of the table after 2012.

U.S. exports of preserved pineapple (\$3.8 million in 2016) are limited (table 3.5), especially in comparison to U.S. imports of preserved pineapple (\$383 million in 2016) (table 3.4). The majority of U.S. exports were sold to NAFTA partners.⁴⁴

Table 3.5: Preserved pineapple (Schedule B 2008.20.00): U.S. exports of domestic merchandise, by market, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Mexico ^a	1,615,616	1,109,680	1,155,125	1,432,646	1,418,088
Canada ^a	711,595	1,612,543	1,076,031	761,925	683,591
United Arab Emirates	10,148	14,447	9,794	17,453	660,921
Thailand	0	0	0	0	350,183

⁴⁴ U.S. exports of originating goods to Mexico and Canada are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA) for pineapple of a tariff chapter other than 20 that is processed into a good of HS 2008.20.

Chapter 3: Preserved Pineapples

Country	2012	2013	2014	2015	2016
Singapore ^a	32,440	20,080	53,240	123,034	111,360
Japan	0	10,560	0	0	71,869
Guatemala	0	11,193	28,577	29,837	62,088
Netherlands	22,315	0	0	0	62,062
Trinidad and Tobago	11,370	7,551	14,828	29,251	56,255
Jamaica	8,558	69,663	68,209	105,192	49,767
All other	125,232	332,184	196,170	523,934	304,303
Total	2,537,274	3,187,901	2,601,974	3,023,272	3,830,487

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

^a FTA partner.

Positions of Interested Parties

Petitioner. The Vice Ministry of Foreign Trade and Integration of the Ministry of Foreign Affairs of Bolivia filed a petition with USTR under the provisions of the GSP requesting the addition of HTS subheading 2008.20.00. The petitioner also appeared at the USITC hearing and filed written submissions.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 4

Addition: Miscellaneous Saturated Acyclic Monocarboxylic Acids and Certain Forms and Derivatives (Beneficiary Developing Countries)⁴⁵

Table 4.1: Miscellaneous saturated acyclic monocarboxylic acids and certain forms and derivatives

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017
2915.90.18 ^a	Miscellaneous saturated acyclic monocarboxylic acids and certain forms and derivatives	4.2 percent

^a HTS subheading 2915.90.18 is not currently eligible for duty-free treatment under the provisions of the GSP.

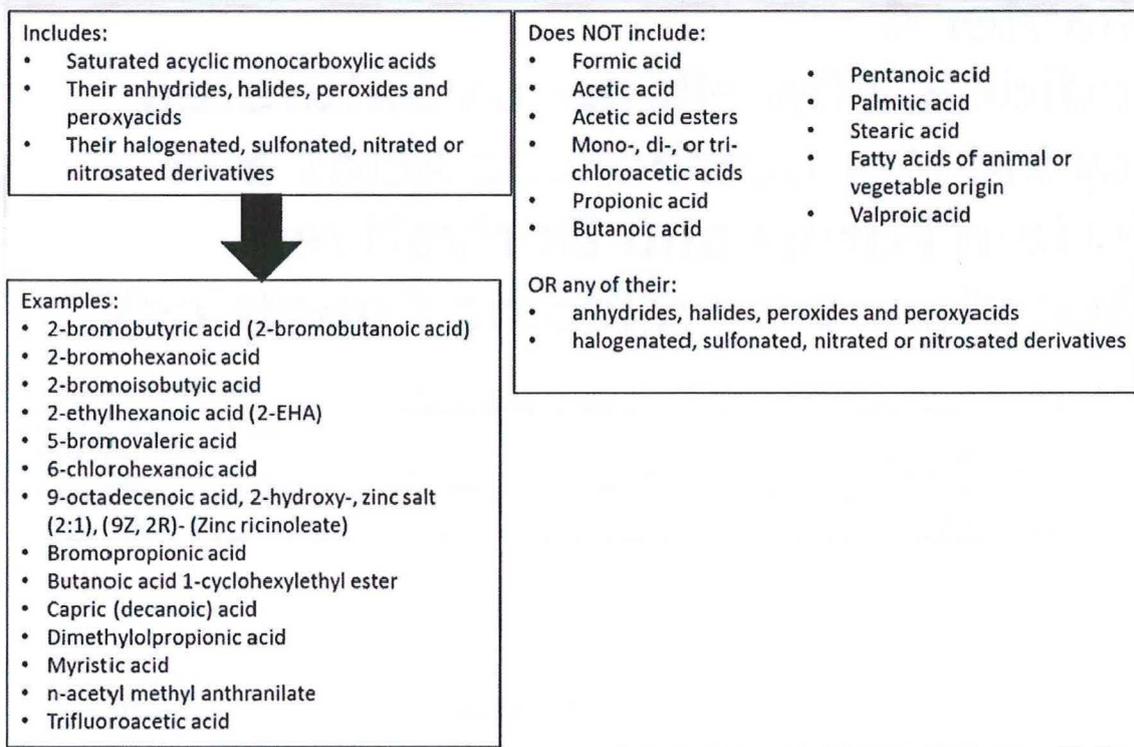
Description and Uses

The chemicals classified under HTS subheading 2915.90.18 are a wide range of substances defined as seen in the list in figure 4.1.⁴⁶ There are likely many other, unidentified chemicals classifiable in this category in addition to the examples shown in figure 4.1.

⁴⁵ The Brazilian chemical company Elekeiroz filed a petition with the USTR requesting the addition of this HTS subheading to the list of articles eligible for duty-free treatment under the provisions of the GSP for all beneficiary developing countries (BDCs).

⁴⁶ Monocarboxylic acid is an organic chemical with a single carboxyl group (a carbon atom attached to two oxygen atoms and one hydrogen atom). These acids usually have strong odors and exist widely in nature.

Figure 4.1: Diagram of products included and not included under HTS subheading 2915.90.18



Source: Compiled by USITC staff from description in the HTS.

The chemicals in this category have many different end uses. They are used as intermediates; as agents to analyze other chemicals; in emulsifiers, surfactants, fragrances, odor-adsorbing agents, opacifying agents, cleansing agents, and food additives; and in pharmaceutical and plastics manufacturing. For example, 2-EHA is used to make other chemicals that are used to make plasticizers, which can be used for vinyl flooring.⁴⁷ By comparison, myristic acid, which is found naturally in palm oil, is used in cosmetics;⁴⁸ zinc ricinoleate is derived from castor oil and is used as a deodorizing agent.⁴⁹ Most or all of the chemicals in this subheading are not substitutable for each other because most chemical production processes require specific chemical inputs.

⁴⁷ [* * *].

⁴⁸ Truth in Aging, "Myristic Acid" (accessed April 5, 2017).

⁴⁹ Tom's of Maine, "Ingredients: Zinc Ricinoleate," <http://www.tomsomaine.com/ingredients/overlay/zinc-ricinoleate> (accessed April 5, 2017).

Advice

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Profile of U.S. Industry and Market, 2012–16

The overall U.S. chemicals industry produced goods valued at \$797 billion in 2015, the most recent year for which data are available.⁵⁰ The subset of the U.S. chemical industry producing the chemicals in this HTS subheading includes 14 companies that are confirmed to produce one or more of the 15 chemicals specifically identified above. These companies range from Dow Chemical, which as the largest U.S. chemicals company in 2015⁵¹ had approximately 25,000 employees in the United States and global net sales of \$48 billion in 2016, to Norquay Technology in Pennsylvania, a privately held company with 11–50 employees. These 14 companies' production facilities are located in 12 states spanning all regions of the United States.⁵² There are likely additional companies that produce the unidentified chemicals in this category, as reflected in the number of producers shown in table 4.2.

Trends in consumption and demand are difficult to assess because the market for the wide variety of chemicals in this category is driven by demand for the many downstream chemical products into which these chemicals are incorporated. The imported chemicals in this category are directly competitive with and substitutable for U.S. chemicals with the same chemical formulation.

⁵⁰ American Chemistry Council, "American Chemistry and Energy," June 7, 2016.

⁵¹ Tullo, "Top 50 U.S. Chemical Producers of 2015," May 9, 2016, 16–19.

⁵² IHS Markit, "Directory of Chemical Producers" (accessed February 8, 2017).

Table 4.2: Miscellaneous saturated acyclic monocarboxylic acids and certain forms and derivatives (HTS subheading 2915.90.18): U.S. producers, employment, production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	20–30	20–30	20–30	20–30	20–30
Employment (1,000 employees)	(^a)				
Production (1,000 \$)	(^a)				
Exports (1,000 \$)	212,937	189,656	222,071	214,495	179,862
Imports (1,000 \$)	43,489	65,984	76,596	70,755	66,596
Consumption (1,000 \$)	(^a)				
Import-to-consumption ratio (percent)	(^a)				
Capacity utilization (percent)	(^a)				

Source: Number of domestic producers estimated by USITC staff from various industry sources. Trade data compiled from official statistics from the U.S. Department of Commerce.

^a Not available.

GSP Import Situation, 2016

GSP-eligible import sources accounted for 5 percent of total imports of chemical products in this category in 2016 and came from Brazil, Indonesia, and India (table 4.3). Brazil, overall the eighth-largest supplier of chemical products in this category to the United States, accounted for 59 percent of GSP-eligible source imports in 2016.

Imports from GSP-eligible countries increased by 144 percent during the 2012–16 period, although import levels varied significantly from year to year. Total imports from India exceeded those from Brazil in some years. Among some of the chemicals identified as being classifiable in this category, [* * *],⁵³ and [* * *].⁵⁴

⁵³ [* * *].

⁵⁴ [* * *].

Table 4.3: Miscellaneous saturated acyclic monocarboxylic acids and certain forms and derivatives (HTS subheading 2915.90.18): U.S. imports for consumption and share of U.S. consumption, 2016 (thousand dollars)

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	66,596	100	(^a)	(^b)
Imports from GSP-eligible countries:				
Total	3,147	5	100	(^b)
Brazil	1,859	3	59	(^b)
Indonesia	705	1	22	(^b)
India	582	1	19	(^b)

^a Not applicable.^b Not available.

U.S. Imports and Exports

U.S. imports rose steadily from 2012 to 2014, but then declined in 2015 and 2016. Overall, imports increased 53 percent between 2012 and 2016, and volumes increased 114 percent.⁵⁵ Germany was the largest source of imports of chemical products in this category each year during 2012–16, with a 29 percent share in 2016, while France, the second-largest source, accounted for 19 percent (table 4.4).

U.S. exports (figures for Schedule B 2915.90.0000, which covers a broader group of goods than the relevant HTS subheading) decreased irregularly, resulting in an overall 16 percent decline between 2012 and 2016, though volumes decreased by less than 1 percent (table 4.5). Belgium was the United States' largest export market during three of the five years in this period. Mexico was the largest export market in 2014 and 2015, and exports of originating goods to Mexico were eligible for duty-free treatment under NAFTA. Because of the intermediate nature of the chemical products in this category, all exports were likely further processed in export markets.

⁵⁵ Unit value comparisons and analysis for products in this broad category are imprecise for both imports and exports.

Table 4.4: Miscellaneous saturated acyclic monocarboxylic acids and certain forms and derivatives (HTS subheading 2915.90.18): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Germany	10,385,894	30,095,915	35,760,330	25,164,290	19,302,514
France	13,072,103	12,233,967	11,705,115	11,401,714	12,641,566
Japan	7,775,503	12,735,203	11,602,341	14,164,138	10,834,729
Netherlands	3,978,604	3,517,144	4,541,707	6,512,006	6,817,808
Mexico ^a	2,821,808	2,877,143	2,745,272	2,994,598	3,858,690
Sweden	105,408	1,642,791	3,381,291	2,181,277	3,596,558
China	285,609	391,588	1,841,230	1,521,374	2,658,066
Brazil	561,590	250,879	261,861	1,136,787	1,859,134
Belgium	0	100,584	469,801	1,421,759	1,771,477
Spain	241,076	29,421	0	631,132	1,124,263
All other	4,261,632	2,109,752	4,286,748	3,625,985	2,131,026
Total	43,489,227	65,984,387	76,595,696	70,755,060	66,595,831
Imports from GSP-eligible countries:					
Brazil	561,590	250,879	261,861	1,136,787	1,859,134
Indonesia	3,049	70,473	394,627	1,234,020	705,108
India	715,493	403,934	1,785,168	1,138,311	582,324
Russia	10,566	0	(^b)	(^b)	(^b)
Total	1,290,698	725,286	2,441,656	3,509,118	3,146,566

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

^a Free trade agreement (FTA) partner

^b On October 3, 2014, President Obama issued Presidential Proclamation 9188 (79 Fed. Reg. 60945 (October 8, 2014)) terminating Russia's GSP eligibility, effective with respect to articles entered or withdrawn from warehouse for consumption on or after October 3, 2014. As a result, imports from Russia are included in the "all other" category in Table 4.4 beginning in 2014.

Table 4.5: Certain other saturated acyclic monocarboxylic acids and certain forms and derivatives (Schedule B 2915.90.0000): U.S. exports of domestic merchandise, by market, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Belgium	41,263,539	31,830,397	28,511,729	25,251,019	33,264,693
Mexico ^a	17,135,948	19,923,091	34,698,021	32,317,519	19,761,935
Singapore ^a	11,518,211	16,052,443	13,589,712	13,294,976	16,378,874
China	12,268,880	13,634,237	16,302,724	19,540,362	15,764,054
Canada ^a	17,019,917	15,974,299	16,262,539	13,605,483	11,868,007
Germany	11,621,806	11,342,970	11,454,397	9,147,690	9,831,203
India	2,771,239	6,398,510	14,450,653	12,080,051	9,049,196
Netherlands	8,381,212	10,201,085	9,722,869	18,691,431	8,368,521
Japan	5,242,886	6,647,523	7,866,301	6,981,440	7,626,948
Hong Kong	3,992,904	5,567,974	7,679,845	8,192,441	6,732,490
All other	81,719,963	52,083,040	61,532,543	55,391,489	41,215,651
Total	212,936,505	189,655,569	222,071,333	214,493,901	179,861,572

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

^a FTA partner.

Positions of Interested Parties

Petitioner. Elekeiroz, a Brazilian chemical company, filed a petition with USTR under the provisions of the GSP requesting the addition of HTS subheading 2915.90.18.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 5

Addition: Finishing Agents for Leather (Beneficiary Developing Countries)⁵⁶

Table 5.1: Finishing agents for leather

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017
3809.93.50 ^a	Finishing agents for leather	6 percent

^a HTS subheading 3809.93.50 is not currently eligible for duty-free treatment under the provisions of the GSP.

Description and Uses

A finishing agent is a chemical product applied to leather to affect its color, texture, weather resistance, or durability. The products in this category are commonly used in the leather industry to help affix dyes and stains to leather during the production process. Chemical mixtures classified under HTS subheading 3809.93.50, include finishing agents, dye carriers (used to accelerate dyeing or fixing of dyes), and other products and preparations, such as dressings or mordants used in the leather industry.⁵⁷ Excluded from this group are those containing 5 percent or more by weight of one or more aromatic or modified aromatic substances.⁵⁸ These chemicals are used to treat leather so that the original state or color of the leather would not be revealed if the leather surface and any coverings, such as polishes or waxes, were scratched or damaged.⁵⁹

Products in this category are mixtures defined by their end use and not by their chemical composition alone. Therefore, any mixture that can fulfill the required use can be classified in this category, although similar mixtures with different end uses may be classified elsewhere in the HTS. Identified products classifiable in this category include six proprietary mixtures of solely nonorganic materials (salts) or of organic and inorganic components from a producer in Germany,⁶⁰ the largest source of imports of finishing agents for leather to the United States. Products in this category likely include a variety of mixtures of inorganic chemicals or of

⁵⁶ The Brazilian Ministry of Foreign Affairs filed a petition with the USTR on behalf of ASSINTECAL, a Brazilian association of leather and footwear companies, requesting the addition of this HTS subheading to the list of articles eligible for duty-free treatment under the provisions of the GSP for all beneficiary developing countries (BDCs).

⁵⁷ A mordant is a substance that combines with a dye or stain to fix it in a material.

⁵⁸ Aromatic substances are typically stable molecules such as benzene (a colorless, flammable petrochemical) and toluene (a water-insoluble liquid).

⁵⁹ Industry representative, telephone interview by USITC staff, February 24, 2017.

⁶⁰ CBP, ruling NY G89471, July 13, 2001; CBP, ruling NY G88431, July 13, 2001; CBP, ruling NY G89599, July 9, 2001.

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inorganic and organic chemicals. Therefore, some unidentified products are classifiable in this category.

Advice

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Profile of U.S. Industry and Market, 2012–16

The overall U.S. chemicals industry produced goods valued at \$797 billion in 2015.⁶¹ Finishing agents for leather account for a minute portion of total U.S. chemical production. These goods are applied after tanning to produce leather that meets leather product manufacturers' needs and specifications. Dow Chemical—the largest U.S. chemicals company, with approximately 25,000 U.S. employees and global net sales of \$48 billion in 2016⁶²—produces the types of chemical mixtures in this category.⁶³ In addition, some U.S. leather manufacturers reportedly produce chemical mixtures in this category within their company as part of the manufacturing process, creating their own proprietary chemical mixtures (table 5.2).⁶⁴ The imports of chemical mixtures in this category may be competitive with and substitutable for U.S. finishing agents if the mixtures have the same end use.

The U.S. leather industry drives the domestic demand for these finishing agents. In 2014, there were 1,174 firms in this industry, down from 1,398 in 2006.⁶⁵ The value of leather industry production has also declined slightly in recent years, from \$5.3 billion in 2013 to \$5.0 billion in 2015 (and down from its high of \$5.9 billion in 2006).⁶⁶ About one-third of firms in the U.S. leather industry specialize in leather tanning and finishing, while the other two-thirds specialize in manufacturing finished leather products, such as shoes and handbags.⁶⁷

⁶¹ American Chemistry Council, "American Chemistry and Energy," June 7, 2016.

⁶² Tullo, "Top 50 U.S. Chemical Producers of 2015," May 9, 2016, 16–19.

⁶³ Industry representative, telephone interview by USITC staff, February 24, 2017.

⁶⁴ Industry representative, email to USITC staff, February 7, 2017.

⁶⁵ U.S. Census, Survey of U.S. Businesses, American FactFinder database.

⁶⁶ U.S. Census, Annual Survey of Manufactures, American FactFinder database.

⁶⁷ *Ibid.*

Table 5.2: Finishing agents for leather (HTS subheading 3809.93.50): U.S. producers, employment, production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	1–10	1–10	1–10	1–10	1–10
Employment (1,000 employees)	3	3	4	4	4
Production (1,000 \$)	^(a)	^(a)	^(a)	^(a)	^(a)
Exports (1,000 \$)	27,935	31,308	29,488	38,463	40,728
Imports (1,000 \$)	9,507	9,186	10,160	9,796	11,482
Consumption (1,000 \$)	^(a)	^(a)	^(a)	^(a)	^(a)
Import-to-consumption ratio (percent)	^(a)	^(a)	^(a)	^(a)	^(a)
Capacity utilization (percent)	^(a)	^(a)	^(a)	^(a)	^(a)

Source: Number of domestic producers estimated by USITC staff from various industry sources. Employment data compiled by USITC staff estimates and data for the leather and hide tanning and finishing industry from the Bureau of Labor Statistics of the U.S. Department of Labor, available at https://www.bls.gov/oes/current/naics4_316100.htm. Trade data compiled from official statistics from the U.S. Department of Commerce.

^a Not available.

GSP Import Situation, 2016

GSP-eligible import sources accounted for 1 percent of total imports of finishing agents for leather in 2016 (table 5.3). Brazil, overall the ninth-largest supplier of finishing agents for leather to the United States, accounted for 61 percent of GSP-eligible imports in 2016, up from 24 percent in 2015 and none during 2012–14. India accounted for the remainder of GSP-eligible source imports during 2014–16, with additional GSP countries shipping to the United States only in 2012. No imports from GSP-eligible countries were recorded in 2013. Imports from GSP-eligible countries increased more than 500 percent during 2012–16, albeit from a small base.

Table 5.3: Finishing agents for leather (HTS subheading 3809.93.50): U.S. imports for consumption (thousand dollars) and share of U.S. consumption, 2016

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	11,482	100	^(a)	^(b)
Imports from GSP-eligible countries:				
Total	128	1	100	^(b)
Brazil	78	1	61	^(b)
India	50	^(c)	39	^(b)

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

^a Not applicable.

^b Not available.

^c Less than 0.5 percent.

U.S. Imports and Exports

U.S. imports of finishing agents for leather rose irregularly but were 21 percent higher in 2016 than in 2012. Germany was the largest source of these imports each year during 2012–16, with a 36 percent market share (by value) in 2016, while France, the second-largest source, accounted for 17 percent (table 5.4).

U.S. exports, which represent a broader set of products, increased 46 percent during 2012–16 (table 5.5). Mexico was the largest export market each year during this period, and Singapore was the second largest. U.S. leather producers export raw materials to Mexican factories for finishing before reimportation.⁶⁸ Mexico also has a large leather shoe production industry.⁶⁹

⁶⁸ Palmer, “Proposed Mexico Tariff: Industry Winners and Losers,” February 15, 2017.

⁶⁹ Cisneros Reyes, “National Footwear Industry of Mexico,” August 2016.

Table 5.4: Finishing agents for leather (HTS subheading 3809.93.50): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Germany	3,491,156	3,264,347	4,001,728	4,830,524	4,124,721
France	1,005,737	1,654,388	1,614,581	1,160,751	1,981,810
Italy	865,427	842,395	937,486	986,287	1,696,022
China	202,476	185,759	613,994	898,796	1,194,278
Canada ^a	556,452	585,554	759,032	704,995	697,599
Mexico ^a	1,368,466	906,766	485,695	266,607	571,570
Belgium	678,900	870,030	604,981	239,856	548,961
Spain	851,768	792,429	1,072,086	582,808	503,701
Brazil	0	0	0	23,760	78,164
India	3,606	0	17,471	76,555	49,685
All other	482,660	84,176	53,410	25,195	35,136
Total	9,506,648	9,185,844	10,160,464	9,796,134	11,481,647
Imports from GSP-eligible countries:					
Brazil	0	0	0	23,760	78,164
India	3,606	0	17,471	76,555	49,685
Argentina	14,401	(^b)	(^b)	(^b)	(^b)
South Africa	2,660	0	0	0	0
Total	20,667	0	17,471	100,315	127,849

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

^a Free trade agreement (FTA) partner.

^b On March 26, 2012, President Obama issued Presidential Proclamation 8788 (77 Fed. Reg. 18899 (March 29, 2012)), suspending Argentina's GSP eligibility. Imports from Argentina lost GSP eligibility if entered or withdrawn from warehouse for consumption on or after May 28, 2012. As a result, imports from Argentina are included in the "all other" category in table 5.4 beginning in 2013.

Table 5.5: Finishing agents for leather (Schedule B 3809.93.0000): U.S. exports of domestic merchandise, by market, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Mexico ^a	11,541,452	12,229,618	7,666,564	10,894,169	10,078,801
Singapore ^a	5,617,614	6,240,574	7,211,889	6,554,135	7,362,781
Italy	2,621,997	2,679,361	3,977,402	4,940,921	6,999,217
China	983,063	2,226,182	4,208,914	2,769,007	6,153,450
South Africa	0	5,578	100,096	3,262,841	1,909,609
Brazil	468,000	832,643	670,349	1,220,139	1,793,921
South Korea ^a	384,424	2,035,495	1,578,473	2,776,683	1,306,640
Hong Kong	129,699	130,120	195,738	765,468	1,053,530
United Kingdom	93,130	321,934	325,764	120,634	991,500
Australia ^a	101,769	147,719	713,049	1,819,283	742,225
All other	5,993,626	4,458,470	2,839,487	3,340,031	2,336,297
Total	27,934,774	31,307,694	29,487,725	38,463,311	40,727,971

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

^a FTA partner.

Positions of Interested Parties

Petitioner. The Brazilian Ministry of Foreign Affairs filed a petition on behalf of ASSINTECAL with USTR under the provisions of the GSP requesting the addition of HTS subheading 3809.93.50.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 6

Addition: Cellulose Nitrates (Beneficiary Developing Countries)⁷⁰

Table 6.1: Cellulose nitrates

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017 (percent ad valorem)
3912.20.00 ^a	Cellulose nitrates (including collodions), in primary forms	5.2

^a HTS subheading 3912.20.00 is currently eligible for duty-free treatment under the provisions of the GSP only for least-developed beneficiary countries.

Description and Uses

The product classified under HTS subheading 3912.20.00 is cellulose nitrate, also known as nitrocellulose, pyroxylin, or collodion cotton.⁷¹ Nitrocellulose is a white, solid, free-flowing, granular polyester resin produced by nitrating cellulose with a mixture of nitric and sulfuric acids. The cellulose feedstock used to produce nitrocellulose is typically derived from wood pulp manufacture. Nitrocellulose is made in industrial and propellant grades, both of which are classified under this HTS subheading. Propellant-grade nitrocellulose, used in explosive smokeless powder, is used in military and commercial weaponry and in dynamite.⁷²

Industrial-grade nitrocellulose is produced in a wide range of molecular weights, with a nitrogen content of 10.8 to 12.2 percent by weight, while propellant grade typically contains more than 12.2 percent nitrogen. To prevent fire and explosion, nitrocellulose must remain wet with water or alcohol. Industrial-grade nitrocellulose is typically blended with 30 percent isopropanol and sealed in 55-gallon drums; propellant grade material is blended with 30 percent water and sealed in 55-gallon drums.⁷³ Alcohol immersion is a sophisticated process important to industrial-grade nitrocellulose production.⁷⁴

⁷⁰ Companhia Nitro Química Brasileira (CNQB), a Brazilian company that produces nitrocellulose, filed a petition with the USTR requesting the addition of this HTS subheading to the list of articles eligible for duty-free treatment under the provisions of the GSP for all beneficiary developing countries (BDCs).

⁷¹ A collodion is defined as a solution of nitrocellulose in ether and alcohol.

⁷² H.R. 4203, 108th Congress, second session, April 22, 2004; industry representative, email message to USITC staff, February 27, 2017.

⁷³ H.R. 4203, 108th Congress, second session, April 22, 2004.

⁷⁴ Industry representative, email message to USITC staff, February 27, 2017.

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In the United States, industrial-grade nitrocellulose is used chiefly in solvent-based lacquers for furniture finishes. It is also used in printing inks, fingernail polish, automotive refinishing coatings, adhesives, and other applications. Wood-related coatings and printing inks account for 90 percent of nitrocellulose consumption worldwide.⁷⁵

⁷⁵ CNQB, Petition, October 4, 2016, 3; USITC, hearing transcript, February 21, 2017, 44–45 (testimony of Fred Schneider, Alchemix Corp.).

Advice

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Profile of U.S. Industry and Market, 2012–16

The United States produces only limited amounts of propellant-grade nitrocellulose. The only known U.S. producer of the propellant grade at present is a U.S. government plant at Radford, Virginia. There are currently no known U.S. producers of the industrial grade. In 2003, Green Tree Chemical Technologies closed its industrial-grade nitrocellulose plant at Parlin, New Jersey. The Parlin plant was the last known U.S. commercial producer of industrial- or propellant-grade nitrocellulose.⁷⁶ As a result, the United States is dependent on imports to meet domestic demand for industrial nitrocellulose (table 6.2). Global supply of nitrocellulose is higher than global consumption at present, so the United States is not expected to invest in new production capabilities.⁷⁷ There was a dip in U.S. nitrocellulose import volumes in 2015, but import levels (on a volume basis) have otherwise been increasing during 2012–16, consistent with industry expectations of growing U.S. consumption.⁷⁸

Consumption of industrial nitrocellulose in the United States is highly concentrated. The major users [* * *] account for about 80 percent of demand. The remaining demand comes from 80–100 other, smaller customers.⁷⁹ The three largest applications of nitrocellulose in the United States during 2014–17 were printing inks, automotive paints, and wood coatings.⁸⁰ Propellant-grade nitrocellulose is not substitutable for industrial-grade nitrocellulose. It would require a significant capital investment for a manufacturer to change from a propellant grade to an industrial grade.⁸¹

⁷⁶ H.R. 4203, 108th Congress, second session, April 22, 2004.

⁷⁷ USITC, hearing transcript, 86 (testimony of Ricardo Colla, CNQB).

⁷⁸ IHS Markit, Global Trade Atlas database (accessed March 5, 2017); Grand View Research, *Nitrocellulose Market Analysis By Application*, September 2016. As shown in table 6.2, U.S. imports declined in value terms during 2014–16.

⁷⁹ CNQB, Petition, October 4, 2016, 5; USITC, hearing transcript, 44–45 (testimony of Fred Schneider, Alchemix).

⁸⁰ Grand View Research, *Nitrocellulose Market Analysis By Application*, September 2016.

⁸¹ Industry representative, email correspondence with USITC staff, February 27, 2017.

Table 6.2: Cellulose nitrates (HTS subheading 3912.20.00): U.S. producers, employment, production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number) ^a	1	1	1	1	1
Employment (1,000 employees)	(^b)				
Production (1,000 \$)	(^b)				
Exports (1,000 \$)	1,716	3,374	2,768	2,502	3,881
Imports (1,000 \$)	66,732	69,057	82,994	71,250	70,527
Consumption (1,000 \$) ^c	(^b)				
Import-to-consumption ratio (percent)	(^c)				
Capacity utilization (percent)	(^c)				

Source: Trade data compiled from official statistics from the U.S. Department of Commerce.

^a There are currently no known commercial industrial- or propellant-grade producers in the United States. There is a U.S. government-owned propellant-grade plant in Radford, Virginia.

^b Military information is not available.

^c Not applicable.

GSP Import Situation, 2016

U.S. consumption of the industrial-grade product is supplied entirely through imports. U.S. imports from all GSP-eligible countries under HTS subheading 3912.20.00 in 2016 were valued at about \$23 million (table 6.3), or 32 percent of total U.S. imports. In 2016, the United States imported nitrocellulose from the following three GSP-eligible countries: Thailand (\$13.5 million, 19 percent of U.S. imports), Brazil (\$8.7 million, 12 percent of U.S. imports), and India (\$0.3 million, less than 1 percent of U.S. imports). Since there is no U.S. industrial production and exports are negligible, U.S. consumption is estimated as import value. Thailand, Brazil, and India have kept the same relative rankings in terms of import value from 2012–16.

Table 6.3: Cellulose nitrates (HTS subheading 3912.20.00): U.S. imports for consumption (thousand dollars) and share of U.S. consumption, 2016

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	70,527	100	(^a)	100
Imports from GSP-eligible countries:				
Total	22,553	32	100	32
Thailand	13,508	19	60	19
Brazil	8,716	12	39	12
India	329	0.5	1	0.5

^a Not applicable.

The petitioner indicates that the price per kilogram of nitrocellulose from India is the highest; from Brazil, in the middle; and from Thailand, the lowest.⁸² CNQB's petition indicates that this is in part because the Indian product is a specialty pigmented nitrocellulose chip, which can

⁸² CNQB, Petition, October 4, 2016, 10.

command a higher import price.⁸³ Indonesia and the Philippines are known to produce nitrocellulose and are therefore potential beneficiaries of adding the product to the GSP program, but they do not currently export to the United States.⁸⁴

As shown above, Thailand was the top GSP-eligible exporter to the United States.⁸⁵ The Thai industry includes at least one large Thai-Japanese joint venture and some Thai-owned companies, producing nitrocellulose for a wide range of industrial applications.⁸⁶ In 2016, Thailand exported \$77 million of cellulose nitrates to the world. The top three export countries for Thailand in that year by dollar value were the United States (\$13 million, 17 percent), India (\$8 million, 10 percent), and Japan (\$6 million, 8 percent). In the next few years, the Asia-Pacific region is expected to be the fastest-growing market for nitrocellulose. There is large potential demand from producers of cosmetics, printing inks, and paints and coatings in India, China, Indonesia, Brazil, and Thailand.⁸⁷

Brazil was the second-largest source of GSP-eligible imports in 2016. Brazilian producer Companhia Nitro Química Brasileira (CNQB), the petitioner for the GSP product addition, is a major industrial nitrocellulose producer.⁸⁸ The company supplies approximately 90 percent of the consumption of nitrocellulose in Brazil.⁸⁹ If GSP eligibility is granted, the company indicates that it would increase production by [* * *] annually and capacity utilization would increase from [* * *] to [* * *]. Two-thirds of CNQB's production is exported, with exports shipped to over 70 countries.⁹⁰

The Brazilian nitrocellulose industry is integrated into the U.S. supply chain. Brazil imports two important inputs from the United States, raw cellulose and isopropyl alcohol, and uses them to produce nitrocellulose, some of which it exports back to the United States.⁹¹ U.S. firms use it as an intermediate input into lacquers and other products listed above. In 2016, CNQB was expected to buy approximately [* * *] of raw cellulose material from two U.S. suppliers, [* * *].

⁸³ Ibid.

⁸⁴ USITC, hearing transcript, 72 (testimony of Ricardo Colla, CNQB).

⁸⁵ No comments were submitted to the USITC on the Thai nitrocellulose industry.

⁸⁶ Nobel NC, "Company Profile," http://www.nobelinc.com/gernallInfo_CompanyProfile.asp (accessed March 13, 2017); Inabata & Co. website, "Nobel NC Co., Ltd.," http://www.inabata.co.jp/english/divisions/chemicals/products/pia_nitrocellulose01.html (accessed March 13, 2017); Nitro Chemical Industry Ltd., "About Us," <http://www.nitrochemical.com/a/about-us/> (accessed March 13, 2017).

⁸⁷ Transparency Market Research, "Nitrocellulose Market—Global Industry Analysis" (accessed March 3, 2017).

⁸⁸ CNQB stated that industrial- and military-grade products have totally different models of production and that it does not plan to enter the propellant business. USITC, hearing transcript, February 21, 2017, 86, 88 (testimony of Ricardo Colla, CNQB).

⁸⁹ CNQB, Petition, October 4, 2016, 8.

⁹⁰ CNQB, Petition, October 4, 2016, 8.

⁹¹ Ibid.

In the same year, the company also planned to buy [* * *] in isopropyl alcohol from U.S. suppliers.⁹² CNQB sources 100 percent of its raw material cellulose from the United States because of the composition and quality of the cellulose long fibers in the U.S. product. Reportedly, raw U.S. cellulose is of a different quality than that available in Brazil or the Middle East, although the U.S. product is also more expensive.⁹³

U.S. Imports and Exports

The largest suppliers of nitrocellulose to the United States are the Czech Republic, Thailand, China, and Germany (table 6.4). During 2012–16, the GSP-eligible countries lost market share to non-GSP-eligible countries, with their share of the U.S. import market falling from 40 percent in 2012 to 32 percent in 2016.⁹⁴ This may be in part due to price; Brazil has the highest average import unit value of any country except India.⁹⁵

Table 6.4: Cellulose nitrates (HTS subheading 3912.20.00): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Czech Republic	9,104,918	14,400,357	18,326,001	16,061,975	16,608,861
Thailand	16,210,482	17,710,792	16,493,243	14,594,971	13,507,853
China	2,769,310	3,153,856	13,781,435	6,272,380	10,451,679
Germany	9,431,065	10,326,260	14,363,092	13,375,418	9,695,340
Brazil	9,556,031	12,563,595	9,885,541	10,412,790	8,716,217
Taiwan	13,131,325	7,766,720	5,194,705	6,587,648	6,002,407
France	2,953,934	1,153,796	3,288,006	3,222,941	4,736,248
India	634,480	591,000	421,080	214,960	329,120
Switzerland	180,387	927,726	1,204,025	364,164	279,513
South Korea ^a	1,450,500	454,970	0	58,880	176,640
All other	1,309,889	7,689	36,413	84,207	23,297
Total	66,732,321	69,056,761	82,993,541	71,250,334	70,527,175
Imports from GSP-eligible countries:					
Thailand	16,210,482	17,710,792	16,493,243	14,594,971	13,507,853
Brazil	9,556,031	12,563,595	9,885,541	10,412,790	8,716,217
India	634,480	591,000	421,080	214,960	329,120
Serbia	4,455	0	0	0	0
Total	26,405,448	30,865,387	26,799,864	25,222,721	22,553,190

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

^a FTA partner.

In 2016, the United States exported \$3.9 million worth of nitrocellulose (table 6.5), with most U.S. exports destined for Canada and Mexico. U.S. exports of originating goods to Canada and

⁹² Ibid., 11.

⁹³ CNQB asserts that its U.S. source of inputs is more expensive, resulting in a higher-cost structure to produce nitrocellulose. USITC, hearing transcript, February 21, 2017, 71–72, 79 (testimony of Ricardo Colla, CNQB).

⁹⁴ Ibid., 8.

⁹⁵ Ibid., 10.

Mexico are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA). The exported products are a small category of commercial explosives for applications like mining, or modified nitrocellulose used to separate chemicals.⁹⁶

Table 6.5: Cellulose nitrates (Schedule B 3912.20.0000): U.S. exports of domestic merchandise by principal markets, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Canada ^a	719,813	2,773,958	1,936,406	1,744,868	2,958,727
Mexico ^a	230,549	272,535	452,599	467,815	461,394
South Korea ^a	2,799	12,392	19,105	20,668	114,815
Ireland	13,326	48,276	44,039	60,542	64,174
United Kingdom	5,657	0	0	0	43,298
Taiwan	0	0	22,995	0	42,247
Costa Rica ^a	13,595	22,113	24,479	35,354	40,641
Trinidad and Tobago	6,482	0	18,480	27,699	29,769
China	29,410	6,953	2,783	10,935	22,111
United Arab Emirates	0	0	0	0	16,080
All other	694,175	238,185	247,115	134,234	87,672
Total	1,715,806	3,374,412	2,768,001	2,502,115	3,880,928

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

^a FTA partner.

Positions of Interested Parties

Petitioner. CNQB, a Brazilian company that produces nitrocellulose, filed a petition with the USTR requesting the addition of HTS subheading 3912.20.00 to the list of articles eligible for duty-free treatment under the provisions of the GSP. The HTS subheading is currently eligible for duty-free treatment under the provisions of the GSP only for least-developed beneficiary countries.

In support. The Ambassador of Brazil and the Brazilian Chemical Industry Association submitted letters in support of the petition. Fred Schneider, Commercial Manager, Alchemix Corporation, appeared at the USITC hearing in support. Alchemix Corporation is a CNQB subsidiary in the United States that manufactures bases and finished products from imported cellulose nitrates in the United States.

In support. RPM Wood Finishes Group (WFG) submitted a letter in support of the petition. WFG has research and development and manufacturing facilities in Hudson, North Carolina, and Westfield, Massachusetts, and employs 500 people. WFG is part of RPM International Inc., which owns subsidiaries that manufacture and market high-performance coatings, sealants, and specialty chemicals, primarily for maintenance and improvement applications.

⁹⁶ USITC research; CNQB, post-hearing brief, March 3, 2017, 3.

Headquartered in Medina, Ohio, RPM employs more than 13,000 people worldwide and operates 120 manufacturing facilities in 24 countries. Its products are sold in approximately 170 countries and territories. WFG is a buyer of the nitrocellulose product that is the subject of this GSP investigation.

In support. Rayonier Advanced Materials (RYAM) submitted a letter in support of the petition. RYAM produces cellulose, which is a raw material used as an input in producing nitrocellulose. It has facilities located in Jesup, Georgia, and Fernandina Beach, Florida. It has the capacity to produce approximately 485,000 tons of cellulose specialties for use in a wide range of industrial and consumer products such as filters, cosmetics, and pharmaceuticals and approximately 245,000 tons of commodity products annually. It delivers products to 80 ports around the world, serving customers in 35 countries across five continents.

In support. The Stephen Gould Corporation submitted a letter in support of the petition. It produces the bags used in Brazil for nitrocellulose packaging. The company specializes in full-service packaging design development, turnkey fulfillment, strategic solutions, and packaging materials. It is the largest independent product and packing solutions company in the United States, with 42 locations in the United States and around the globe. Currently the company employs more than 200 people in the United States.

In support. The Color Pigments Manufacturers Association, Inc.; National Association of Printing Ink Manufacturers; and Society of Chemical Manufacturers and Affiliates submitted a single letter in support of the petition. These associations represent small, medium-sized, and large manufacturers. The letter notes that eliminating the tariff will help its member companies, which depend on a dynamic global supply chain to make products from nitrocellulose while also providing benefits to the developing nations that are part of the GSP program.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 7

Removal: Certain Non-Aromatic Amino Acids (Glycine) (Beneficiary Developing Countries)⁹⁷

Table 7.1: Certain non-aromatic amino acids (glycine)

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017 (percent ad valorem)
2922.49.40 ^a	Certain non-aromatic amino acids	4.2
2922.49.4020 ^a	Glycine	4.2

^a Prior to this review, there have been no requests for the removal from GSP of products under HTS subheading 2922.49.40. The petition seeks to remove GSP eligibility for all GSP-eligible countries for existing HTS statistical reporting number 2922.49.4020; if eligibility were removed at the level of this 10-digit statistical reporting number, it would need to be broken out as a new 8-digit HTS subheading.

Description and Uses

HTS subheading 2922.49.40 covers certain non-aromatic amino acids. These amino acids are used as food and feed additives, as chemical intermediates, and in numerous industrial applications.

The specific amino acid requested for removal from the GSP program is glycine, imported under HTS statistical reporting number 2922.49.4020. Glycine (aminoacetic acid) is a free-flowing crystalline material, like salt or sugar, produced at varying levels of purity. There are three grades of glycine: USP-NF,⁹⁸ USP-NF pharmaceutical, and technical.⁹⁹ The three grades do not typically compete against each other and are sold for different prices, with the technical grade at the low end.¹⁰⁰ USP-NF is used as a sweetener/taste enhancer, buffering agent, re-absorbable amino acid, and chemical intermediate, as well as in various personal care and

⁹⁷ GEO Specialty Chemicals, Inc. (GEO), a U.S. producer of glycine, filed a petition with the U.S. Trade Representative (USTR) requesting the removal of this HTS subheading from the list of articles eligible for duty-free treatment under the provisions of the GSP.

⁹⁸ "The United States Pharmacopeia and the National Formulary (USP–NF) is a book of public pharmacopeial standards for chemical and biological drug substances, dosage forms, compounded preparations, excipients, medical devices, and dietary supplements." U.S. Pharmacopeia website, <http://www.usp.org/usp-nf> (accessed February 8, 2017).

⁹⁹ GEO, petition, October 3, 2016, 1; USITC, hearing transcript, February 21, 2017, 76 (testimony of Daniel Hughes, GEO).

¹⁰⁰ Novus, post-hearing brief, February 27, 2017, 1.

industrial applications.¹⁰¹ USP-NF pharmaceutical is used in medicinal products.¹⁰² The technical grade of glycine is also used in the manufacture of glyphosate,¹⁰³ a herbicide used widely in the U.S. market for both agricultural and residential use.

¹⁰¹ GEO, petition, October 3, 2016, 3.

¹⁰² USITC, hearing transcript, February 21, 2017, 75–76 (testimony of Daniel Hughes, GEO).

¹⁰³ Industry representatives testified that glycine is no longer used to manufacture glyphosate (an organophosphate herbicide to control weeds) in the U.S. market, but it is still used to make glyphosate in other countries, notably China. USITC, hearing transcript, February 21, 2017, 74 (testimony of Daniel Hughes, GEO).

Advice

* * * * *

Profile of U.S. Industry and Market, 2012–16

There are two known U.S. producers of glycine: GEO Specialty Chemicals (GEO), with production facilities in Deer Park, Texas, and Chattem Chemicals, Inc. (Chattem), which produces glycine in Chattanooga, Tennessee (table 7.2). GEO reported having [* * *] over the period 2013–15.¹⁰⁴

GEO is reportedly the largest U.S. producer of glycine, accounting for an estimated 80 percent of total U.S. production. It produces all three grades of glycine and participates in all segments of the market.¹⁰⁵ GEO reported that 70 percent of its sales are by contract, usually one-year contracts, and that the remaining 30 percent of its sales are through the spot market.¹⁰⁶

Chattem did not appear at the Commission's hearing but contributed to GEO's petition and other written submissions.¹⁰⁷ According to these submissions, Chattem has decreased its glycine production over the years.¹⁰⁸ While it produced all three grades of glycine in the past, it now produces only high-end, pharmaceutical-grade glycine and runs its plant in short batches rather than continuously.¹⁰⁹ Chattem has been characterized as a producer of glycine for pharmaceutical applications due to its inability to compete profitably with imports at the low end of the market.¹¹⁰

While some forecasts expect that global demand for glycine will continue to grow,¹¹¹ the U.S. market for glycine is mature, with steady demand.¹¹² The U.S. market for glycine is large and varied, including manufacturers of food, feed, cosmetics, herbicides, pharmaceuticals, and fertilizers.¹¹³ This market includes large well-known brands of household products as well as products from small manufacturers and from lesser-known niche producers important to their fields. For example, Novus International (Novus), a global supplier of animal health and nutrition solutions, said that it uses glycine as an input for its animal feed products.¹¹⁴ The

¹⁰⁴ GEO, petition, October 3, 2016, 8.

¹⁰⁵ GEO did not provide data regarding the relative share of its production in the various grades. GEO, petition, October 3, 2016, 2.

¹⁰⁶ USITC, hearing transcript, February 21, 2017, 104 (testimony of Daniel Hughes, GEO).

¹⁰⁷ USITC, hearing transcript, February 21, 2017, 62 (testimony of David Schwartz, Thompson Hine, LLP).

¹⁰⁸ GEO, post-hearing brief, February 27, 2017, 9.

¹⁰⁹ GEO, post-hearing brief, February 27, 2017, 9. USITC, hearing transcript, February 21, 2017, 97–98 (testimony of Ryan Smith, Novus, and Daniel Hughes, GEO).

¹¹⁰ USITC, hearing transcript, February 21, 2017, 62 (testimony of Daniel Hughes, GEO).

¹¹¹ USITC, hearing transcript, February 21, 2017, 96 (testimony of Ryan Smith, Novus).

¹¹² USITC, hearing transcript, February 21, 2017, 94–95 (testimony of Daniel Hughes, GEO).

¹¹³ As noted above, the type of glycine consumed by each producer depends on the end product.

¹¹⁴ USITC, hearing transcript, February 21, 2017, 37–38 (testimony of Ryan Smith, Novus).

Novus MAAC line of animal feed products uses USP-NF grade glycine as the ligand¹¹⁵ to deliver trace minerals such as zinc, copper, and manganese to livestock.¹¹⁶ While Novus is not a household name, it notes that the average American eats about 10.6 pounds of meat per year from livestock that were fed its MAAC products.¹¹⁷ U.S. manufacturers use both imports and domestically produced glycine, although their dependence on imports varies by product type.

Novus stated that imported glycine is essential for some companies' downstream products to compete in the United States and abroad since the domestic price for glycine is twice as high as the world price. Novus stated that it has "periodically explored sourcing glycine domestically," but said that doing so would not have allowed Novus' products to be price-competitive.¹¹⁸ Novus also said that Chattem occasionally sells "off-spec material" (material that does not conform to specifications for one purpose, but may for another) in the form of glycine which does not meet the pharmaceutical grade but is still suitable for use in animal feed, while noting that a purchaser cannot rely on "off-spec material" in managing its own supply chain requirements.¹¹⁹

Table 7.2: Certain non-aromatic amino acids (glycine) (HTS 2922.49.4020): U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	2	2	2	2	2
Employment (employees)	(^a)	[]	[]	[]	[]
Shipments (1,000 \$)	(^a)	[]	[]	[]	(^a)
Exports (1,000 \$) ^b	(^b)	[]	[]	[]	(^b)
Imports (1,000 \$)	12,849	21,724	24,101	27,299	21,356
Consumption (1,000 \$) ^c	(^a)	[]	[]	[]	(^a)
Import-to-consumption ratio (percent)	(^a)	[]	[]	[]	(^a)
Capacity utilization (percent)	(^a)	[]	[]	[]	(^a)

Source: Trade data compiled from official statistics from the U.S. Department of Commerce. Note: The employment, shipment, and consumption data are estimates based on the petitioner's submitted data and its estimate that it accounts for 80 percent of U.S. glycine production.

^a Not available.

^b Export data comparable to U.S. import data for this HTS statistical reporting number are not available because the relevant Schedule B number includes additional products. The data provided in the table are extrapolations of GEO's submitted data and its estimate that it accounts for 80 percent of U.S. glycine production.

^c Consumption data are estimated by USITC staff based on U.S. shipments plus U.S. imports.

¹¹⁵ A ligand is an ion or molecule that binds to a central metal atom to form a complex.

¹¹⁶ Novus, MAAC products (accessed March 4, 2017).

¹¹⁷ USITC, hearing transcript, February 21, 2017, 38 (testimony of Ryan Smith, Novus).

¹¹⁸ Petitioner reported that "Novus purchased glycine from GEO in the past but now purchases glycine from India and Thailand." GEO post-hearing brief, February 27, 2017, 11. USITC, hearing transcript, February 21, 2017, 39–40 (testimony of Ryan Smith, Novus).

¹¹⁹ USITC, hearing transcript, February 21, 2017, 98 (testimony of Ryan Smith, Novus).

GSP Import Situation, 2016

The largest GSP-eligible supplier of glycine imported under HTS statistical reporting number 2922.49.4020 was India, accounting for 37 percent (\$7.9 million) of total U.S. imports in 2016. Thailand, with a 14 percent share (almost \$3 million) of total U.S. imports, was the second-largest GSP supplier (table 7.3). Cambodia was the only other GSP-eligible import source identified in 2016.

U.S. glycine imports from India rose by approximately 50 percent from 2012 to 2013 and then held steady except for a one-year dip of 27 percent in 2015. The majority of Indian exports of glycine, ranging from 81 to 94 percent during 2012–16, were shipped to the U.S. market.¹²⁰ The petitioner stated that it was aware of shipments of only USP-NF grade glycine from Indian companies Paras, AICO, and Salvi to the U.S. market.¹²¹ Newtrend Food Ingredient (Thailand) Co., Ltd., began producing glycine in 2014.¹²² USITC staff did not find any production of glycine in Cambodia.

Table 7.3: Glycine (HTS 2922.49.4020): U.S. imports for consumption and share of U.S. consumption, 2016 (thousand dollars)

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	21,356	100	(^a)	(^b)
Imports from GSP-eligible countries:				
Total	11,497	54	100	(^b)
India	7,892	37	69	(^b)
Thailand	2,963	14	26	(^b)
Cambodia	642	3	6	(^b)

^a Not applicable.

^b Not available.

U.S. Imports and Exports

In 2012–16, the two largest sources of U.S. imports of glycine were Japan and India. These two countries represented 43 percent (\$9.2 million) and 37 percent (\$7.9 million), respectively, of total U.S. imports in 2016. The third-largest U.S. supplier in 2016 was Thailand, with a 14 percent share (table 7.4). U.S. imports of glycine from GSP-eligible countries increased by 118 percent during 2012–16, while total imports of these goods increased by 66 percent. Imports of glycine from China are currently subject to a U.S. antidumping duty order (box 7.1).

¹²⁰ IHS Markit, Global Trade Atlas database (accessed March 5, 2017).

¹²¹ GEO, post-hearing brief, February 27, 2017, 11. AICO, Paras, and Salvi were the three Indian companies identified in USDOC's anti-circumvention inquiry in 2012. USDOC, Glycine from the People's Republic of China, 77 FR 73426, December 10, 2012.

¹²² Newtrend Food Ingredient (Thailand) Co., Ltd., <http://newtrend-th.com/home/> (accessed March 2, 2017).

As a result, while China is a major producer and has substantial underutilized production capacity,¹²³ U.S. imports from China were less than 5 percent of total U.S. imports after 2012.¹²⁴

U.S. Schedule B export data in the relevant category cover several products in addition to glycine, and thus the value of glycine exports is not available through official trade data or other public sources.¹²⁵ GEO, however, states that its primary export market is the European Union.¹²⁶

Table 7.4: Glycine (HTS 2922.49.4020): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Japan	4,457,356	12,630,862	14,652,015	11,679,384	9,236,624
India	5,280,468	7,929,700	7,977,380	5,814,879	7,891,928
Thailand	0	0	606,800	8,359,400	2,962,543
Cambodia	0	0	0	148,000	641,787
Taiwan	0	0	2,575	349,000	356,800
China	2,775,146	780,555	59,482	23,300	142,686
All other	335,756	382,098	803,177	926,924	122,635
Total	12,848,726	21,723,215	24,101,429	27,300,887	21,355,003
Imports from GSP-eligible countries:					
India	5,280,468	7,929,700	7,977,380	5,814,879	7,891,928
Thailand	0	0	606,800	8,359,400	2,962,543
Cambodia	0	0	0	148,000	641,787
Total	5,280,468	7,929,700	8,584,180	14,322,279	11,496,258

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

Box 7.1: Transshipment of Chinese-origin Glycine

An antidumping duty order has been in place on Chinese-origin glycine since 1995. An administrative review of that order in early 2013 resulted in an increase in the “China-wide” rate from 155.89 percent to 453.79 percent.^a GEO, which requested the removal of glycine from the GSP, said that Chinese-origin glycine is circumventing the U.S. antidumping duty order on glycine by third-country transshipment, including through GSP-eligible countries. In February 2016, U.S. Customs and Border Protection (USCBP) reported seizures of three large shipments of Chinese-origin glycine valued at approximately \$1.7 million that had been transshipped to circumvent \$723,000 in antidumping duties.^b

GEO said that at least some of the U.S. glycine imports from all three of the GSP-eligible countries listed in table 7.4 are transshipments of Chinese-origin glycine. Although India has multiple glycine producers,^c the Department of Commerce determined in 2012 that two Indian companies had transshipped

¹²³ USITC, *Glycine from China*, February 2017, I-19.

¹²⁴ In 2012, China accounted for 22 percent of total U.S. imports of glycine. However, U.S. imports from China fell after an administrative review in April 2013 raised the China-wide rate from 155.89 percent to 453.79 percent. USDOC, *Glycine From the People’s Republic of China, 2011–12*, 78 FR 20891, April 8, 2013.

¹²⁵ Industry export estimates for 2013–15 (table 7.2) never exceed [* * *] percent of the values reported in 2922.49.8050, the statistical reporting number that includes glycine. USITC, DataWeb (accessed March 16, 2017).

¹²⁶ GEO, petition, October 3, 2016, 8.

Chapter 7: Removal: Certain Non-Aromatic Amino Acids (Glycine)

Chinese-origin glycine to the U.S. market.^d Paras, the third Indian company investigated by the U.S. Department of Commerce, was determined not to be transshipping glycine.^e

GEO also raised the possibility that most or all of the glycine imported from Thailand and Cambodia is transshipped glycine of Chinese origin.^f The petitioner questioned whether Newtrend, reported to be the sole Thai glycine producer, actually produced glycine and noted that Newtrend is Chinese-owned and affiliated with a Chinese glycine producer. GEO stated that it knew of no glycine production capacity in Cambodia, despite glycine imports from Cambodia that were first recorded in 2015 and 2016 (see table 7.4).^g

Novus said that the average unit values of imports from India and Thailand are too high to support a conclusion of transshipping through these countries.^h Further, regarding Thai production, Novus stated that it had visited the plant in Thailand and confirmed that Newtrend produces glycine.ⁱ

^a One company, Baoding Mantong Fine Chemistry Co. Ltd, has a lower rate of 143.87 percent. Third-country companies that transship Chinese-origin glycine to the U.S. market are subject to the rate applicable to the Chinese company that supplied them with glycine. USITC, Glycine from China, February 2017, I-5 to I-6; USDOC, Glycine from the People's Republic of China 2011–12, 78 FR 20891, April 8, 2013; USDOC, Glycine from the People's Republic of China 2013–14, 80 FR 62027, October 15, 2015 (Final Results of Antidumping Duty Administrative Review and Partial Rescission of Antidumping Duty Administrative Review). The Commission reached a negative determination in that investigation. Glycine from India, USITC inv. no. 731-TA-1111 (Final), USITC Pub. 3997, May 2008.

^b USCBP, "CBP Successfully Enforces Antidumping Order on Glycine," February 2016.

^c In antidumping investigations regarding glycine from India in 2008, Commerce named a dozen Indian producers in its final determination of sales at less than fair value. USDOC, Notice of Final Determination of Sales at Less Than Fair Value: Glycine from India, 73 FR 16640, March 28, 2008.

^d USDOC, Glycine From the People's Republic of China, 77 FR 73426, December 10, 2012 (Final Partial Affirmative Determination of Circumvention of the Antidumping Duty Order). On November 10, 2016, Commerce initiated a "changed circumstances" review to determine whether Indian producer Salvi, one of the two companies found to have transshipped Chinese-origin glycine in 2012, is still transshipping Chinese glycine. USDOC, Glycine from the People's Republic of China, 81 FR 81064, November 17, 2016 (Initiation of Antidumping Duty Changed Circumstances Review).

^e GEO, post-hearing brief, February 27, 2017, 10.

^f USITC, hearing transcript, February 21, 2017, 35-36 (testimony of William Eckman, GEO).

^g USITC, hearing transcript, February 21, 2017, 35-36 (testimony of William Eckman, GEO). USITC staff were unable to confirm production of glycine in Cambodia.

^h Novus, post-hearing brief, February 27, 2017, 15.

ⁱ USITC, hearing transcript, February 21, 2017, 55 (testimony of Ryan Smith, Novus). Novus, post-hearing brief, 14-15 and Exh. C.

Positions of Interested Parties

Petitioner. GEO filed a petition with the U.S. Trade Representative (USTR) under the provisions of the GSP requesting the removal of glycine (aminoacetic acid) imported under HTS statistical reporting number 2922.49.4020 from all GSP-eligible countries.

The petitioner also appeared at the USITC hearing and submitted written comments.

The petitioner did not provide a summary of its arguments. The following excerpts present the petitioner's arguments.

“ . . . circumvention of the Order through either minimal further processing of Chinese-origin glycine or transshipment of Chinese-origin glycine obviously does not further the economic development of developing countries.”¹²⁷

“Because exporters of Chinese-origin glycine—not glycine producers in the developing countries—are the beneficiaries of duty-free treatment under GSP, the ITC should determine that continuing duty-free treatment for glycine undermines the purpose of the program.”¹²⁸

“In determining to remove a product from GSP eligibility, the President should consider the ‘anticipated impact of such action on United States producers of like or directly competitive products.’”¹²⁹

“ . . . removing glycine, particularly Chinese-origin glycine in circumvention of the Order, from duty-free treatment will, of course, positively impact U.S. producers of glycine.”¹³⁰

“ . . . as Novus repeatedly stated at the GSP Public Hearing, 75 percent of its sales are outside of the United States and only 25 percent are in the United States. This means that, through a duty drawback program, 75 percent of its costs would remain almost completely unchanged with the imposition of the 4.2 percent NTR rate.”¹³¹

“Abuse of the GSP program can only be stopped by eliminating glycine as a GSP-eligible product from all GSP-eligible countries. . . . As soon as a circumventing company is discovered and sanctioned for circumventing the Order, glycine from another circumventing company from that same country or from another country arrives in the U.S. market.”¹³²

Opposition: Novus International, Inc.

Novus appeared at the USITC hearing and submitted written comments.

Novus did not provide a summary of its arguments. The following excerpts present the opposition’s arguments.

“The ability to source imported glycine from countries under the GSP program is a critical part of Novus's global supply chain. Imports are not harming U.S. glycine producers. Rather, they are

¹²⁷ GEO, post-hearing brief, February 27, 2017, 3.

¹²⁸ *Ibid.*, 3.

¹²⁹ *Ibid.*, 4.

¹³⁰ *Ibid.*, 3.

¹³¹ *Ibid.*, 6.

¹³² *Ibid.*, 7–8.

contributing to the ability of U.S. manufacturers to produce the feed, fertilizer, and pharmaceutical products competitively in the United States.”¹³³

“Novus is the last remaining U.S. producer of glycine-based animal nutrition solutions.”¹³⁴

“[E]ven if transshipment is occurring in some cases, the actions of a limited number of actors should not adversely affect all GSP beneficiaries. To the extent that legitimate concerns about transshipment of Chinese product exists, these problems should be addressed without punishing all the producers and importers who are using the GSP program for legitimate trade.”¹³⁵

No other statements were received by the Commission in support of or in opposition to the proposed modifications to the GSP considered for this HTS statistical reporting number.

¹³³ USITC, hearing transcript, February 21, 2017, 40 (testimony of Ryan Smith, Novus).

¹³⁴ USITC, hearing transcript, February 21, 2017, 37 (testimony of Ryan Smith, Novus).

¹³⁵ USITC, hearing transcript, February 21, 2017, 42 (testimony of Ryan Smith, Novus).

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<https://www.cbp.gov/trade/priority-issues/adcvd/outreach> (accessed March 6, 2017).
- U.S. Department of Commerce (USDOC). Notice of Final Determination of Sales at Less than Fair Value: Glycine from India, 73 FR 16640, March 28, 2008.
- . Glycine from the People’s Republic of China, 2013–2014, 80 FR 62027, October 15, 2015 (Final Results of Antidumping Duty Administrative Review and Partial Rescission of Antidumping Duty Administrative Review).
- . Glycine from the People’s Republic of China, 77 FR 73426, December 10, 2012 (Final Partial Affirmative Determination of Circumvention of the Antidumping Duty Order).
- U.S. International Trade Commission (USITC). *Glycine from China*. Inv. no. 731-TA-718 (fourth review). USITC Publication 4667, February 2017.
- . Hearing transcript in connection with inv. no. 332-560, *Generalized System of Preferences: Possible Modifications, 2016 Review*, February 21, 2017.

Chapter 7: Removal: Certain Non-Aromatic Amino Acids (Glycine)

U.S. International Trade Commission (USITC)/U.S. Department of Commerce (USDOC).

Interactive Tariff and Trade DataWeb (DataWeb). <http://dataweb.usitc.gov> (accessed various dates).

Chapter 8

Competitive Need Limitation (CNL)

Waiver: Certain Coniferous Wood Products (Brazil)¹³⁶

Table 8.1: Certain coniferous wood products

HTS subheading	Short description	Col. 1 rate of duty as of January 1, 2017 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
4409.10.05 ^a	Coniferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces	3.2	Yes ^b

^a Brazil exceeded the percent Competitive Need Limitation (CNL) for HTS subheading 4409.10.05 in 2016 and is not eligible for a de minimis waiver.

^b Twarok and Honnold, *Millwork*, April 1998.

Description and Uses

The coniferous wood products classifiable under HTS subheading 4409.10.05¹³⁷ are described in the HTS as “continuously shaped along any of their ends, whether or not also continuously shaped along any of their edges or faces, all the foregoing whether or not planed, sanded, or end-jointed,” and are referred to here as “coniferous milled products.” This group of products includes moldings, millwork, and joinery. Some of the products commonly traded under this HTS subheading are flooring panels that have tongue and grooving along the side edges and ends.¹³⁸ This category also includes products that can be joined at the ends to make the item longer, such as crown molding or baseboards. Exterior items, such as siding and roofing system components, can also be classified in this category if they meet the specifications of the subheading. These products may be prefinished with paint, stain, or varnish.¹³⁹ The softwood

¹³⁶ The Brazilian Association of the Mechanically Processed Timber Industry (ABIMCI), an association that represents the timber sector in Brazil, filed a petition with the USTR requesting a Competitive Need Limitation (CNL) waiver for HTS subheading 4409.10.05 under the provisions of the GSP.

¹³⁷ The softwood lumber products that are classified in HTS subheading 4409.10.05 are part of USITC investigation nos. 701-TA-566 and 731-TA-1342 on imports from Canada. USITC, *Softwood Lumber Products from Canada*, 2017. For additional information, see *Federal Register* notices [81 FR 87069](#), [81 FR 93892](#), and [81 FR 93897](#).

¹³⁸ This category does not include wood products that are laminated (glued) together to make them wider, or superimposed to make the products larger or of a different shape.

¹³⁹ Wood with any other finish, such as veneer, is not classified in this subheading.

Chapter 8: Certain Coniferous Wood Products (Brazil)

that is used to make these products comes from conifer trees such as pine, spruce, fir, and cedar.

The products in this HTS subheading are used for new residential and commercial construction and for the remodeling of existing structures. They are used in interior finishing, exterior finishing, or as decorative components to increase the utility and attractiveness of buildings.

Advice

* * * * *

Profile of U.S. Industry and Market, 2012–16

The United States is a major producer and consumer of softwood lumber products because of its extensive forest resources. Coniferous milled products account for a small portion of the overall U.S. market for sawn softwood, which in turn is a small portion of the larger U.S. market for softwood lumber.

The domestic industry for coniferous milled products is fragmented. There are thousands of millwork manufacturing facilities of various sizes; the majority of them are small, independent mills. Mills tend to be near their end market in the United States, since products are apt to be bulky and expensive to transport. Many, however, are located in the Southeast, which has the largest share of timberland in the United States (87 million acres)¹⁴⁰ and accounts for about one-quarter of millwork production.¹⁴¹ There are a few large U.S. manufacturers for millwork—such as Jeld-Wen¹⁴²—which have manufacturing and distribution facilities both domestically and abroad. Millwork manufacturers process wood into cut and dimension stock and other intermediate products, including the coniferous milled products covered by this petition.

Most millworked wood products are sold to retailers, wholesale wood product distributors, and housing and other building contractors.¹⁴³ Retailers include home improvement, building material, and hardware stores that sell these products directly to consumers. Big-box stores, such as Lowe’s and Home Depot, provide products to both contractors and do-it-yourself consumers. These products are also sold directly from millwork firms to homebuilders—producers of single-family and multifamily housing—as well as to commercial and industrial construction contractors.¹⁴⁴

Residential construction and remodeling consumes about two-thirds of sawmill production, by value.¹⁴⁵ The U.S. market for coniferous milled products therefore relies heavily on the demand for both these activities. U.S. housing demand has been growing since 2012, and between 2015

¹⁴⁰ The Southeast region includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Other areas with concentrated timber resources are the West, Great Lakes, and Mid-Atlantic regions. Hurley, “Knock on Wood,” December 2016, 18.

¹⁴¹ McGinley, *Open Doors: Rising Disposable Income*, May 2016, 20.

¹⁴² Jeld-Wen produces a wide range of millwork products, using both softwood and hardwood; Jeld-Wen, <http://www.jeld-wen.com/en-us/> (accessed March 1, 2017). Jeld-Wen Holding, Inc. began trading on the New York Stock Exchange on January 27, 2017. Jeld-Wen, “Form S-1,” June 1, 2016.

¹⁴³ McGinley, *Open Doors: Rising Disposable Income*, May 2016, 15–16.

¹⁴⁴ For example, Jeld-Wen sold 48 percent of its products for further distribution; 37 percent went to retail stores, and 17 percent was sold directly to consumers in 2015. Jeld-Wen, “Form S-1,” June 1, 2016.

¹⁴⁵ McCormack, *Building Up: Revenue Will Rise*, August 2016, 7.

and 2016, new housing starts increased 5 percent¹⁴⁶ while remodeling was up 7 percent.¹⁴⁷ As a result, U.S. production of coniferous wood products has been increasing to meet demand.

The United States consumes most of its domestically produced coniferous milled products, with exports accounting for a relatively modest share of total production. Demand from the strengthening housing market in the United States has contributed to moderate growth of imports during 2012–16, and imports' share of consumption rose slightly during this time (table 8.2).

Table 8.2: Certain coniferous wood products (HTS subheading 4409.10.05): U.S. producers, employment, shipments or production, trade, consumption, and capacity utilization, 2012–16

Item	2012	2013	2014	2015	2016
Producers (number)	(^a)				
Employment (1,000 employees)	(^a)				
Production (1,000 \$) ^b	99,322	119,660	107,868	87,402	125,830
Exports (1,000 \$) ^c	25,133	31,010	25,378	18,912	24,470
Imports (1,000 \$)	29,302	29,658	32,492	39,672	44,477
Consumption (1,000 \$) ^b	103,491	118,308	114,982	108,162	145,837
Import-to-consumption ratio (percent)	28	25	29	37	31
Capacity utilization (percent)	(^a)				

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

^a Not available.

^b Production and consumption data are USITC staff estimates based on limited information; data are adequate for estimation with a moderate degree of confidence.

^c Export data comparable to U.S. import data for this HTS subheading are not available. The data provided are estimated by USITC staff from various industry and government sources.

GSP Import Situation, 2016

In 2015, all GSP-eligible imports of coniferous milled products (HTS 4409.10.05) were from Brazil. Indeed, Brazil has emerged as the largest of all foreign suppliers of coniferous milled products to the United States, GSP-eligible or otherwise. Brazil's share of the total value of U.S. imports was 50.3 percent in 2016, just above the 50 percent threshold at which a CNL waiver is required (table 8.3). This share has increased in most of the years since 2006. Brazil has accounted for almost all U.S. imports from GSP-eligible countries since 2006, although Indonesia occasionally contributes minor import volumes, most recently in 2014.¹⁴⁸

The forestry sector makes up a relatively small part of Brazil's economy (4 percent of GDP in 2015),¹⁴⁹ but the country is a world leader in wood product exports. This is due in part to its

¹⁴⁶ U.S. Census, U.S. Housing Starts (accessed February 22, 2017).

¹⁴⁷ JCHS, Leading Indicator of Remodeling Activity (accessed February 22, 2017).

¹⁴⁸ Indonesia did not provide U.S. imports in 2015 or 2016.

¹⁴⁹ Indústria Brasileira de Árvores (IBA) [Brazilian Tree Industry], *IBA 2016 Annual Report*, 2016.

Chapter 8: Certain Coniferous Wood Products (Brazil)

extensive forest reserves, which are the third largest in the world.¹⁵⁰ However, only a small minority of these forest lands—approximately 19 million acres—are of planted forest intended for production and of that, just 4 million acres are of introduced coniferous species such as pine.¹⁵¹ Most of Brazil’s industry producing these coniferous milled products is dispersed across small and medium-sized sawmills, although there are a few large, vertically integrated companies making these products. Industry sources have noted Brazil’s growth potential in the softwood export market, particularly in moldings and other non-structural applications.¹⁵²

The Brazilian economy is undergoing a protracted period of economic uncertainty, and another year of contraction is expected; data from the World Bank indicate that in 2015, its GDP decreased 3.8 percent as measured in constant local currency (the Brazilian real).¹⁵³ The U.S. dollar is expected to appreciate over the next few years relative to the Brazilian real, potentially improving the competitiveness of imports from Brazil in the U.S. market.¹⁵⁴ However, most of Brazil’s production is consumed domestically, limiting the total supply available for export.

Table 8.3: Certain coniferous wood products (HTS subheading 4409.10.05): U.S. imports for consumption and share of U.S. consumption, 2016 (thousand dollars)

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Grand total	44,478	100.0	(^a)	(^b)
Imports from GSP-eligible countries:				
Total	22,375	50.3	100.0	(^b)
Brazil	22,375	50.3	100.0	(^b)

^a Not applicable.

^b Not available.

¹⁵⁰ World Bank, Forest area (% of land area) data (accessed February 9, 2017).

¹⁵¹ The figure for nonnative species does not include Brazil’s indigenous Paraná pine. FAO, *FAO Global Forest Resources Assessment 2015 Country Report: Brazil*, 20–23.

¹⁵² *Random Lengths International*, “Brazil,” January 18, 2017, 9.

¹⁵³ World Bank, GDP (constant LCU) data (accessed February 9, 2017). World Bank data indicate a contraction of almost 27 percent in U.S. dollar terms in 2015. World Bank, GDP (current USD) data (accessed February 9, 2017).

¹⁵⁴ McGinley, *Open Doors: Rising Disposable Income*, May 2016.

U.S. Imports and Exports¹⁵⁵

As previously noted, Brazil was the largest foreign supplier of these coniferous milled products to the U.S. market in 2016. Canada accounted for another 32 percent (\$14.4 million) of the total that year, and was the leading non-GSP-eligible import source of these products (table 8.4).¹⁵⁶ Over the last decade, Brazil's share of imports to the United States increased, and rose 69 percent during 2012–16 alone. Imports from non-GSP countries rose by 38 percent during the same period.

In 2016, Brazil's share of U.S. imports of these goods, by quantity, was 46 percent (119,095 cubic meters) and Canada accounted for another 17 percent (45,076 cubic meters), indicating a much lower average unit value for Brazil's imports to the United States than for those from Canada. According to the Brazilian Association for Mechanically Processed Timber (ABIMCI), over 90 percent of the imports from Brazil in this varied category are finger-jointed or tongue-and-groove-shaped moldings.¹⁵⁷ Other sources for import of these products include Chile, China, and Denmark.

The United States exports about 19 percent of its production of these goods. Some are specialty items,¹⁵⁸ while others are industry-standard products used for the domestic market, such as moldings, doorjamb, wall paneling, exterior shingles, and flooring.¹⁵⁹ Many of these exports went to Canada in 2016.

¹⁵⁵ Export data comparable to U.S. import data for this HTS subheading are not available. There is no unique Schedule B number for U.S. exports of certain coniferous wood products; these products are believed to be spread across Schedule B 4409.10.2000 (flooring) and 4409.10.9000 (other).

¹⁵⁶ The outcome of investigation nos. 701-TA-566 and 731-TA-1342 may impact Canada's future competitiveness.

¹⁵⁷ ABIMCI representatives, email messages to USITC staff, February 9, 2017.

¹⁵⁸ The U.S. market also reflects niche markets within this category, such as subflooring for indoor sports courts (see Connor Sports <http://www.connorsports.com/hardwood> and Robbins Sports Surfaces <http://www.robbinsfloor.com/2012/04/air-channel-star/>), in addition to the more standard items in this category.

¹⁵⁹ Industry representatives, telephone interviews by USITC staff, February 7–8, 2017.

Chapter 8: Certain Coniferous Wood Products (Brazil)

Table 8.4: Certain coniferous wood products (HTS subheading 4409.10.05): U.S. imports for consumption by principal sources, 2012–16 (dollars)

Country	2012	2013	2014	2015	2016
Brazil	13,262,795	15,304,876	16,102,578	19,596,407	22,375,063
Canada ^a	8,452,437	9,191,703	10,698,926	14,276,895	14,403,603
Chile ^a	5,547,739	3,747,429	3,855,388	3,657,591	3,033,338
China	277,751	817,313	1,390,938	1,540,095	2,635,954
Denmark	0	0	2,791	0	1,038,280
Argentina	(^b)	203,699	324,008	358,957	325,442
Norway	0	59,655	0	68,896	209,832
France	0	0	19,700	0	114,866
Germany	0	0	2,202	8,435	99,369
Honduras ^a	29,618	116,621	32,792	114,855	98,981
Belgium	0	0	0	0	65,816
Italy	0	13,840	0	14,818	30,875
Finland	0	0	0	0	15,002
South Korea ^a	0	0	0	9,517	12,240
Estonia	0	0	0	0	6,872
Spain	0	0	0	0	6,157
Mexico ^a	0	0	2,982	0	6,029
Malaysia	1,550,437	70,116	0	0	0
New Zealand	134,217	107,102	42,584	0	0
Peru ^a	5,477	0	6,412	0	0
Indonesia	0	25,781	8,036	0	0
United Kingdom	0	0	3,243	0	0
Nicaragua ^a	0	0	0	25,585	0
Total	29,302,096	29,658,135	32,492,580	39,672,051	44,477,719
Imports from GSP-eligible countries:					
Brazil	13,262,795	15,304,876	16,102,578	19,596,407	22,375,063
Argentina	41,625	(^b)	(^b)	(^b)	(^b)
Indonesia	0	25,781	8,036	0	0
Total	13,262,795	15,330,657	16,110,614	19,596,407	22,375,063

Sources: Data have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

^a Free trade agreement (FTA) partner.

^b On March 26, 2012, President Obama issued Presidential Proclamation 8788 (77 Fed. Reg. 18899 (March 29, 2012)) suspending Argentina's GSP eligibility. Imports from Argentina lost GSP eligibility if entered or withdrawn from warehouse for consumption on or after May 28, 2012. As a result, imports from Argentina are included in the top section of the table beginning in 2013.

Positions of Interested Parties

Petitioner. The Brazilian Association of the Mechanically Processed Timber Industry (ABIMCI), an association that represents the timber sector in Brazil, filed a petition with the USTR requesting the CNL waiver for HTS subheading 4409.10.05 under the provisions of the GSP.

José Carlos Januário, president of ABIMCI, submitted a letter to the USITC in support of the petition. James Breeden, partner with UNO International Trade Strategy, appeared in person on behalf of ABIMCI at the USITC hearing and filed a post-hearing written submission.

No other statements were received by the Commission in support of, or in opposition to, the proposed modifications to the GSP considered for this HTS subheading.

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Chapter 8: Certain Coniferous Wood Products (Brazil)

Appendix A

Request Letter

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

February 17, 2017

Ms. Lyn Schlitt
Director, Office of External Relations
United States International Trade Commission
500 E St., SW
Washington, DC 20436

Dear Ms. Schlitt:

At the direction of the Acting United States Trade Representative Maria Pagan, I write to advise you that several petitioners have withdrawn requests for waivers of the competitive need limitation (CNLs) under the Generalized System of Preferences (GSP) program. The withdrawn petitions are listed in the Annex attached to this letter.

In view of the withdrawal of the petitions listed in the Annex to this letter and with respect to those petitions, USTR withdraws its request (*see* attached letter January 5, 2017) that the U.S. International Trade Commission (USITC) provide advice as to whether any industry in the United States is likely to be adversely affected by the waiver of the CNLs, whether like or directly competitive products were being produced in the United States on January 1, 1995, and what would be the probable economic effect on total U.S. imports, as well as on consumers, of the of the subject CNL waivers. The USITC should continue with its analysis of all other petitions cited in the January 5, 2017 letter from Ambassador Froman.

Please let me know if you have any questions.

Sincerely,



Edward Gresser
Assistant U.S. Trade Representative
Trade Policy and Economics

Attachments: Annex listing withdrawn CNL waiver petitions
January 5, 2017 letter from Ambassador Froman to USITC Chairman Williamson

ANNEX

The following previously accepted petitions for waivers of the competitive need limitations under the Generalized System of Preferences have been withdrawn by the petitioners and will no longer be considered in the 2016 Annual Review.

Table C: 2016/2017 GSP Annual Review- Petitions withdrawn for waiver of GSP CNLs

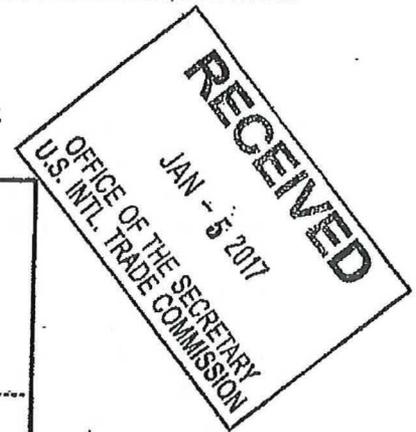
HTS Subheading	Brief description	Country	Petitioner(s)
0410.00.00	Edible products of animal origin, nesi	Indonesia	Government of Indonesia
0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	Ecuador	Government of Ecuador
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	Indonesia	Government of Indonesia
6802.99.00	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	Brazil	Government of Brazil and several stone exporters
8525.80.30	Television cameras, nesi	Thailand	Government of Thailand
9001.50.00	Spectacle lenses of materials other than glass, unmounted	Thailand	Government of Thailand and Thai Optical Group

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

JAN -5 2017

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

DOCKET NUMBER
3192
Office of the Secretary Int'l Trade Commission



Dear Chairman Williamson:

As part of the 2016/2017 Annual Review for modification of the Generalized System of Preferences (GSP), the Trade Policy Staff Committee (TPSC) has recently decided to accept certain product petitions, including petitions for waivers of competitive need limitations (CNLs). Modifications to the GSP program that may result from this review are expected to be announced on or before June 30, 2017, and to become effective on or before July 1, 2017.

In accordance with sections 503(a)(1)(A), 503(e), and 131(a) of the Trade Act of 1974, as amended ("the 1974 Act"), and pursuant to the authority of the President delegated to the United States Trade Representative (USTR) by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, and pursuant to section 332(g) of the Tariff Act of 1930, I hereby notify the Commission that the articles identified in Table A of the enclosed Annex are being considered for designation as eligible articles for purposes of the GSP program. I therefore request that the Commission provide its advice as to the probable economic effect on total U.S. imports, U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties on the articles in Table A for all beneficiary developing countries under the GSP program.

I hereby notify the Commission that one article is being considered for removal from eligibility for duty-free treatment under the GSP program from all countries. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, with respect to the article listed in Table B of the enclosed Annex, I request that the Commission provide its advice as to the probable economic effect of the removal from eligibility for duty-free treatment under the GSP program for this article from the all GSP countries on total U.S. imports, U.S. industries producing like or directly competitive articles, and on U.S. consumers.

Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, and in accordance with section 503(d)(1)(A) of the 1974 Act, I request that the Commission provide advice on whether any industry in the United States is likely to be adversely affected by a waiver of the CNLs specified in section 503(c)(2)(A) of the 1974 Act for the countries and articles specified in Table C of the enclosed Annex. Further, in accordance with section 503(c)(2)(E) of the 1974 Act, I request that the Commission provide its advice with respect to whether like or directly competitive products were being produced in the United States on January 1, 1995. I also request that the Commission provide its advice as to the probable economic effect on total U.S. imports, as well as on consumers, of the requested waivers. 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 \$175,000,000.

To the extent possible, I would appreciate it if the probable economic effect advice and statistics (profile of the U.S. industry and market and U.S. import and export data) and any other relevant information or advice is provided separately and individually for each U.S. Harmonized Tariff Schedule subheading for all products subject to this request.

In accordance with USTR policy on implementing Executive Order 13526, as amended, I direct you to mark or identify as "Confidential," for a period of ten years, such portions of the Commission's report and its working papers that contain the Commission's advice and assessment of probable economic effects on domestic industries producing like or directly competitive articles, on U.S. imports, and on U.S. consumers. Consistent with the Executive Order, this information is being classified on the basis that it concerns economic matters relating to the national security. In addition, USTR 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.

I request that you submit an outline of this report as soon as possible to enable USTR officials to provide you with further guidance on its classification, including the extent to which portions of the report will require classification and for how long. Based on this outline, an appropriate USTR official will provide you with written instructions. All confidential business information contained in the report should also be clearly identified.

I would greatly appreciate if the requested advice, including those portions indicated as "Confidential" be provided to my Office by no later than 120 days from receipt of this letter. Once the Commission's confidential report is provided to my Office, and we review and approve the classification marking, the Commission should issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any confidential business information deleted.

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

Sincerely,

A handwritten signature in cursive script that reads "Michael Froman". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Ambassador Michael B. G. Froman

ANNEX

Products are listed by Harmonized Tariff Schedule of the United States (HTS) subheadings. The product descriptions in this list are for informational purposes only; the definitive tariff nomenclature for the products listed below can be found in the HTS (except in those cases where only part of a subheading is the subject of a petition). The descriptions below are not intended to delimit in any way the scope of the relevant subheadings. The HTS may be viewed at <http://www.usitc.gov/tata/index.htm>. The petitions cited below may be found on www.regulations.gov in Docket USTR-2016-0009.

Table A: 2016/2017 GSP Annual Review-Petitions submitted for products to be considered for addition to the list of GSP-eligible products

HTS Subheading	Brief Description	Petitioner(s)
1104.19.90	Rolled or flaked grains of cereals, other than of barley or oats	Government of Bolivia
2008.20.00	Pineapples, otherwise prepared or preserved, nesi	Government of Bolivia
2915.90.18	Saturated acyclic monocarboxylic acids, nesoi	Elekeiroz
3809.93.50	Finishing agents, dye carriers and other preparations used in leather and like industries, < 5% by weight aromatic (mod.) substance(s)	Assintecal and Brazil Foreign Relations Ministry
3912.20.00	Cellulose nitrates (including collodions), in primary forms	Companhia Nitro Quimica Brasileira and Abiquim and Brazil Foreign Relations Ministry

Table B: 2016/2017 GSP Annual Review- Petition submitted to remove duty-free status from all countries for a product on the list of eligible articles for the Generalized System of Preferences

HTS Subheading	Brief Description	Action Requested	Petitioner(s)
2922.49.40.20	Glycine--part of 2922.49.40, "Amino acids"	Remove product for all countries	GEO Specialty Chemicals

Table C: 2016/2017 GSP Annual Review- Petitions submitted for waiver of GSP CNLs

HTS Subheading	Brief description	Country	Petitioner(s)
0410.00.00	Edible products of animal origin, nesi	Indonesia	Government of Indonesia
0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	Ecuador	Government of Ecuador
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	Indonesia	Government of Indonesia
4409.10.05	Coniferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any its edges or faces	Brazil	Government of Brazil and numerous Brazilian wood exporters
6802.99.00	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	Brazil	Government of Brazil and several stone exporters
8525.80.30	Television cameras, nesi	Thailand	Government of Thailand
9001.50.00	Spectacle lenses of materials other than glass, unmounted	Thailand	Government of Thailand and Thai Optical Group

Appendix B

Federal Register Notices

Practice and Procedure (19 CFR part 210).

By order of the Commission.
 Issued: March 22, 2017.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2017-05999 Filed 3-24-17; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1014]

Certain Composite Intermediate Bulk Containers; Commission Determination Not To Review an Initial Determination Terminating the Investigation Based on the Withdrawal of the Complaint; Termination of the Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission (the "Commission") has determined not to review a February 22, 2017, initial determination ("ID") (Order No. 13) granting an unopposed motion to terminate the investigation based on the withdrawal of the complaint. This investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Ron Traud, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-3427. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<https://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's Electronic Docket Information System ("EDIS") (<https://edis.usitc.gov>). Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone (202) 205-1810.

SUPPLEMENTARY INFORMATION: On July 27, 2016, the Commission instituted this investigation based on a complaint filed by Schütz Container Systems Inc. ("Schütz") of North Branch, New Jersey. 81 FR 49265. The complaint alleges

violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337") based upon the importation into the United States or sale of certain composite intermediate bulk containers by reason of infringement of certain trade dress, the threat or effect of which is to substantially destroy or injure a domestic industry. *Id.* The Commission's Notice of Investigation named as the sole respondent Zhenjiang Runzhou Jinshan Packaging Factory ("Zhenjiang") of Hengshun Zhenjiang, China. *Id.* The Office of Unfair Import Investigations was also named as a party to this investigation. *Id.*

On February 22, 2017, the administrative law judge ("ALJ") issued Order No. 13, the subject ID, which granted an unopposed motion filed by Schütz to terminate the investigation based on the withdrawal of the complaint. The ALJ found that the motion complied with the Commission's rules for the termination of investigations, that no extraordinary circumstances prevented the termination of the investigation, and that termination of the investigation is in the public interest. No party filed a petition seeking review of the subject ID.

The Commission has determined not to review the subject ID. This investigation is terminated.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.
 Issued: March 22, 2017.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2017-05955 Filed 3-24-17; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-560]

Generalized System of Preferences: Possible Modifications, 2016 Review

AGENCY: United States International Trade Commission.

ACTION: Change in scope of investigation following withdrawal of several requests for competitive need waivers.

SUMMARY: Following receipt of a letter on behalf of the Acting United States Trade Representative (USTR) dated February 17, 2017, advising that several

petitioners have withdrawn requests for waivers of the competitive need limitation under the Generalized System of Preferences (GSP) program and that USTR accordingly was withdrawing its request for advice regarding such petitions, the U.S. International Trade Commission (Commission) has amended the scope of its investigation and will not provide advice regarding the withdrawn petitions.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

FOR FURTHER INFORMATION CONTACT:

Information specific to this investigation may be obtained from Renee Berry, Project Leader, Office of Industries (202-205-3498 or renee.berry@usitc.gov), Sabina Neumann, Deputy Project Leader, Office of Industries (202-205-3000 or sabina.neuman@usitc.gov), or Marin Weaver, Technical Advisor, Office of Industries (202-205-3461 or marin.weaver@usitc.gov). For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Web site (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

Background: The February 17, 2017, letter from USTR advised the Commission that several petitioners have withdrawn requests for waivers of the competitive need limitation (CNL) under the GSP program, and that in view of the withdrawals, USTR was withdrawing its request for Commission advice as to whether any industry in the United States is likely to be adversely affected by the waiver of the CNLs, whether like or directly competitive products were being produced in the

United States on January 1, 1995, and what the probable economic effect would be on total U.S. imports, as well as on consumers, of the subject CNL waivers. The letter asked that the Commission continue with its analysis

of all other petitions cited in the January 5, 2017 letter from the USTR. As a result, the Commission is terminating the portion of its investigation that concerns the waivers that are the subject of the withdrawn petitions and will not

provide advice regarding them. The withdrawn petitions concern the following articles, HTS subheadings, countries, and petitioners:

HTS subheading	Brief description	Country	Petitioner
0410.00.00	Edible products of animal origin, nesl	Indonesia	Government of Indonesia.
0714.90.00	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	Ecuador	Government of Ecuador.
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	Indonesia	Government of Indonesia.
6802.99.00	Monumental or building stone & arts thereof, nesoi, further worked than simply cut/sawn, nesoi.	Brazil	Government of Brazil and several stone exporters.
8525.80.30	Television cameras, nesl	Thailand	Government of Thailand.
9001.50.00	Spectacle lenses of materials other than glass, unmounted	Thailand	Government of Thailand and Thai Optical Group.

In response to the USTR's letter of January 5, 2017, the Commission published its notice of institution of this investigation and the scheduling of a public hearing in connection therewith in the **Federal Register** on January 23, 2017 (82 FR 7857). The public hearing in this investigation (concerning the remaining articles) was held on February 21, 2017.

As previously announced, the Commission expects to transmit its report in this investigation to the USTR by May 5, 2017.

By order of the Commission.

Issued: March 21, 2017.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2017-05935 Filed 3-24-17; 8:45 am]

BILLING CODE 7020-02-P

Also, Utility Integration Solutions Organization, Fort Washington, PA; NovaTech, LLC, Quakertown, PA; Portland General Electric Company, Portland, OR; Upperbay Systems, Franklin, MA; Aclara, Hazelwood, MO; Energy Alternative Solutions LLC, Bel Air, MD; Energy Surety Partners LLC, Phoenix, AZ; GridWise Alliance, Washington, DC; KALKITECH, Houston, TX; Reef Energy Systems, LLC, Danville, CA; and ViaSat, Inc., Carlsbad, CA, have withdrawn as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and MSGIP 2.0 intends to file additional written notifications disclosing all changes in membership.

On February 5, 2013, MSGIP 2.0 filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on March 7, 2013 (78 FR 14836).

The last notification was filed with the Department on November 9, 2016. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on December 13, 2016 (81 FR 89991).

Patricia A. Brink,

Director of Civil Enforcement, Antitrust Division.

[FR Doc. 2017-05923 Filed 3-24-17; 8:45 am]

BILLING CODE 4410-11-P

6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), Southwest Research Institute—Cooperative Research Group on HEDGE IV ("HEDGE IV") has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing (1) the identities of the parties to the venture and (2) the nature and objectives of the venture. The notifications were filed for the purpose of invoking the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances.

Pursuant to Section 6(b) of the Act, the identities of the parties to the venture are: FCA US LLC, Auburn Hills, MI; IHI Corporation, Yokohama, JAPAN; Borgwarner, Inc., Auburn Hills, MI; Eaton Corporation, Southfield, MI; Ford Motor Company, Dearborn, MI; GM Global Technology Operations, LLC, Detroit, MI; Hanon Systems USA, LLC, Van Buren Twp., MI; Peugeot Citroen Automobiles (PCA), Velizy-Villacoublay Cedex, FRANCE; Tenneco Automotive Operating Company, Inc., Grass Lake, MI; and Cummins, Inc., Columbus, IN. The general area of HEDGE IV's planned activity is to develop the most cost effective solutions for future gasoline engine applications. The emissions goals include the most stringent regulations in each of the three developed markets, Asia, Europe, and North America. HEDGE IV will target the LEV III emission standards, consider RDE requirements and monitor PM/PN emissions on a regular basis. The efficiency goals include both practical thermal efficiency and performance targets, in terms of BSFC goals and power densities on specific platforms, as well as overall thermal efficiency

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Members of Sgip 2.0, Inc.

Notice is hereby given that, on February 24, 2017, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), Members of SGIP 2.0, Inc. ("MSGIP 2.0") has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, Twin Oaks Computing, Castle Rock, CO; Spirae, LLC, Fort Collins, CO; Siemens, Minnetonka, MN; and Intel, Hillsboro, OR, have been added as parties to this venture.

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Cooperative Research Group on Hedge IV

Notice is hereby given that, on February 14, 2017, pursuant to Section

ID. The Commission does not seek further briefing at this time.

In light of the remand, the ALJ shall set a new target date within thirty days of the date of this notice consistent with the Remand Order. The current target date for this investigation is March 16, 2017.

Any briefing on reviewed and remanded issues, and on remedy, bonding, and the public interest will follow Commission consideration of the remand ID.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.
Issued: January 13, 2017.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2017-01315 Filed 1-19-17; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-560]

Generalized System of Preferences: Possible Modifications, 2016 Review

AGENCY: United States International Trade Commission.

ACTION: Notice of institution of investigation and scheduling of public hearing.

SUMMARY: Following receipt of a request on January 5, 2017, from the United States Trade Representative (USTR), the U.S. International Trade Commission (Commission) instituted investigation No. 332-560, *Generalized System of Preferences: Possible Modifications, 2016 Review*, for the purpose of

providing advice and information relating to the possible designation of additional articles, removal of articles, and waiver of competitive need limitations.

DATES:

February 3, 2017: Deadline for filing requests to appear at the public hearing.

February 8, 2017: Deadline for filing pre-hearing briefs and statements.

February 21, 2017: Public hearing.

February 27, 2017: Deadline for filing post-hearing briefs and statements.

March 3, 2017: Deadline for filing all other written submissions.

May 5, 2017: Transmittal of Commission report to the USTR.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

FOR FURTHER INFORMATION CONTACT:

Information specific to this investigation may be obtained from Renee Berry, Project Leader, Office of Industries (202-205-3498 or renee.berry@usitc.gov) or Sabina Neumann, Deputy Project Leader, Office of Industries (202-205-3000 or sabina.neumann@usitc.gov), or Marin Weaver, Technical Advisor, Office of Industries (202-205-3461 or marin.weaver@usitc.gov). For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-

1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Web site (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

Background: In his letter, the USTR requested the advice and information described below.

(1) *Advice concerning the probable economic effect of elimination of U.S. import duties on certain articles from all beneficiary developing countries under the GSP program.* In accordance with sections 503(a)(1)(A), 503(e), and 131(a) of the Trade Act of 1974, as amended ("the 1974 Act") (19 U.S.C. 2463(a)(1)(A), 2463(e), and 2151(a)), and pursuant to the authority of the President delegated to the USTR by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, and pursuant to section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), the USTR notified the Commission that the articles identified in Table A of the Annex to the USTR request letter are being considered for designation as eligible articles for purposes of the GSP program. The USTR requested that the Commission provide its advice as to the probable economic effect on total U.S. imports, U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties on the articles identified in Table A of the Annex to the USTR request letter for all beneficiary developing countries under the GSP program (see Table A below).

TABLE A—POSSIBLE ADDITIONS TO THE LIST OF PRODUCTS ELIGIBLE FOR THE GSP ELIGIBLE PRODUCTS

HTS subheading	Brief description	Countries
1104.19.90	Rolled or flaked grains of cereals, other than of barley or oats	Beneficiary Developing Countries.
2008.20.00	Pineapples, otherwise prepared or preserved, nesoi	Beneficiary Developing Countries.
2915.90.18	Saturated acyclic monocarboxylic acids, nesoi	Beneficiary Developing Countries.
3809.93.50	Finishing agents, dye carriers and other preparations used in leather and like industries, <5% by weight aromatic (mod.) substance(s).	Beneficiary Developing Countries.
3912.20.00	Cellulose nitrates (including collodions), in primary forms	Beneficiary Developing Countries.

(2) *Advice concerning the probable economic effect of removal of certain articles from specified countries from eligibility for duty-free treatment.* The USTR notified the Commission that one article is being considered for removal from eligibility for duty free treatment

under the GSP program from all countries. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, with respect to the article listed in Table B of the Annex to the USTR request letter, the USTR requested that the Commission

provide its advice as to the probable economic effect of the removal from eligibility for duty-free treatment under the GSP program for this article from all countries on total U.S. imports, U.S. industries producing like or directly

competitive articles, and on U.S. consumers (see Table B below).

TABLE B—POSSIBLE REMOVAL FROM DUTY-FREE STATUS FROM ALL COUNTRIES FOR A PRODUCT ON THE LIST OF ELIGIBLE ARTICLES FOR THE GSP

HTS subheading	Brief description	Country
2922.49.40.20	Glycine—part of 2922.49.40, “Amino acids”	All.

(3) *Advice concerning waiver of certain competitive need limitations.* Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, and in accordance with section 503(d)(1)(A) of the 1974 Act, the USTR requested 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

limitations specified in section 503(c)(2)(A) of the 1974 Act for the countries and articles specified in Table C of the attached Annex to the request letter (see Table C below). Further, in accordance with section 503(c)(2)(E) of the 1974 Act, the USTR requested that the Commission provide its advice with respect to whether like or directly competitive products were being produced in the United States on

January 1, 1995. The USTR also requested that the Commission provide its advice as to the probable economic effect on total U.S. imports, as well as on consumers, of the requested waivers. With respect to the competitive need limit in section 503(c)(2)(A)(i)(I) of the 1974 Act, the USTR requested that the Commission use the dollar value limit of \$175,000,000.

TABLE C—POSSIBLE WAIVERS OF THE CNL FROM A SPECIFIC COUNTRY

HTS subheading	Brief description	Country
0410.00.00	Edible products of animal origin, nesoi	Indonesia.
0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	Ecuador.
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	Indonesia.
4409.10.05	Coniferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any {of} its edges or faces.	Brazil.
6802.99.00	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/ sawn, nesoi.	Brazil.
8525.80.30	Television cameras, nesoi	Thailand.
9001.50.00	Spectacle lenses of materials other than glass, unmounted	Thailand.

Time for reporting, HTS detail, portions of report to be classified. As requested by the USTR, the Commission will provide the requested advice and information by May 5, 2017. The USTR asked that the Commission issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any confidential business information deleted. As requested, the Commission will provide its economic effect advice and statistics (profile of the U.S. industry and market and U.S. import and export data) and any other relevant information or advice separately and individually for each U.S. Harmonized Tariff Schedule subheading for all products subject to the request. The USTR indicated that those sections of the Commission’s report and working papers that contain the Commission’s advice and assessment will be classified as “confidential.” The USTR also stated that his office 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.

Public Hearing: A public hearing in connection with this investigation will

be held at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC, beginning at 9:30 a.m. on February 21, 2017. Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., February 3, 2017. All pre-hearing briefs and statements should be filed no later than 5:15 p.m., February 8, 2017; and all post-hearing briefs and statements should be filed no later than 5:15 p.m., February 27, 2017. All requests to appear, and pre- and post-hearing briefs and statements should be filed in accordance with the requirements of the “written submissions” section below.

Written Submissions: In lieu of or in addition to appearing at the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., March 3, 2017. All written submissions must conform to the provisions of section 201.8 of the Commission’s Rules of Practice and Procedure (19 CFR 201.8). Section 201.8 and the Commission’s Handbook on Filing Procedures require that interested

parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202–205–1802).

Confidential Business Information: Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission’s Rules of Practice and Procedure (19 CFR 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 is clearly identified by means of brackets. All

written submissions, except for confidential business information, will be made available for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of this investigation in the report it sends to the USTR. Additionally, all information, including confidential business information, submitted in this investigation may be disclosed to and used: (i) By the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel (a) for cybersecurity purposes or (b) in monitoring user activity on U.S. government classified networks. The Commission will not otherwise disclose any confidential business information in a manner that would reveal the operations of the firm supplying the information.

Summaries of Written Submissions: The Commission intends to publish summaries of the positions of interested persons. Persons wishing to have a summary of their position included in the report should include a summary with their written submission. The summary may not exceed 500 words, should be in MSWord format or a format that can be easily converted to MSWord, and should not include any confidential business information. The summary will be published as provided if it meets these requirements and is germane to the subject matter of the investigation. The Commission will identify the name of the organization furnishing the summary and will include a link to the Commission's Electronic Document Information System (EDIS) where the full written submission can be found.

By order of the Commission.

Issued: January 17, 2017.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2017-01401 Filed 1-19-17; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA-392]

Importer of Controlled Substances Application: Mylan Technologies, Inc.

ACTION: Notice of application.

DATES: Registered bulk manufacturers of the affected basic classes, and applicants therefore, may file written comments on or objections to the issuance of the proposed registration in accordance with 21 CFR 1301.34(a) on or before February 22, 2017. Such persons may also file a written request for a hearing on the application pursuant to 21 CFR 1301.43 on or before February 22, 2017.

ADDRESSES: Written comments should be sent to: Drug Enforcement Administration, Attention: DEA Federal Register Representative/DRW, 8701 Morrisette Drive, Springfield, Virginia 22152. All requests for hearing must be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrisette Drive, Springfield, Virginia 22152. All requests for hearing should also be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/LJ, 8701 Morrisette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DRW, 8701 Morrisette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: The Attorney General has delegated her authority under the Controlled Substances Act to the Administrator of the Drug Enforcement Administration (DEA), 28 CFR 0.100(b). Authority to exercise all necessary functions with respect to the promulgation and implementation of 21 CFR part 1301, incident to the registration of manufacturers, distributors, dispensers, importers, and exporters of controlled substances (other than final orders in connection with suspension, denial, or revocation of registration) has been redelegated to the Assistant Administrator of the DEA Diversion Control Division ("Assistant Administrator") pursuant to section 7 of 28 CFR part 0, appendix to subpart R.

In accordance with 21 CFR 1301.34(a), this is notice that on October 31, 2016, Mylan Technologies, Inc., 110 Lake Street, Saint Albans, Vermont 05478 applied to be registered as an importer of the following basic classes of controlled substances:

Controlled substance	Drug code	Schedule
Methylphenidate	1724	II
Fentanyl	9801	II

The company plans to import the listed controlled substances in finished dosage form (FDF) from foreign sources for analytical testing and clinical trials in which the foreign FDF will be compared to the company's own domestically-manufactured FDF. This analysis is required to allow the company to export domestically-manufactured FDF to foreign markets.

Dated: October 22, 2016.

Louis J. Milione,

Assistant Administrator.

[FR Doc. 2017-01305 Filed 1-19-17; 8:45 am]

BILLING CODE 4410-09-P

DEPARTMENT OF JUSTICE

Notice of Lodging of Proposed Consent Decree Under the Resource Conservation and Recovery Act

On January 12, 2017, the Department of Justice and the State of Louisiana on behalf of the Louisiana Department of Environmental Quality ("LDEQ") filed a Complaint and lodged a proposed Consent Decree with the United States District Court for the Middle District of Louisiana in the matter of *United States of America and Louisiana Department of Environmental Quality vs. Innophos, Inc.*, Civil Action No. 17-26-SDD-RLB (M.D. La.).

In the Complaint filed in this action, the United States and LDEQ sought injunctive relief and civil penalties against Innophos, Inc. ("Innophos") for violations of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901-6992k, at Innophos's purified phosphoric acid manufacturing facility near Geismar, Louisiana. The Complaint alleged that Innophos routinely generated two hazardous wastes, Raffinate and RP Pondwater, and sent them to an adjacent facility for disposal; the receiving facility was not authorized to dispose of hazardous waste. LDEQ is a co-plaintiff and has brought its own claims under state law.

The proposed Consent Decree memorializes that Innophos has already corrected the violations related to RP Pondwater. Innophos also agrees in the Consent Decree to handle Raffinate appropriately, either by disposing of it in a permitted hazardous waste Underground Injection Control well system, by treating it on-site, or by shipping it to a permitted hazardous waste treatment, storage, and disposal

Appendix C
Calendar of Hearing Witnesses

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Generalized System of Preferences (GSP), Possible Modifications, 2016 Review

Inv. No.: 332-560

Date and Time: February 21, 2017 – 9:30 a.m.

A session was held in connection with this investigation in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, DC.

EMBASSY APPEARANCE:

Additions to the GSP

Rolled or flaked grains of cereal other than barley

Prepared or preserved pineapples

Embassy of the Plurinational State of Bolivia (PETITIONER)

Washington, DC

Alejandro Bilbao la Vieja Ruiz, Minister-Counselor, Ministry of Foreign Affairs

Charles Roberts, Interpreter for Minister Bilbao

PANEL 1:

ORGANIZATION AND WITNESS:

Removals from the GSP

Glycine

Thompson Hine LLP (PETITIONER)

Washington, DC

on behalf of

GEO Specialty Chemicals, Inc. ("GEO")

William P. Eckman, Executive Vice President and CFO, GEO

Daniel S. Hughes, Glycine Business Manager, GEO

David M. Schwartz)

) – OF COUNSEL

Karyna Valdes)

ORGANIZATION AND WITNESS:

Mayer Brown, LLP (OPPOSITION)

Washington, DC

on behalf of

Novus International, Inc.

Ryan Smith, Global Supply Chain and Procurement,
Novus International, Inc.

Jennifer L. Wagner, Senior Counsel, Novus International, Inc.

Tiffany Smith, Senior Policy Advisor, Mayer Brown LLP

Sydney H. Mintzer) – OF COUNSEL

Additions to the GSP

Cellulose nitrates (including collodions), in primary forms (Brazil)

Sandler, Travis & Rosenberg, P.A. (PETITIONER)

Washington, DC

on behalf of

Companhia Nitro Quimica Brasileira (“CNQB”)

Ricardo Colla, Commercial Director, CNQB

Bruna Minami Yanagida, Legal Advisor, CNQB

Fred Schneider, Commercial Manager, Alchemix Corp.

Mark Tallo) – OF COUNSEL

Competitive Needs Limitation (CNL) Waivers

Coniferous shaped wood (Brazil)

UNO International Trade Strategy

Washington, DC

James Breeden, UNO International Trade Strategy,
Brazilian Association for Mechanically
Processed Timber

-END-

Appendix D

Model for Evaluating the Probable Economic Effect

Model for Evaluating the Probable Economic Effect

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