



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Legislative
and Intergovernmental Affairs
Washington, D.C. 20230

September 13, 2000

The Honorable Jack Reed
United States Senate
320 Hart Office Building
Washington, D.C. 20510-3903

Dear Senator Reed:

This letter is in response to a request by a member of your staff, Jon Berger, for the views of the Administration on the following miscellaneous tariff bills:

- S. 2133 - To temporarily suspend the duty on Solvent Blues 124
- S. 2134 - To temporarily suspend the duty on Solvent Blue 104
- S. 2135 - To temporarily suspend the duty on Pigment Red 176
- S. 2136 - To temporarily suspend the duty on benzenesulfonamide, 4-amino-2, 5-dimethoxy-N-phenyl.

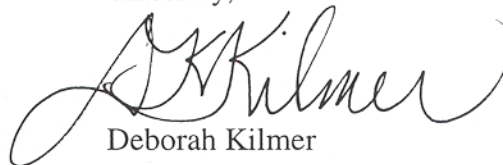
The Administration has no objection to enactment of any of the above referenced bills. We base this position principally on our determination that there is no domestic production of the ink colorants covered by each bill, nor are there any viable domestically produced substitutes for these colorants. Although we understand that a few companies have filed objections with respect to the proposed duty suspension contained in S. 2135, the Department of Commerce's industry analyst in the International Trade Administration has concluded that these companies do not make an ink colorant domestically that competes with Pigment Red 176. Please note that the Administration's position of no objection to these bills is dependent on making a number of technical corrections to the bills requested by the Customs Department.

In addition, an Administration position of no objection to these bills is a no objection provided the estimated revenue loss is fully offset. The Omnibus Budget Reconciliation Act of 1990 requires that all revenue and direct spending legislation meet a pay-as-you-go requirement. Otherwise, if the bills are enacted and their costs are not offset during the remainder of the session, a pay-as-you-go sequester could be triggered at the end of the session.

The Office of Management and Budget advises that there is no objection to the submission of this report to Congress from the standpoint of the Administration's program.

Please let me know if you require any additional information with regard to this matter, or if we can assist you in any other way.

Sincerely,



Deborah Kilmer