



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

September 14, 2000

The Honorable Michael N. Castle
U.S. House of Representatives
1227 Longworth Office Building
Washington, D.C. 20515-0801

Dear Representative Castle:

This is in response to your letter to Michael Kelly at the Department of Commerce's International Trade Administration requesting the Administration's positions on the following duty suspension bills, which you introduced: H.R. 3938, H.R. 3941, and H.R. 3943.

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 these proposed duty suspensions, the Department of Commerce's industry analyst in the International Trade Administration has concluded that these companies do not make ink colorants domestically that compete with the products covered by these bills. 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 yours,

A handwritten signature in cursive script, appearing to read "D. Kilmer".

Deborah Kilmer