United States International Trade Commission

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences: 2010 Review of Competitive Need Limitation Waivers

Investigation No. 332-522
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April 2011

U.S. International Trade Commission

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ABSTRACT

This report contains the advice of the U.S. International Trade Commission (Commission) to the President regarding whether any industry in the United States is likely to be adversely affected by waivers of the competitive need limitation (CNL) for certain countries and articles eligible for duty-free treatment under the provisions of the Generalized System of Preferences (GSP). The report also provides advice as to the probable economic effect of these waivers on U.S. industries producing like or directly competitive products, and on total imports, as well as on U.S. consumers, for the products described in the petitions for waivers as well as information on whether like or directly competitive products were being produced in the United States on January 1, 1995. The countries, articles, and Harmonized Tariff Schedule of the United States (HTS) subheadings for the proposed CNL waivers are as follows: Brazil for lysine and esters (HTS subheading 2922.41.00); Sri Lanka for pneumatic tires (HTS subheading 4011.93.80); Thailand for rubber gloves (HTS subheading 4015.19.10); and Argentina for calcium-silicon ferroalloys (HTS subheading 7202.99.20).

CHAPTER 1
Introduction and Summary of Findings

Introduction[1]

This report provides advice related to the effect of granting competitive need limitation (CNL) waivers on four products. The countries, articles, and Harmonized Tariff Schedule of the United States (HTS) subheadings for the proposed CNL waivers are as follows: lysine and its esters from Brazil (HTS 2922.41.00); certain construction and industrial tires from Sri Lanka (HTS 4011.93.80); seamless rubber gloves other than medical gloves from Thailand (HTS 4015.19.10); and calcium-silicon ferroalloys from Argentina (HTS 7202.99.20). These products are all currently eligible for duty-free treatment under the provisions of the U.S. Generalized System of Preferences (GSP).[2] As requested by the United States Trade Representative (USTR),[3] this report provides (1) advice on whether any industry in the United States is likely to be adversely affected by a CNL waiver; (2) advice as to the probable economic effect of waiving the CNL on U.S. industries producing like or directly competitive articles, on total U.S. imports, and on consumers; and (3) information as to whether like or directly competitive products were being produced in the United States on January 1, 1995.

Summary of Advice

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[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] These products are currently designed as eligible for duty-free treatment under the GSP program; however, the President's authority to provided duty-free treatment to articles designated as eligible for such treatment expired on December 31, 2010, and as of April 5, 2011 this authority had not been extended. USTR, "GSP Expiration: Frequently Asked Questions," http://www.ustr.gov/webfm_send/2465 (accessed April 5, 2011).

[3] See app. A for the USTR request letter. See app. B for the Commission's *Federal Register* notice instituting the investigation. The Commission held a public hearing on this matter on February 17, 2011, in Washington, DC; see app. C for the calendar of witnesses for the public hearing.

CHAPTER 2
Lysine and Its Esters

Competitive Need Limitation Waiver (Brazil)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/11 (percent ad valorem equivalent)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
2922.41.00[a]	Lysine and its esters; salts thereof	3.7	Yes
[a] Brazil has not been proclaimed by the President as non-eligible for GSP treatment for the articles included under HTS subheading 2922.41.00. However, Brazil is not eligible for a *de minimis* waiver and anticipates that future export levels to the United States will exceed the competitive need limitation.			

Description and uses: Lysine is an amino acid that is primarily used as an additive in livestock feeds.[2] Amino acids are important in human and animal health because they are the building blocks for proteins. Lysine is an essential amino acid, which means that humans and other mammals cannot synthesize this amino acid in their bodies and must instead get it from the foods that they eat. Lysine is most often used as a dietary supplement for poultry and swine, as it speeds the development of lean muscle in these animals. The diet of poultry and swine is primarily corn, which is low in lysine and therefore does not allow optimal growth of the animals unless it is supplemented with lysine. Lysine is also used as a nutritional supplement and injectable pharmaceutical for humans, but these uses typically account for less than 5 percent of U.S. consumption.

Probable Economic Effect Advice

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[1] The petitioner is the National Association of Brazilian Feed Industries (SINDIRAÇÕES).

[2] Esters of lysine are chemical compounds made by modifying the acid component of lysine. Esters of lysine typically have uses similar to those of lysine.

Profile of U.S. Industry and Market, 2006–10

The U.S. industry consists of three large producers of feed-grade lysine and two small producers of lysine for laboratory and pharmaceutical use (table 2.1). Archer Daniels Midland Company (ADM) produces lysine at its Decatur, IL, plant and has an annual capacity of 180,000 metric tons.[3] Ajinomoto Heartland LLC operates a lysine plant in Eddyville, IA, that has an annual capacity of 60,000 metric tons.[4] Midwest Lysine LLC operates a plant in Blair, NE, with an annual capacity of approximately 60,000 metric tons.[5] Ajinomoto AminoScience LLC and Sigma-Aldrich Corporation make small batches of lysine, primarily for use in research laboratories and for pharmaceutical use in humans.

Lysine was produced in the United States on January 1, 1995. Ajinomoto Heartland and Ajinomoto AminoSciences are both subsidiaries of the Ajinomoto Company of Tokyo, Japan. Ajinomoto developed the industrial production process for lysine in Japan in the 1960s and began production in the United States in 1986. ADM began production of lysine at its Decatur, IL, plant in 1991.

After ADM entered the market, ADM, Ajinomoto, and a third U.S. producer, Kyowa,[6] admitted in a plea agreement to having fixed lysine prices and allocated shares of the world market.[7] The companies settled with the U.S. Department of Justice in 1996 and paid fines that were among the largest in the history of antitrust cases. Midwest Lysine LLC began production in 2000 as a joint venture between Cargill, Inc., and Degussa Corporation. Degussa assumed full ownership of the plant in 2003.[8]

The demand for lysine in the United States depends on the output of swine and poultry producers as well as on the price of soybean meal, which is a substitute for corn/lysine mixes because it is higher in lysine than corn. Shipments of lysine peaked in 2008, when production of chickens (broilers) peaked. In addition, swine production remained at a high level after peaking in 2007, owing especially to a spike in demand from China.[9] Domestic consumption of lysine by value declined significantly in 2009, owing to the U.S. economic downturn, and rebounded in 2010. The market for lysine is expected to grow at a moderate pace over the next 5 to 10 years, as the USDA projects growth in broiler and swine production of between 1 and 2 percent each year.[10]

[3] Pillsbury Winthrop Shaw Pittman LLP, on behalf of Evonik Degussa Corporation, written submission (public version) to the USITC, March 6, 2009, 5.

[4] Pillsbury Winthrop Shaw Pittman LLP, on behalf of Evonik Degussa Corporation, written submission (public version) to the USITC, March 6, 2009, 5.

[5] *Chemical Week*, “Degussa Forms Lysine JV in China,” February 2, 2005, 16. Capacity of the Blair, NE, plant is reported as 90,000 metric tons for Degussa’s Biolys product, which is a sulfate salt of lysine. Commission staff estimates that this production capacity is approximately equivalent to a 60,000 metric ton capacity for lysine monohydrochloride, which is the basis of the annual capacities reported for the other domestic producers.

[6] Kyowa stopped production of feed-grade lysine in the United States in 2002 and shifted production at its Missouri plant to higher-value amino acids. Kyowa Hakko Kogyo Co., Ltd., “Kyowa Hakko Reorganization Focuses on Production of Higher Value Added Amino Acids,” January 1, 2002.

[7] Connor, “‘Our Customers Are Our Enemies’: The Lysine Cartel of 1992–1995,” 2001, 8; Connor, “Global Lysine Price-Fixing Conspiracy of 1992–1995,” 1997, 412.

[8] *Chemical & Engineering News*, “Business Concentrates,” June 30, 2003, 9.

[9] USDA, NASS, “Broilers: Production and Value of Production by Year, US,” April 2010; USDA, NASS, “Hogs: Pig Crop by Quarter and Year, US,” December 27, 2010. USITC, *China’s Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*, 2-4.

[10] USDA, “USDA Agricultural Projections to 2019,” February 2010.

TABLE 2.1 Lysine and its esters (2922.41.00): U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2006–10

Item	2006	2007	2008	2009	2010
Producers (number)	5	5	5	5	5
Employment (1,000 employees)	<1	<1	<1	<1	<1
Shipments (thousand $)	***	***	***	***	***
Exports (thousand $)	252,770	278,909	313,602	276,045	365,222
Imports (thousand $)	38,141	57,024	88,873	66,983	111,056
Consumption (thousand $)	***	***	***	***	***
Import-to-consumption ratio (%)	***	***	***	***	***
Capacity utilization (%)	***	***	***	***	***

Source: Number of producers, employment, shipments, and capacity utilization estimated by Commission staff from various industry sources; exports and imports compiled from official statistics of the Department of Commerce.

GSP Import Situation, 2010

Brazil and Indonesia are the largest suppliers of GSP-eligible imports of lysine into the United States. Though Brazil accounted for 61 percent of GSP-eligible imports in 2010, it did not surpass the CNL that year (table 2.2). Indonesia supplied 29 percent of GSP-eligible imports of lysine in 2010.

There are three lysine producers in Brazil: Ajinomoto Biolatina and Ajinomoto Interamericana, which are both subsidiaries of the Japanese firm Ajinomoto Company, and CJ do Brasil, a subsidiary of CJ Corporation of Korea. The combined capacity of the three producers was *** metric tons and their average capacity utilization was *** percent in 2009.[11] Brazilian lysine producers exported *** percent of their production in 2009.[12] The largest export market for Brazil is the European Union (EU), which received 26 percent of Brazilian exports of lysine in 2009.[13] The United States is the second largest market for Brazilian exports, accounting for 21 percent in 2009.[14]

TABLE 2.2 Lysine and its esters (2922.41.00): U.S. imports and share of U.S. consumption, 2010

Item	Imports (thousand $)	% of total imports	% of GSP imports	% of U.S. consumption
Grand total	111,056	100	([a])	***
Imports from GSP-eligible countries:				
Total	74,124	66.7	100	***
Brazil	44,851	40.4	60.5	***

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

Note: Figures may not add to totals shown because of rounding.

[a] Not applicable.

[11] SINDIRAÇÕES, written submission to the United States Trade Representative (USTR), November 16, 2010, 12.
[12] SINDIRAÇÕES, written submission to the USTR, November 16, 2010, 11–13.
[13] GTIS, World Trade Atlas Database (accessed February 7, 2011).
[14] GTIS, World Trade Atlas Database (accessed February 7, 2011).

U.S. Imports and Exports

Over the period, the value of U.S. imports of lysine grew every year, except in 2009. This was due, at least in part, to fluctuating prices. Between 2009 and 2010, for example, average unit values increased by 34 percent, from $1.39 per kilogram to $1.86 per kilogram. Brazil is the largest source of U.S. imports of lysine (table 2.3). China and Indonesia are the second- and third- largest sources, respectively. China supplied 29 percent of U.S. imports in 2010 and is not eligible for GSP benefits. Indonesia, which is GSP-eligible, is the second-largest exporter of lysine in the world, following the United States. Indonesia's lysine producers are subsidiaries of CJ Corporation of Korea.[15] In 2009, the largest markets for lysine exports from Indonesia were the EU (42 percent of exports), Vietnam (7 percent), and Thailand (5 percent). The United States imported less than 4 percent of Indonesia's total lysine exports in 2009.[16]

As noted above, the United States is the world's largest exporter of lysine. In 2010, U.S. lysine producers exported 76 percent of their total production. The largest markets for U.S. exports of lysine are the EU, Canada, and Brazil (table 2.4).

TABLE 2.3 Lysine and its esters (2922.41.00): U.S. imports (custom value) for consumption by principal sources, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Imports from all sources:					
Brazil	10,366,782	23,555,915	43,048,357	29,998,619	44,850,904
China	10,686,048	13,693,351	23,728,472	18,238,493	32,054,301
Indonesia	7,275,406	8,023,918	12,361,745	9,493,764	21,682,269
Thailand	0	0	0	0	7,334,942
Japan	2,504,735	2,610,418	3,395,881	1,921,710	3,006,762
Korea	4,692,544	1,811,871	3,723,403	4,032,484	815,760
Hong Kong	34,713	162,017	91,100	36,290	453,544
France	242,477	247,473	665,054	202,481	390,798
India	192,546	185,082	302,920	118,921	255,724
Canada	1,043,584	1,848,770	1,492,394	1,299,409	151,448
All other	1,102,178	4,885,675	63,465	1,640,531	59,082
Total	38,141,013	57,024,490	88,872,791	66,982,702	111,055,534
Imports from GSP-eligible countries:					
Brazil	10,366,782	23,555,915	43,048,357	29,998,619	44,850,904
Indonesia	7,275,406	8,023,918	12,361,745	9,493,764	21,682,269
Thailand	0	0	0	0	7,334,942
India	192,546	185,082	302,920	118,921	255,724
Argentina	0	0	0	256,496	0
Republic of Congo	3,920	0	0	0	0
Total	17,838,654	31,764,915	55,713,022	39,867,800	74,123,839

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

[15] Connor, "'Our Customers Are Our Enemies': The Lysine Cartel of 1992–1995," 2001, 7.
[16] GTIS, World Trade Atlas Database (accessed February 7, 2011).

TABLE 2.4 Lysine and its esters (2922.41.00): U.S. exports of domestic merchandise, by market, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Netherlands	76,254,153	83,793,505	126,280,638	114,717,761	152,110,704
Canada	36,979,121	37,236,308	35,624,898	28,455,586	39,648,410
Spain	12,530,058	18,959,651	24,509,896	23,507,811	32,366,984
Brazil	16,969,432	23,710,779	16,667,222	15,715,311	22,276,589
Belgium	19,992,282	6411342	58680	168800	14,278,972
Mexico	15,331,540	15,159,144	21,445,780	16,646,253	11,673,940
Colombia	2,399,284	1,200,676	4,574,728	5,106,187	8,645,825
Australia	3,416,780	5,007,429	7,373,320	6,765,534	8,337,687
United Kingdom	4,946,434	5101877	6551419	2720100	7,695,713
Argentina	5,068,410	3,637,307	4,707,278	5,101,803	7,031,424
All other	58,882,025	78,690,578	65,808,211	57,139,739	61,155,313
Total	252,769,519	278,908,596	313,602,070	276,044,885	365,221,561

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

Positions of Interested Parties[17]

Petitioner: In its petition requesting a waiver, the petitioner, National Association of Brazilian Feed Industries (SINDIRAÇÕES), said that its membership includes Brazil's three domestic lysine producers. According to the petitioner, because the United States is a large market for Brazilian exports of lysine, the loss of GSP benefits for Brazil would likely cause a decline in lysine exports and a reduction in employment in the Brazilian chemical industry. The petitioner asserted that Brazil's chemical industry is not as competitive as industries in other countries due to poor infrastructure, high production costs, and high raw-material prices; that GSP benefits are necessary to minimize those disadvantages and allow Brazilian producers to compete in the U.S. market with exports from China and other countries; and that granting the waiver will pose no threat to U.S. producers of lysine, because the market for lysine in the United States will continue to grow as animal feed formulations use more supplemental amino acids, and U.S. producers are in a strong position in this growing market. The petition also stated that the continuation of GSP benefits for Brazil would benefit U.S. intermediary and end users by reducing their costs, as the use of lysine allows more flexibility in choosing livestock feeds, including the use of corn and wheat as alternatives to higher-priced soybean meal.

The petitioner also claimed that Brazilian producers provide an alternative source of high-quality lysine if U.S. production is disrupted. It states that withdrawing the GSP benefit for Brazil would not help U.S. producers or producers in other developing countries, but would likely result in a shift in import sourcing from Brazil to China or developed nations, such as Canada and Japan.

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

[17] Information provided in this section is derived from the petition filed with the USTR. SINDIRAÇÕES, written submission to the USTR, November 16, 2010.

CHAPTER 3
Certain Construction and Industrial Tires

Competitive Need Limitation Waiver (Sri Lanka)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/11 (percent ad valorem equivalent)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
4011.93.80[a]	New pneumatic construction or industrial tires of non-radial design and maximum rim size diameter of 61 cm (24 inches)	3.4	Yes

Note: There are no prior GSP petitions filed on HTS subheading 4011.93.80.

[a] Sri Lanka has not been proclaimed by the President as non-eligible for GSP treatment for the articles included under HTS subheading 4011.93.80. However, Sri Lanka is not eligible for a *de minimis* waiver and exceeded the competitive need limitation in 2010.

Description and uses: The subject tires are new specialty pneumatic[2] off-the-road (OTR) rubber tires of a type used on vehicles and machines used in construction and industrial materials handling. This HTS subheading does not include automobile, truck, or bus tires. The subject tires measure 61 centimeters (24 inches) or less in rim diameter and are either tube-type or tubeless, with a non-herringbone type outer tread design.[3] Bias-ply construction[4] is a typical internal design feature of the subject tires, in which reinforcing plies (rubberized nylon tire cord, for example) are arranged in alternating herringbone-style angles, which results in a relatively rigid, high-strength tire that is well suited for the heavy weight-bearing and lift requirements of slow-moving equipment.[5] These tires are generally found on industrial handling vehicles and machines such as forklifts or similar types of equipment used at warehouses, loading docks, and freight terminals, as well as on towing equipment and trailers used at airport tarmacs and port facilities. Such tires may also be used on selected construction equipment,[6] such as skid-steers, backhoes, wheel loaders, and earth compactors, and on underground mining equipment.[7]

[1] The petitioner is the Government of Sri Lanka representing Loadstar (Private) Limited.
[2] Air pressurized.
[3] Herringbone type designs typically consist of relatively wide and deep rubber bar-shaped, lug-type tread arranged in a crisscross pattern around the surface contact portion of the tire. This type of tread is commonly found on agricultural tractor wheels and larger construction or industrial equipment.
[4] The bias-ply tire production process has been employed globally for several decades. General-purpose bias-ply commodity tires are ordinarily easier to produce at a relatively lower cost than more technologically advanced tire designs.
[5] The natural rubber content of the subject tires contributes to high strength, toughness, and impact resistance.
[6] Many types of subject tires may be used interchangeably on both industrial and construction types of equipment.
[7] Additional information on OTR construction and industrial vehicles and tires may be found in USITC, *Certain Off-the-Road Tires from China*, 2008, part I.

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Profile of U.S. Industry and Market, 2006–10

In 2010, there were six producers of the subject tires in the United States: Bridgestone/Firestone, Goodyear, and Michelin, which are all multinational firms, and Titan Tire Corp. (Titan), Carlisle Tire & Wheel Company (Carlisle), and Specialty Tires of America (Specialty), which are all domestically owned firms. Titan, Carlisle, and Specialty produce OTR tires exclusively, including the subject tires.[8] These companies also produce solid tires that are somewhat substitutable with the subject tires for use on certain equipment such as forklifts and skid-steers.[9] In recent years, the U.S. construction and industrial tire industry has restructured and consolidated as firms have either closed plants or realigned capacity.[10]

U.S. consumption of the subject products fluctuated upward during 2006–10. While domestic consumption declined significantly in 2009, owing to U.S. economic conditions, it rebounded in 2010, when it reached a high of $95 million (table 3.1). Most of the overall rise in consumption was fulfilled through increased imports, particularly from Sri Lanka, as U.S. shipments and U.S. exports remained relatively stable during 2006–10.

[8] "Annual Facts Issue," January 2011, 42–43.

[9] Solid tires are heavier and more expensive than the subject pneumatic tires; however, there are instances when solid tires are preferable and more cost effective. ***, interview by USITC staff, February 2, 2011.

[10] Denman Tires (Pensler Capital), a U.S. producer of OTR tires, declared Chapter 7 bankruptcy during the first quarter 2010 and closed its 1,300 tire-per-day plant at Warren, OH, which had been in operation since 1919. In 2009, Carlisle closed its 92-year-old specialty tire plant in Carlisle, PA, and moved certain assets to a new facility in Jackson, TN. Trelleborg Wheel Systems closed a 1,500 tire-per-day solid construction and industrial tire plant in Hartville, OH, and transferred production to Sri Lanka in 2009. "Annual Facts Issue," January 2010, 38–39; "Annual Facts Issue," January 2011, 42–43.

TABLE 3.1 Certain construction and industrial tires (4011.93.80): U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2006–10

Item	2006	2007	2008	2009	2010
Producers (number)[a]	7	7	7	7	6
Employment (number)[b]	**250	**250	**250	250	220
Shipments *(*thousand $)[b]	**30,000	**40,000	**40,000	40,000	46,000
Exports (thousand $)	8,131	17,180	22,186	19,424	21,760
Imports (thousand $)	57,411	62,457	72,334	52,676	70,611
Consumption (thousand $)	**79,280	**85,277	**90,148	73,252	94,851
Import-to-consumption ratio (percent*)*	**72	**73	**80	72	74
Capacity utilization (percent)[c]	65	70	70	70	70

Source: Exports (f.a.s. value) and imports (customs value) compiled from official statistics of the Department of Commerce.

Note: ** Estimated by Commission staff based on partial information/data adequate for estimation with a moderate degree of confidence.

[a] Number of producers, 2006–10, based on information reported in *Modern Tire Dealer (MTD)*, 2010–11.
[b] Employment and shipments data for 2006–08 are estimated by Commission staff based on data reported in USITC, *Certain Off-the-Road Tires from China,* August 2008, part III, tables 7 and 10.
[c] Estimated by Commission staff based on information provided by industry sources.

GSP Import Situation, 2010

In 2010, U.S. imports of the subject tires from GSP-eligible countries accounted for 60 percent of total U.S. imports and 45 percent of U.S. consumption. Sri Lanka was the United States' leading import supplier as well as its principal GSP-eligible supplier of the subject products in 2010, accounting for 55 percent of total U.S. imports, 91 percent of GSP-eligible imports, and 41 percent of U.S. domestic consumption (table 3.2). Other major U.S. import sources in 2010 were China, which supplied 26 percent of total U.S. imports, and Taiwan, which supplied 8 percent.[11] In 2008, Sri Lanka surpassed China to become the leading U.S. import source with a 36 percent market share, compared to second-ranked China's 32 percent share in that year.[12] There is no indication on the record that these competitive conditions will substantially change in the next few years. In late 2008, the U.S. Department of Commerce (Commerce) issued countervailing duty and antidumping duty orders on imports of certain OTR tires from China, including the subject tires.[13] Sri Lanka's share of U.S. imports continued to rise thereafter, reaching 55 percent in 2010, which exceeds the 50 percent CNL criteria.

Available information on the Sri Lankan tire industry is limited. According to the petitioners, Loadstar (Private) Limited, a wholly owned subsidiary of Camoplast Solideal Inc.,[14] is the leading producer and exporter of the subject tires in Sri Lanka. Camoplast

[11] Sri Lanka's share of total U.S. imports of the subject product increased by 37 percent or $29 million during 2006–10, while China's import share declined by 25 percent or $11 million during the same period.
[12] Official statistics of the U.S. Department of Commerce.
[13] In 2008, the Commission found that the domestic industry was materially injured by reason of imports of off-the-road (OTR) tires from China of which the subject tires are a part. Commerce found that the Chinese OTR tires were subsidized and sold in the United States at less than fair value. USITC, *Certain Off-The-Road Tires from China*, August 2008.
[14] Camoplast Solideal Inc. was formed in 2010 through the merger of Camoplast Inc. (a Canadian company) and Solideal International (a Luxembourg company).

Solideal has six manufacturing facilities in Sri Lanka.[15] During 2007–10, the United States was reportedly the leading market for Loadstar's exports, followed by the EU.[16] Loadstar's share of exports to the United States reportedly increased during 2009–10, while export shipments to the EU and other countries declined.[17] Owing to inconsistent data in the petition, staff is unable to confirm absolute production levels, shipments, employment, and capacity utilization for the Sri Lankan industry.[18]

TABLE 3.2 Certain construction and industrial tires (4011.93.80): U.S. imports and share of U.S. consumption, 2010

Item	Imports (thousand $)	% of total imports	% of GSP imports	% of U.S. consumption
Grand total	70,611	100	([a])	74
Imports from GSP-eligible countries:				
Total	42,285	60	100	45
Sri Lanka	38,682	55	91	41

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

[a] Not applicable.

U.S. Imports and Exports

Imports from Sri Lanka increased their share in U.S. consumption significantly during the period of review (table 3.3), from 18 percent of total U.S. imports by value in 2006 to 55 percent in 2010, while the value of imports from Sri Lanka increased by about $29 million. This compares to a total net U.S. import increase of $13 million. Imports of the subject tires from other major suppliers, notably China, declined. As noted earlier, in 2008 Commerce issued countervailing and antidumping duty orders on Chinese OTR tires, which are covered under the same HTS subheading as the subject tires from Sri Lanka.

During 2006–07, the value of U.S. exports of the subject tires more than doubled (table 3.4). Following a significant increase in 2007, the value of U.S. exports remained relatively stable during the remainder of the period at approximately $20 million per year. Increased U.S. exports to Chile, a major mining country and consumer of construction and industrial tires, accounted for the majority of this increase in total exports. In 2010, Chile, Canada, Mexico, and Brazil were the major markets for U.S. exports of the subject tires.

[15] Solideal USA, Inc., http://www.solidealusa.com (accessed February 1, 2011). Solideal USA, Inc., is the company's U.S. distributor of construction and industrial tires and is headquartered in Charlotte, NC.

[16] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 4, 9, 11.

[17] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 11.

[18] For example, there appears to be an inconsistency in reported production figures (table 6) and total exports (table 12). During 2007–10, total production values are reported to be in the range of $18.8 million to $26.4 million, while total export values are reported to be in the range of $66.6 million to $89.2 million. Government of Sri Lanka, petition submitted to the USTR, November 15, 2010, 7, 11.

TABLE 3.3 Certain construction and industrial tires (4011.93.80): U.S. imports (customs value) for consumption by principal sources, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Imports from all sources:					
Sri Lanka	10,113,287	14,297,524	26,370,651	25,570,061	38,681,595
China	29,467,533	28,749,409	23,058,124	12,086,114	18,231,738
Taiwan	7,348,452	10,007,306	10,751,525	5,861,229	5,880,731
Japan	2,087,164	1,754,938	2,361,867	2,373,484	3,343,532
Thailand	5,537,508	4,420,848	2,351,920	2,782,950	2,045,465
India	702,409	1,248,563	1,029,709	991,361	1,076,861
Canada	761,772	622,134	529,766	1,777,334	298,677
Brazil	504,454	508,396	402,417	194,449	297,153
Czech Republic	240,468	319,316	463,295	250,377	172,948
Malaysia	0	49,980	0	169,749	102,550
All other	648,317	479,023	5,014,502	619,389	480,028
Total	57,411,364	62,457,437	72,333,776	52,676,497	70,611,278
Imports from GSP-eligible countries:					
Sri Lanka	10,113,287	14,297,524	26,370,651	25,570,061	38,681,595
Thailand	5,537,508	4,420,848	2,351,920	2,782,950	2,045,465
India	702,409	1,248,563	1,029,709	991,361	1,076,861
Brazil	504,454	508,396	402,417	194,449	297,153
Argentina	0	0	0	0	88,371
Montenegro	0	18,284	0	55,290	52,253
Turkey	58,128	0	0	9,364	40,202
Indonesia	0	0	918	4,167	2,696
Philippines	0	0	30,809	0	0
All other	12,288	183,395	742,587	66,346	0
Total	16,928,074	20,677,010	30,929,011	29,673,988	42,284,596

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

TABLE 3.4 Certain construction and industrial tires (4011.93.80): U.S. exports of domestic merchandise, by market, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Chile	0	5,004,134	7,346,961	7,232,271	6,143,055
Canada	3,612,943	6,512,608	8,336,514	5,649,879	4,044,859
Mexico	412,375	505,958	442,578	2,080,956	3,348,144
Brazil	168,009	572,833	362,452	962,559	2,128,321
Peru	23,926	7,439	0	9,600	973,036
Colombia	82,725	28,416	234,259	214,836	921,760
South Africa	48,503	314,597	478,788	349,834	499,259
Dominican Republic	33,100	0	52,563	34,332	409,248
Honduras	83,688	19,297	59,423	131,110	358,836
Belgium	0	0	0	373,127	324,309
All other	3,665,262	4,214,545	4,872,490	2,385,108	2,609,633
Total	8,130,531	17,179,827	22,186,028	19,423,612	21,760,460

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

Positions of Interested Parties[19]

Petitioner: The Government of Sri Lanka requested a CNL waiver for the subject tires on behalf of Loadstar (Private) Limited (Loadstar), the leading Sri Lankan producer and exporter of these tires.[20] Loadstar is a wholly owned subsidiary of Camoplast Solideal Inc., a company formed in 2010 through the merger of Camoplast Inc. (a Canadian company) and Solideal International (a Luxembourg company).[21]

The petitioner attributed the increase in the value of U.S. imports of the subject tires from Sri Lanka in 2010 to higher unit production costs experienced by Loadstar, resulting from lower production volumes caused by global economic conditions in 2009.[22] According to the petitioner, major producing countries such as China enjoy economies of scale because of large local markets for their products, whereas Sri Lanka, which has a limited domestic market for the subject tires, is almost entirely dependent upon exports. The petitioner asserts that the unit costs of these other major suppliers accordingly remain far below those of Sri Lanka,[23] making it difficult for Sri Lankan manufacturers to compete in the international market without preferences such as those afforded under the U.S. GSP program.[24]

[19] Unless otherwise noted, information contained in this section is from the petition submitted by the Government of Sri Lanka to the Office of the U.S. Trade Representative, November 15, 2010. On February 10, 2011, representatives of the Embassy of Sri Lanka to the United States withdrew a request to testify at the USITC public hearing held on February 17, 2011; consequently, no interested parties concerned with the CNL waiver for this product appeared at the hearing.

[20] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 4.

[21] Camoplast Company Web site. http://www.camoplast.com/en/about/whatsnew.php (accessed March 15, 2011).

[22] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 7.

[23] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 5–6.

[24] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 13.

The petitioner reported that the subject tires represent one of only a few products manufactured in Sri Lanka that have managed to compete successfully in the U.S. market, and that GSP preferences have been an extremely useful tool to the successful marketing of these products, including the subject tires.[25] The petitioner said that private sector investments such as Loadstar's play a vital role in maintaining Sri Lanka's economic growth, and create employment.

According to the petitioner, any decline in exports of the subject tires resulting from removal of GSP preferences would result in the loss of employment opportunities and have an adverse economic impact on citizens living below the poverty line in Sri Lanka. The petitioner stated that the removal of GSP eligibility for the subject tires would lead to downsizing and/or closure of the affected companies, resulting in employment losses, and have an associated negative effect on economic development initiatives launched by the Government of Sri Lanka.[26]

Given the country's resource base (e.g., natural rubber) and skilled labor, the petitioner stated that Sri Lanka has been able to attract investment in manufacturing industries.[27] Petitioners further stated that although Loadstar benefits from the availability of natural rubber, consuming about 70 percent of total annual sheet rubber production in the country,[28] it is negatively impacted by price increases for other major inputs for the production of the subject tires, such as carbon black and other processing chemicals, which are imported.[29]

Support: Camoplast Solideal Inc. stated that prior to and during 2010, a large portion of subject tire imports from Sri Lanka were misclassified and should have entered the United States under HTS subheading 4011.62.00 (herringbone tread construction), rather than HTS subheading 4011.93.80.[30] The company stated that it filed a request for review with the U.S. Customs and Border Protection (CBP) to rectify the misclassification of the subject tire imports.[31] The company further claims that corrections to the data will demonstrate that U.S imports of subject tires classified under HTS subheading 4011.93.80 were below $145 million and accounted for less than 50 percent of total U.S. imports, thus falling below both CNL thresholds.[32]

Opposition: Titan Tire Corporation, a subsidiary of Titan International, Inc., said that it is the third-largest North American manufacturer of OTR tires, with three production facilities in the United States. Titan asserts that Sri Lanka, in a few years, took control of the U.S. forklift tire market by supplying low-cost tires and underselling U.S. and Canadian manufacturers.[33] Titan reported that as U.S. and Canadian manufacturers have gone out of business, Sri Lankan companies have bought the machinery and moved it to

[25] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 4.
[26] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 14.
[27] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 3.
[28] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 14.
[29] Petition submitted by the Government of Sri Lanka to the USTR, November 15, 2010, 13.
[30] Buchanan Ingersoll & Rooney PC, on behalf of Camoplast Solideal Inc., written submission to the USITC, February 24, 2011, 2–3.
[31] Buchanan Ingersoll & Rooney PC, on behalf of Camoplast Solideal Inc., written submission to the USITC, February 24, 2011, 3–4.
[32] Buchanan Ingersoll & Rooney PC, on behalf of Camoplast Solideal, Inc., written submission to the USITC, February 24, 2011, 3.
[33] Titan International, Inc., written submission to the USITC, February 22, 2011, 1.

Sri Lanka, where four foreign-owned factories currently produce tires.[34] Titan expressed concern that much of the subject tire production has shifted overseas and will not return to the United States.[35] According to Titan, if this trend continues, it could have a very negative effect on U.S. manufacturing.[36]

[34] The submission states that two factories are owned by a Canadian firm and two are owned by the Swedish company Trelleborg. Titan International, Inc., written submission to the USITC, February 22, 2011, 1.

[35] Titan International, Inc., written submission to the USITC, February 22, 2011, 1.

[36] Titan International, Inc., written submission to the USITC, February 22, 2011, 1.

CHAPTER 4
Seamless Rubber Gloves other than Medical Gloves

Competitive Need Limitation Waiver (Thailand)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/11 (percent ad valorem equivalent)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
4015.19.10[a]	Seamless rubber gloves	3.0	Yes
[a] Thailand has not been proclaimed by the President as non-eligible for GSP treatment for the articles included under HTS subheading 4015.19.10; however, Thailand exceeded the competitive need limitation in 2010.			

Description and uses: The subject seamless rubber gloves are made of natural rubber, usually latex, and may be either disposable or nondisposable. They are used for personal and hand protection by those working with electrical hazards, chemicals, and nuclear wastes in a variety of industries. These gloves may also be used for hand and product protection by workers in such industries as food service and automobile production and repair, as well as in the clean rooms of the electronic and semiconductor industries. They are also used by home consumers. These gloves do not include rubber gloves used by the medical field (either medical examination gloves or surgical gloves).

Probable Economic Effect Advice

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[1] The petitioners are the Government of Thailand; Thai Rubber Glove Manufacture Association; SAS Rubber Products Co., Ltd.; Siam Sempermed Corp., Ltd.; Shun Thai Rubber Gloves Industry (Public) Co., Ltd.; Thai Chong Chemical Industrial Co., Ltd.; and W.A. Rubbermate Co., Ltd.

Profile of U.S. Industry and Market, 2006–10

There are at least four U.S. companies producing the seamless rubber gloves that are the subject of this investigation. These four companies produce higher-end seamless rubber gloves that tend to be sold in niche markets. All four of these companies ***. The I.S.A. Corporation produces latex gloves that protect wearer's hands against hazardous chemicals and nuclear materials and are used to conduct power plant operations, cleanups, routine nuclear laboratory procedures, and the processing of materials for shipping, storage, or decontamination.[2] Another U.S. company that reportedly produces the subject seamless rubber gloves is Salisbury by Honeywell, which produces an entire line of personal electrical safety products, including a type of the subject glove used to provide personal electrical shock protection.[3] The other two known U.S. manufacturers of these gloves, Guardian Manufacturing and ShowaBest, similarly produce high-technology gloves used for personal and hand protection, such as chemical-resistant gloves.[4]

Overall U.S. production of the subject seamless rubber gloves is small, and U.S. producers' share of the U.S. market has been shrinking. Although U.S. shipments have remained steady during 2006–10, U.S. imports increased by 72 percent during this period (table 4.1).

TABLE 4.1 Seamless rubber gloves other than medical gloves (4015.19.10): U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2006–10

Item	2006	2007	2008	2009	2010
Producers (number)[a]	4	4	4	4	4
Employment (1,000 employees)	([b])	([b])	([b])	([b])	([b])
Shipments (thousand $)	78,000	78,000	78,000	78,000	78,000
Exports (thousand $)[c]	**11,565	**13,050	**13,690	**17,438	**20,908
Imports (thousand $)	263,947	314,234	348,555	316,318	455,130
Consumption (thousand $)	**330,382	**379,184	**412,865	**376,880	**512,222
Import-to-consumption ratio (%)	80	83	84	84	89
Capacity utilization (%)	([b])	([b])	([b])	([b])	([b])

Source: The number of U.S. producers, shipments, and exports was estimated by Commission staff based on telephones interviews and e-mails from industry sources, and data from the Bureau of the Census; imports were compiled from official statistics of the U.S. Department of Commerce.

Note: ** refers to staff estimates based on limited information; data are adequate for estimation with a moderate degree of confidence.

[a] Staff identified four domestic producers of the seamless rubber gloves: I.S.A. Corp., Salem, OR; Salisbury by Honeywell, Bolingbrook, IL; Guardian Manufacturing, Willard, OH; and ShowaBest, Menlo, GA.
[b] Data are unavailable.
[c] Staff estimated the value of exports of the subject seamless rubber gloves for 2006–10 based on the broader category of gloves under Schedule B statistical reporting number 4015.19.0002.

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[2] I.S.A. Corporation Web site, http://www/isacorporation.net/latex-gloves-anti-c-safety-gloves (accessed February 18, 2011).
[3] Salisbury by Honeywell Web site, http://www.salisburybyhoneywell.com/en-US/industrial/Pages/default.aspx (accessed February 18, 2011).
[4] Guardian Manufacturing and ShowaBest Web sites, http://www.guardian-mfg.com/ and http://www.showabestglove.com/site/aboutus/ (accessed February 18, 2011).

GSP Import Situation, 2010

U.S. imports of seamless rubber gloves other than medical gloves from GSP-eligible countries accounted for about 42 percent of U.S. consumption and 48 percent of total U.S. imports in 2010 (table 4.2). Thailand and Indonesia were the two largest GSP-eligible suppliers during the period, with the value of imports from Thailand more than double that of imports from Indonesia in 2009 and 2010. In 2010, Thailand accounted for 32 percent of total U.S. imports and 68 percent of total imports of the subject gloves from GSP-eligible countries (table 4.2). The value of U.S. imports of these gloves from Thailand increased by about 106 percent during the period of review, from $71 million in 2006 to $146 million in 2010.

TABLE 4.2 Seamless rubber gloves other than medical gloves (4015.19.10): U.S. imports and share of U.S. consumption, 2010

Item	Imports $	% of total imports	% of GSP imports	% of U.S. consumption
Grand total	455,130	100	([a])	89
Imports from GSP-eligible countries:				
Total	216,265	48	100	42
Thailand	146,103	32	68	29

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

Note: Figures may not add to totals shown because of rounding.

[a] Not applicable.
[b] Less than 0.5 percent.

U.S. Imports and Exports

U.S. imports of the subject gloves increased by 32 percent, from $264 million in 2006 to $349 million in 2008, before declining by about 9 percent to $316 million in 2009. However, they rebounded strongly in 2010, as their value increased by 44 percent to $455 million. Thailand was the second-largest supplier of the subject rubber gloves and the largest GSP-eligible supplier during 2006 through 2009 (table 4.3). In 2010, Thailand became the largest supplier of total U.S. imports of these gloves, and also, of imports of the gloves from GSP-eligible countries.

U.S. exports of the subject seamless rubber gloves other than medical gloves constitute only a portion of U.S. rubber glove exports classified in Schedule B statistical reporting number 4015.19.0002. This number covers exports of almost all rubber gloves, including those made with seams and medical exam gloves, and therefore covers a much broader range of rubber gloves than the subject gloves. Nevertheless, the value of exports of all rubber gloves covered in statistical reporting number 4015.19.0002 is considerably less than that of U.S. imports of the subject gloves. Exports of all rubber gloves included in statistical reporting number 4015.19.0002 increased by 81 percent, from $23 million in 2006 to $42 million in 2010 (table 4.4).

TABLE 4.3 Seamless rubber gloves other than medical (4015.19.10): U.S. imports (customs value) for consumption by principal sources, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Imports from all sources:					
Thailand	70,731,181	92,927,788	96,923,304	94,568,211	146,103,210
Malaysia	86,465,923	96,089,042	109,104,421	99,141,724	141,512,361
China	27,807,357	39,367,657	44,369,548	34,398,108	57,762,333
Indonesia	29,189,745	36,997,112	44,319,061	44,464,265	52,984,106
Sri Lanka	17,039,637	16,327,356	17,484,137	15,262,143	15,823,190
Mexico	13,476,853	13,931,522	14,167,358	10,003,124	14,083,563
Vietnam	272,471	2,286,938	6,119,942	5,222,400	10,100,632
Guatemala	7,598,488	5,572,350	5,826,537	3,472,142	4,953,675
Taiwan	2,060,253	2,523,305	2,945,184	2,630,656	3,608,687
Canada	1,680,102	25,340	22,499	1,839,574	2,858,777
All other	7,624,635	8,185,280	7,273,080	5,315,276	5,339,170
Total	263,946,645	314,233,690	348,555,071	316,317,623	455,129,704
Imports from GSP-eligible countries:					
Thailand	70,731,181	92,927,788	96,923,304	94,568,211	146,103,210
Indonesia	29,189,745	36,997,112	44,319,061	44,464,265	52,984,106
Sri Lanka	17,039,637	16,327,356	17,484,137	15,262,143	15,823,190
India	3,144	8,049	226,718	266,566	1,200,695
Mauritius	0	0	0	0	83,601
Pakistan	52,011	27,932	37,221	230,874	68,411
Philippines	437	0	911	0	1,216
Colombia	673	327	33,389	120,942	821
All other	417,421	95,074	0	0	0
Total	117,434,249	146,383,638	159,024,741	154,913,001	216,265,250

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

TABLE 4.4 All rubber gloves other than surgical (4015.19.0002): U.S. exports of domestic merchandise, by market, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Canada	9,505,249	10,218,598	10,934,099	12,793,041	14,383,715
Mexico	3,493,573	2,076,183	3,452,839	4,723,839	6,073,985
Israel	327,770	859,852	997,149	3,350,021	3,596,159
France	47,746	110,300	243,266	165,260	2,557,100
Belgium	3,786,120	4,852,369	3,472,165	2,156,887	1,243,068
Japan	826,264	594,988	928,671	1,092,223	1,196,917
Netherlands	377,028	1,546,922	1,006,899	1,043,902	1,057,912
Australia	685,207	684,082	284,103	407,822	1,044,377
Brazil	178,136	116,012	688,511	501,399	938,514
Chile	79,065	202,781	193,837	586,802	822,749
All other	3,823,325	4,839,066	5,178,258	8,054,705	8,902,148
Total	23,129,483	26,101,153	27,379,797	34,875,901	41,816,644

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

Positions of Interested Parties

Petitioners: The Government of Thailand through the Royal Thai Embassy; the Thai Rubber Glove Manufacture Association; and the following five Thai rubber glove producers submitted petitions to USTR for the CNL waiver for the subject gloves: SAS Rubber Products Co., Ltd.; Siam Sempermed Corp., Ltd.; Shun Thai Rubber Gloves Industry (Public) Co., Ltd.; Thai Chong Chemical Industrial Co., Ltd.; and W.A. Rubbermate Co., Ltd.

In their petitions, the petitioners noted the importance of rubber glove production and its upstream industries to Thailand's economy. They indicated that the subject gloves are one of Thailand's major exports to the United States, which is Thailand's largest export market, and that Thailand relies heavily on exports for its economic growth.[5] Petitioners also said that the loss of duty-free treatment under the GSP would cause Thailand to lose U.S. market share to China and Malaysia, which in turn would harm the country's economic well-being at a time when Thailand has been affected by the world's financial and economic difficulties. They also said that Thailand has just experienced disastrous floods in various regions, including the southern region where many of the country's rubber plantations are located.[6]

The petitioners said that the manufacture of the subject rubber gloves and its upstream industries, including the production of latex and the cultivation of rubber in Thailand, contribute to Thailand's economic health by providing high levels of employment. They asserted that 5 to 6 million people, or approximately 10 percent of the country's

[5] See, e.g., Royal Thai Embassy, written submission to USTR, November 16, 2010.
[6] See, e.g., Royal Thai Embassy, written submission to USTR, November 16, 2010.

population, are employed in processes involved with rubber glove manufacturing,[7] and indicated that some of these jobs have been jeopardized by the recent flooding.[8]

The petitioners said that the world rubber glove market is highly competitive and that Thai rubber glove producers need duty-free eligibility under the GSP to continue to be competitive and expand in the U.S. market. They also said that the rising cost of rubber, along with rising latex prices and exchange rate fluctuations, have put upward pressure on production costs in Thailand. They reported that latex prices fluctuate frequently, as they are affected by supply and demand, the weather, natural disasters, and currency exchange rates.[9] The petitioners also said that some of the increase in the value of U.S. imports of the subject gloves from Thailand during 2006-10 was due to the rising cost of rubber and latex.[10]

The petitioners stated that duty-free eligibility under GSP would help Thai producers to increase their exports to the United States. For example, Shun Thai Rubber Glove Industry Co., Ltd., stated in its petition that with continued duty-free treatment, the company would be able to add production lines and increase employment.[11] Another Thai rubber glove producer, Siam Sempermed, said in its petition that duty-free eligibility gives Thai producers a competitive edge over countries such as Malaysia and China that must pay a 3 percent duty.[12] The 3 percent duty savings reportedly enables Thai rubber glove producers to price their product more competitively.[13] They said that Thailand enjoys the competitive advantage of having an abundant domestic supply of rubber and is among the top three producers of rubber in the world, along with Malaysia and Indonesia. The petitioners stated that the loss of the duty-free treatment would erode some of this competitiveness.

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

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[7] See, e.g., Royal Thai Embassy, written submission to USTR, November 16, 2010.
[8] See, e.g., Royal Thai Embassy, written submission to USTR, November 16, 2010.
[9] See, e.g., Shun Thai Rubber Glove Industry Co., Ltd., written submission to the USTR, November 16, 2010.
[10] See, e.g., Thai Chong Chemical Industrial Co., Ltd., written submission to the USTR, November 16, 2010.
[11] Shun Thai Rubber Glove Industry Co., Ltd., written submission to the USTR, November 16, 2010.
[12] Siam Sempermed Corporation Ltd., written submission to the USTR, November 16, 2010.
[13] Siam Sempermed Corporation Ltd., written submission to the USTR, November 16, 2010.

CHAPTER 5
Calcium-Silicon Ferroalloys

Competitive Need Limitation Waiver (Argentina)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/11 (percent ad valorem equivalent)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
7202.99.20[a]	Calcium-silicon ferroalloys	5.0	Yes

[a] Argentina was granted *de minimis* waivers for HTS subheading 7202.99.20 effective July 1, 2006, 2007, 2008, and 2010, based on prior calendar year data; a *de minimis* waiver was not necessary in 2009. Based on full-year 2010 import data, Argentina is not eligible for a *de minimis* waiver for 2011.

Description and uses: Calcium-silicon is a ferroalloy used in the production of certain high-grade steels. It is added to molten steel to control the shape, size, and distribution of oxide and sulfide inclusions, improving the fluidity, machinability, ductility, and/or impact properties of the steel products.

Like most other ferroalloys, calcium silicon is produced by smelting basic raw materials—quartz, limestone, and charcoal—in an electric-arc furnace. The resulting product is then crushed and screened and is available in lump or powder form. The most widely used method of adding calcium-silicon to molten steel is by the feeding of a hollow steel wire (cored wire) containing calcium-silicon powder. This allows accurate control of the amount of alloy added and insures that the alloy goes into solution rather than floating on the surface, as it might if added in bulk. Other alloys are added in the same way. It is estimated that 80 percent or more of the calcium-silicon used in steelmaking is in the form of cored wire; the other commonly used process is pneumatic injection of calcium-silicon powder into molten steel.[2]

Cored wire is manufactured by forming a steel strip into a tube into which alloy powder is fed before the tube is fully closed. The tube is then rolled to compact the product and seal the lock-seam. Cored wire is typically about one-half to three-quarters of an inch in diameter and is provided in coils weighing one ton or more. The weight of the steel tube jacket represents about 40–50 percent of the total weight of the product. However, cored wire is normally priced and sold on the basis of the weight of the contained calcium-silicon powder.[3]

All forms of calcium-silicon—lump, powder, and cored wire—are included in HTS subheading 7202.99.20 and subject to this waiver request; however, calcium-silicon is

[1] The petitioners are the Argentinean Chamber of Ferroalloys and Special Alloys ("CAFAE") and the Government of the Argentine Republic.
[2] ***, telephone interview with USITC staff, January 20, 2011.
[3] ***, telephone interview with USITC staff, January 20, 2011.

classified in this tariff subheading only if it contains 4 percent or more, by weight, of iron. Calcium-silicon containing less than 4 percent of iron is imported under subheadings 2850.00.05 (calcium silicides) and 2850.00.50 (other silicides).[4] Nonetheless, the iron content of the material is inconsequential in use, and calcium-silicon with higher iron content and that with lower iron content reportedly are used interchangeably.[5] Imports of calcium-silicon from Brazil enter the United States duty free under HTS subheadings 2850.00.05 and 2850.00.50.[6]

Probable Economic Effect Advice

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Profile of U.S. Industry and Market, 2006–10

There is no production of calcium-silicon powder or lump in the United States. There is, however, an industry made up of firms producing calcium-silicon cored wire using imported calcium-silicon powder (table 5.1). The industry comprises four firms: Affival Inc., Verona, PA; Minteq International, Inc., Canaan, CT; Odermath (USA) Inc., Naperville, IL; and P. C. Campana, Inc., Lorain, OH.[7] These firms also produce cored wire containing other ferroalloys and chemical additives using the same equipment and labor force. Calcium-silicon cored wire is the highest-volume cored-wire product and accounts for about one-half (by weight) of all U.S. cored-wire production.

During the review period, calcium-silicon experienced large fluctuations in both price and quantity produced. Compared with 2006–07, the U.S. price of calcium-silicon was up about 90 percent in 2008, and about 120 percent in 2009. As a result, although the volume of consumption was down slightly in 2008 compared to the earlier years due to a decline in steel production, the value of consumption increased due to much higher prices. Higher prices also accounted for the increase in the value of U.S. shipments of calcium-silicon cored wire in 2008. In 2009, however, with steel production in the United States at a 70-year low,[8] the quantity and value of calcium-silicon consumed, and U.S. shipments of cored wire, declined despite continued high prices. In 2010, steel production recovered, but not to the pre-recession level of 2006–07, and U.S. shipments of calcium-silicon cored wire increased in proportion.

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[4] Subheading 2850.00.05 has a Column 1 duty rate of free. Subheading 2850.00.50 has a Column 1 duty rate of 3.7 percent, but is eligible for GSP; however, imports from Argentina are precluded from duty-free treatment under this subheading because of issues concerning intellectual property rights in Argentina. See Presidential Proclamation 6988 of April 11, 1997, 62 Fed. Reg. 19017 (April 17, 1997).

[5] ***, telephone interview with USITC staff, January 28, 2009. Also USITC, hearing transcript, February 17, 2011, 36 (testimony of Marcela Troncoso on behalf of CAFAE). The Argentine producer stated that it would be “extremely difficult” for them to produce calcium-silicon with less than 4 percent iron content. USITC, hearing transcript, February 17, 2011, 50 (testimony of Marcela Troncoso on behalf of CAFAE).

[6] Imports under HTS subheading 2850.00.50 from Brazil are duty free under GSP.

[7] A fifth firm, Injection Alloys, ceased operations in 2009.

[8] American Iron and Steel Institute, “AIS7H Report,” n.d.

At least one U.S. producer of cored wire has imported calcium-silicon cored wire to supplement its U.S. capacity. During 2009–2010, this producer reduced its imports of cored wire and increased its imports of powder, thereby maintaining a higher level of operation and employment for its factory workers in the United States.[9] This change contributed to the increase in estimated U.S. production of calcium-silicon cored wire in 2010.

TABLE 5.1 Calcium-silicon ferroalloys (7202.99.20): U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2006–10

Item	2006	2007	2008	2009	2010
Producers (number)	5	5	5	4	4
Employment (number)	*100	*100	*100	*100	*100
Shipments *(*thousand $)[a]	*10,500	*12,500	*26,500	*15,000	*24,000
Exports (thousand $)	*500	*1,000	*1,000	*1,000	*1,000
Imports (thousand $)	17,217	15,410	36,732	12,528	20,158
Consumption (thousand $)[a]	*20,000	*18,000	*44,000	*16,500	*26,500
Import-to-consumption ratio (percent*)*	*85	*84	*83	*76	*75
Capacity utilization (percent)	*80	*80	*90	*40	*80

Source: Number of producers, employment, shipments, and capacity utilization estimated by Commission staff from various industry sources; exports and imports compiled from official statistics of the Department of Commerce.

Note: * indicates that the estimates are based on information/data that are adequate for estimation with a moderately high degree of confidence.

[a] Estimated shipments include the value of imported calcium-silicon consumed to produce cored wire. To avoid double-counting, this consumption is excluded from the estimate of apparent consumption.

GSP Import Situation, 2010

U.S. imports of calcium-silicon from GSP-eligible countries accounted for 58 percent of total imports in 2010, with imports from Argentina comprising 86 percent of imports from GSP-eligible countries (table 5.2). Overall, imports from Argentina made up 50 percent of total U.S. imports of calcium-silicon in 2010.

Imports of calcium-silicon from Argentina decreased by about 13 percent from 2006–10. Imports from non-GSP nations, however, increased significantly, such that total imports exceeded the *de minimis* threshold of $20 million and Argentina became ineligible for a *de minimis* waiver. Therefore, the Government of Argentina requested a CNL waiver.

The industry producing calcium-silicon in Argentina comprises two firms: Globe Metales SA (Globe) and Electrometalúrgica Andina (Andina). Globe has two plants in Argentina: a plant with electric-arc furnaces producing calcium-silicon and other ferroalloys, and a second plant producing cored wire.[10] Globe exports both calcium-silicon powder and calcium-silicon cored wire. Globe also owns a processing plant in Poland that produces cored wire for the European market using calcium-silicon produced in its Argentina plant.[11]

[9] USITC hearing transcript, February 17, 2011, 20-21 (testimony of Marcela Troncoso, on behalf of CAFAE). Also, ***, telephone interview by USITC staff, January 20, 2011.
[10] Globe Specialty Metals Inc., http://www.glbsm.com/GlobeMetales/ (accessed February 2, 2011).
[11] Globe Specialty Metals Inc., http://www.glbsm.com/GlobeMetales/ (accessed February 2, 2011).

Andina produces calcium-silicon as well as calcium carbide and other ferroalloy products at its plant in Argentina. Andina exports calcium-silicon powder and lump, but does not produce cored wire.[12]

TABLE 5.2 Calcium-silicon ferroalloys (7202.99.20): U.S. imports and share of U.S. consumption, 2010

Item	Imports (thousand $)	% of total imports	% of GSP imports	% of U.S. consumption
Grand total	20,158	100	([a])	76[b]
Imports from GSP-eligible countries:				
Total	11,663	58	100	44
Argentina	10,080	50	86	38

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

[a] Not applicable.
[b] Although all calcium-silicon consumed in the United States is imported, the value of U.S. consumption includes value added by U.S. companies processing calcium-silicon powder into cored wire.

U.S. Imports and Exports

Data for total U.S. imports of calcium-silicon are presented in table 5.3. U.S. exports are not presented because the relevant export category covers a basket group of ferroalloys making it impossible to isolate data for this particular alloy.

The U.S. industry has experienced increased competition since the granting of GSP status for calcium-silicon, due to aggressive marketing of calcium-silicon cored wire from Argentina and Brazil. Imports of calcium-silicon cored wire from China have also increased. Beginning in 2008, calcium-silicon cored wire has been imported from Mexico as well. The Mexican product *** has entered the United States duty-free as a NAFTA product.[13] U.S. cored wire producers export a small amount of their output of calcium-silicon cored wire, mostly to Canada.[14]

The value of imports and consumption peaked in 2008 as a result of higher prices: the average unit value of imported calcium-silicon increased from $1.60 per kilogram in 2007 to $2.86 per kilogram in 2008. The value of U.S. imports fell in 2009 due to reduced consumption as a result of a decline in steel production.

[12] USITC hearing transcript, February 17, 2011, 6 (testimony of Marcela Troncoso on behalf of CAFAE).
[13] ***, telephone interview by USITC staff, January 18, 2011.
[14] ***, telephone interview by USITC staff, March 8, 2011.

TABLE 5.3 Calcium-silicon ferroalloys (7202.99.20): U.S. imports (custom value) for consumption by principal sources, 2006–10, in dollars

Country	2006	2007	2008	2009	2010
Imports from all sources:					
Argentina	11,620,460	10,126,291	17,970,449	7,082,003	10,080,352
France	1,302,526	1,921,458	3,187,810	1,640,113	3,333,143
China	1,407,305	223,256	3,382,933	322,690	3,202,960
Mexico	0	0	58,504	1,481,089	1,872,023
Brazil	2,886,935	3,139,052	11,465,432	2,001,674	1,582,834
Hong Kong	0	0	0	0	86,640
Germany	0	0	666,956	0	0
Total	17,217,226	15,410,057	36,732,084	12,527,569	20,157,952
Imports from GSP-eligible countries:					
Argentina	11,620,460	10,126,291	17,970,449	7,082,003	10,080,352
Brazil	2,886,935	3,139,052	11,465,432	2,001,674	1,582,834
Total	14,507,395	13,265,343	29,435,881	9,083,677	11,663,186

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

Positions of Interested Parties

Petitioners: The petitioners, Cámara Argentina de Ferroaleaciones y Aleaciones Especiales (Argentinean Chamber of Ferroalloys and Special Alloys) (CAFAE) and the Government of the Argentine Republic requested the waiver of the CNL for Argentina for the subject product. CAFAE and its two member companies that produce calcium-silicon, Globe Metales and Electrometalúrgica Andina (jointly “Argentine industry”) stated that because there are no producers of calcium-silicon powder in the United States, and there are no substitute products for calcium-silicon, Argentine exports of calcium-silicon to the United States do not have an adverse impact on any U.S. industry. The Argentine industry pointed out that imports of calcium-silicon from Argentina barely exceeded the *de minimis* threshold in 2010 and that the Argentine share of the imports was just over 50 percent.[15]

With respect to any possible adverse impact on the U.S. industry producing calcium-silicon cored wire using imported calcium-silicon powder, the Argentine industry stated that the portion of exports from Argentina consisting of powder (as opposed to cored wire) has increased significantly, particularly in the last two years, and is approaching 90 percent. The Argentine industry stated that it has become uneconomical to export calcium-silicon cored wire from Argentina to the United States because of the difficulty in cost-effectively meeting the different requirements of the many purchasers of cored wire with respect to wire diameter, coil configuration, and coil size. To fulfill these requirements would result in long lead times and the necessity of carrying a large inventory in the United States of different types of calcium-silicon cored wire. In

[15] USITC, hearing transcript, February 17, 2011, 9 (testimony of Marcela Troncoso on behalf of CAFAE).

addition, because half of the weight of calcium-silicon cored wire is attributable to the steel sheath containing the calcium-silicon powder, the transportation costs for shipping calcium-silicon cored wire are about double those for shipping the product in powder form.[16]

Support: Globe Specialty Metals, Inc. (Globe) provided testimony and both pre- and post-hearing briefs in support of granting the requested waiver. Globe is the corporate parent of both Globe Metales and Globe Metallurgical, Inc.; the latter, according to Globe, is the U.S. importer and distributor of calcium-silicon produced by Globe Metales, as well as a major U.S. producer of silicon metal and silicon alloys. Globe asserted that granting of the requested CNL waiver would have a positive effect on the U.S. calcium-silicon cored wire industry and on consumers in the United States and would not have a negative effect on any U.S. industry. Globe stated that all U.S. cored wire producers would benefit from the availability of competitively priced calcium-silicon powder from Argentina. Globe further asserted that U.S. steel producers, which are the ultimate consumers of calcium-silicon powder and cored wire, would also benefit from the availability of competitively priced calcium-silicon from Argentina.[17]

Globe supported the statements of the Argentine industry that it is more economical to use imported powder to produce cored wire in the United States using imported powder than to import the product in the form of cored wire. Globe stated that compared with powder, cored wire faces higher transportation costs, as well as additional costs incurred in supplying the wide variety of cored wire specifications required by U.S. consumers. Globe pointed out the significant decline in the percentage share of cored wire in the imports of Argentine calcium-silicon, and concluded that continued imports of cored wire from Argentina will not adversely affect the U.S. cored wire industry.[18]

Affival, Inc. (Affival), the largest U.S. cored wire producer and a major consumer of calcium-silicon powder imported from Argentina, supported the requested waiver. According to Affival, maintaining GSP benefits for calcium-silicon from Argentina is important to the success of their operations in the United States and the workers that they employ. Affival asserted that failure to grant the requested waiver and removal of the GSP benefits for calcium-silicon from Argentina would lead to increased cost for U.S. steel producers and consumers.[19]

Opposition: No statements were received by the Commission in opposition to the proposed modifications to the GSP considered for this subheading.

[16] USITC, hearing transcript, February 17, 2011, 7–8 (testimony of Marcela Troncoso on behalf of CAFAE).
[17] USITC, hearing transcript, February 17, 2011, 11–14 (testimony of Marlin Perkins on behalf of Globe Specialty Metals, Inc.).
[18] Globe Specialty Metals, Inc., written submission to the USITC, February 24, 2011, 2–3.
[19] USITC, hearing transcript, February 17, 2011, 16 (testimony of Tim Schwadron on behalf of Affival Inc.); Affival, written submission to the USITC, January 26, 2011.

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Thai Chong Chemical Industrial Co., Ltd. Written submission to the United States Trade Representative in connection with 2010 Annual GSP Review, Petition to Grant Waiver of Competitive Need Limit on Imports from Thailand of Rubber Gloves, (HTS 4015.19.10), November 16, 2010.

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APPENDIX A
USTR Request Letter

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

RECEIVED
DEC 2 2 2010

DOCKET NUMBER
2775
Office of the Secretary
Int'l Trade Commission

DEC 2 0 2010

The Honorable Deanna Tanner Okun
Chairman
United States International Trade Commission
500 E Street, S.W.
Washington D.C. 20436

Dear Chairman Okun:

The Trade Policy Staff Committee (TPSC) has recently decided and will announce in the *Federal Register*, the acceptance of certain petitions to grant waivers of the competitive need limitations ("CNL") for four specific products under the Generalized System of Preferences ("GSP") program. Pursuant to section 503(c)(2) of the Trade Act of 1974, if import levels of a GSP article from a beneficiary country exceed certain thresholds, or CNLs, in a calendar year, the President must terminate GSP benefits for that article from that beneficiary country. However, the President can waive the CNLs for particular articles if he receives the advice of the International Trade Commission ("Commission") on whether the waiver will adversely affect any domestic industry, determines that the waiver is in the national economic interests and publishes the determination in the Federal Register. Any modification to the GSP program that may result from this review is expected to be announced and become effective in the summer of 2011.

Accordingly, I request that, under the authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930 and in accordance with section 503(c)(2)(A) of the 1974 Act, the Commission provide advice on whether any industry in the United States is likely to be adversely affected by a waiver of the CNL specified in section 503(c)(2) (A) of the 1974 Act for the country specified with respect to the articles in the enclosed Annex. I also request that the Commission provide advice as to the probable economic effect on U.S. industries producing like or directly competitive articles, on total U.S. imports, as well as on U.S. consumers. Also, please provide information as to whether like or directly competitive products were being produced in the United States on January 1, 1995. With respect to the CNL in section 503(c)(2)(A)(i)(I) of the 1974 Act, the Commission is requested to use the dollar value limit of $145,000,000.

In accordance with USTR policy on implementing Executive Order 13526, as amended, entitled "Classified National Security Information" and published January 5, 2010, 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 which relate to the Commission's advice. Consistent with the Executive Order, this information is being classified on the basis that it concerns economic matters relating to the national security. USTR also considers the Commission's report to be an inter-agency memorandum that will contain pre-decisional advice and be subject to the deliberative process privilege. I also 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 with original classification authority will provide you with written instructions. All confidential business information contained in the report should 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 110 days from the receipt of this letter. Once the Commission's confidential report is provided to my Office, the Commission should issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any business confidential information deleted.

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

Sincerely,

Ron Kirk

Ambassador Ronald Kirk

Annex

As part of the 2010 Generalized System of Preferences (GSP) Annual Review, the Trade Policy Staff Committee has accepted petitions to waive GSP Competitive Need Limitations for the Harmonized Tariff Schedule of the United States (HTS)subheadings listed below with respect to the specified countries. The tariff nomenclature in the HTS for the subheadings listed below is definitive; the product descriptions in this list are for informational purposes only. The description below is not intended to delimit in any way the scope of the subheading. The HTS may be viewed on http://www.usitc.gov/tata/index.htm.

Petitions for granting waivers of a Competitive Need Limitation for a product on the list of eligible products for the Generalized System of Preferences

Case No.	HTS Subheading	Brief Description	Petitioner
USTR-2010-03	2922.41.00 (Brazil)	Lysine and esters	National Association of Brazilian Feed Industries (SINDIRACOES)
USTR-2010-04	4011.93.80 (Sri Lanka)	Pneumatic tires	Government of Sri Lanka
USTR-2010-05	4015.19.10 (Thailand)	Rubber gloves	Thai Rubber Glove Manufacturing Assoc.; W.A. Rubbermate Co., Ltd. Thai Chong Chemical Industrial Co. Ltd; Shun Thai Rubber Gloves Industry (Public) Co., Ltd.
USTR-2010-06	7202.99.20 (Argentina)	Calcium silicon ferroalloys	Government of Argentina

APPENDIX B
Commission's *Federal Register* Notice of Institution

Section 19, N89°46′28″ W; Thence southeastwardly with the center line of said Creek N40°34′08″ E a distance of 779.20 feet to its intersection with the North right-of-way line of Oklahoma State Highway No. 49; Thence northwestwardly with said right-of-way line N83°59′09″ W a distance of 271.57 feet; Thence continuing northwestwardly with said right-of-way line on a curve to the right having a radius of 1372.69 feet for a distance of 863.68 feet; Thence continuing northeastwardly with said right-of-way line N42°03′51″ E a distance of 20.00 feet; Thence continuing northwestwardly with said right-of-way line N47°56′09″ W a distance of 306.74 feet to the north line of said Section 19; Thence east with said north line S89°46′28″ E a distance of 753.48 feet to the point of beginning.

The area described contains 8.45 acres, more or less, in Comanche County.

2. At 8 a.m. on February 14, 2011 the land described in Paragraph 1 will be opened to the operation of the public land laws generally, subject to valid existing rights, the provisions of existing withdrawals, other segregations of record, and the requirements of applicable law. All valid applications received at or prior to 8 a.m. on February 14, 2011 shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

William Merhege,

Deputy State Director.

[FR Doc. 2011–603 Filed 1–12–11; 8:45 am]

BILLING CODE 4310–FB–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–522]

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Review of Competitive Need Limitation Waivers

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: Following receipt of a request on December 22, 2010, from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), the U.S. International Trade Commission (Commission) instituted investigation No. 332–522, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Review of Competitive Need Limitation Waivers.*

DATES:

January 28, 2011: Deadline for filing requests to appear at the public hearing.
February 4, 2011: Deadline for filing pre-hearing briefs and statements.
February 17, 2011: Public hearing.
February 24, 2011: Deadline for filing post-hearing briefs and statements and other written submissions.
April 11, 2011: Transmittal of classified report to the United States Trade Representative.

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 *http://www.usitc.gov/secretary/edis.htm.*

FOR FURTHER INFORMATION CONTACT: Information specific to this investigation may be obtained from Shannon Gaffney, Project Leader, Office of Industries (202–205–3316 or *shannon.gaffney@usitc.gov*) or Alberto Goetzl, Deputy Project Leader, Office of Industries (202–205–3323 or *alberto.goetzl@usitc.gov*). For information on the legal aspects of these investigations, 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 Internet server *(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: The Commission, as requested by the USTR under the 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 Trade Act of 1974 (1974 Act) (19 U.S.C. 2463(d)(1)(A)), will 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 following countries and articles provided for in the noted subheadings of the Harmonized Tariff System (HTS): Brazil for HTS subheading 2922.41.00 (lysine and esters); Sri Lanka for HTS subheading 4011.93.80 (pneumatic tires); Thailand for HTS subheading 4015.19.10 (rubber gloves); and Argentina for HTS subheading 7202.99.20 (calcium silicon ferroalloys). As requested, the Commission will also provide advice as to the probable economic effect on U.S. industries producing like or directly competitive articles, on total U.S. imports, and on U.S. consumers, by a waiver of such limitations. In addition, as requested, the Commission will provide information as to whether like or directly competitive products were being produced in the United States on January 1, 1995. As requested, for purposes of section 503(c)(2)(A)(i)(I) of the 1974 Act, the Commission will use the dollar value limit of $145,000,000.

As requested by the USTR, the Commission will provide its advice by April 11, 2011. The USTR indicated that the portions of the Commission's report and its working papers which relate to the Commission's advice will be classified as "confidential," and that 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.

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 17, 2011. Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m. on January 28, 2011. Any pre-hearing briefs and other statements relating to the hearing should be filed with the Secretary not later than 5:15 p.m. on February 4, 2011, and all post-hearing briefs and statements and any other written submissions should be filed with the Secretary not later than 5:15 p.m. on February 24, 2011. All requests to appear and pre- and post-hearing briefs and statements must be filed in accordance with the requirements in the "Written Submissions" section below. In the event that, as of the close of business on January 28, 2011, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Persons interested in learning whether the hearing has been canceled should call the Office of the Secretary after January 28, 2011, at 202–205–2000.

Written Submissions: In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation. All such submissions should be addressed to the Secretary and should be received not later than 5:15 p.m. on February 24, 2011 (see earlier dates for filing requests to appear and for filing pre-hearing briefs and statements). All written submissions must conform with the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (*see* Handbook for Electronic Filing Procedures, *http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf*). Persons with questions regarding electronic filing should contact the Secretary (202–205–2000).

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 be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available in the Office of the Secretary to the Commission for inspection by interested parties. The Commission may include some or all of the confidential business information submitted in the course of the investigation in the report it sends to the USTR.

As requested by the USTR, the Commission will publish a public version of the report, which will exclude portions of the report that the USTR has classified as well as any confidential business information.

Issued: January 7, 2011.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2011–553 Filed 1–12–11; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

[OMB Number 1190–0008]

Civil Rights Division, Federal Coordination and Compliance Section; Agency Information Collection Activities Under Review

ACTION: 30-Day Notice of Information Collection Under Review: Federal Coordination and Compliance Section Complaint Form.

The Department of Justice, Civil Rights Division, Federal Coordination and Compliance Section, will be submitting the following information collection request to the Office of Management and Budget for review and approval in accordance with the Paperwork Reduction Act of 1995. The information collection extension is published to obtain comments from the public and affected agencies. This proposed information collection was previously published in the **Federal Register** Volume 75, Number 210, page 67116, on November 1, 2010 allowing for a 60-day public comment period.

The purpose of this notice is to allow an additional 30 days for public comment. Comments are encouraged and will be accepted until February 14, 2011. This process is conducted in accordance with 5 CFR 1320.10.

Written comments and/or suggestions are requested from the public and affected agencies concerning the proposed collection of information. Your comments should address one or more of the following four points:

(1) Evaluate whether the collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology (*e.g.,* permitting electronic submission of responses).

To ensure that comments on the information are received, OMB recommends that written comments be faxed to the Office of Information and Regulatory Affairs, OMB, *Attn:* DOJ Desk Officer, FAX: 202–395–7285, or e-mailed to *oira_submission@omb.eop.gov*. All comments should be identified with the OMB control number, *i.e.* (1140–XXXX). Also include the DOJ docket number found in brackets in the heading of this document.

Overview of this information collection is listed below:

(1) *Type of information collection:* Extension of Currently Approved Collection.

(2) *The title of the form/collection:* Federal Coordination and Compliance Section, Complaint Form.

(3) *The agency form number and applicable component of the Department sponsoring the collection:* No form number. Federal Coordination and Compliance Section, Civil Rights Division, U.S. Department of Justice.

(4) *Affected public who will be asked to respond, as well as a brief abstract:* Primary: Individuals alleging discrimination by public and private entities based on race, color, national origin, sex, religion, age, or other bases. Federal Coordination and Compliance Section serves as a clearinghouse for receipt, review and referral of citizen complaints. FCS also investigates complaints against recipients of Federal financial assistance from the U.S. Department of Justice. Under Title VI of the Civil Rights Act of 1964 and other Federal civil rights statutes, an individual who believes that he or she been subjected to discrimination on the basis of race, color, national origin, sex, religion, age, or other bases by a public or private entity may, by himself or herself or by an authorized representative, file a complaint. Any Federal agency that receives a complaint alleging discrimination by a public or private entity is required to review the complaint to determine whether it has jurisdiction under Title VI or other Federal civil rights statutes. If the agency does not have jurisdiction, it can refer the complaint to the Federal Coordination and Compliance Section, Civil Rights Division, U.S. Department of Justice, for review and referral to the appropriate Federal agency or other action deemed appropriate.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 4,000 respondents per year at 30 minutes per complaint form.

(6) *An estimate of the total public burden (in hours) associated with the*

APPENDIX C
Calendar of Witnesses for the February 17, 2011 Hearing

CALENDAR OF PUBLIC HEARING

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

Subject: Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Review of Competitive Need Limitation Waivers

Inv. No.: 332-522

Date and Time: February 17, 2011 - 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, D.C.

ORGANIZATION AND WITNESS: **PRODUCT:**

Calcium Silicon Ferroalloys

Cámara Argentina de Feroaleaciones y Aleaciones Especiales ("CAFAE") (the Argentinean Chamber of Ferroalloys and Special Alloys) and its members Globe Metales S.A. ("Globe Metales") and Electrometalúrgica Andina ("Andina")

Marcela Troncoso, Member of the Board of CAFAE

DLA Piper
Washington, D.C.
on behalf of

Globe Specialty Metals, Inc. ("GSM")

Marlin Perkins, Vice President of Sales, Globe Metallurgical Inc.

William D. Kramer)
) – OF COUNSEL
Martin Schaefermeier)

Affival, Inc.
Williamsville, NY

Tim Schwadron, CEO

Gary M. Spolarich, General Manager, Global Procurement

-END-

APPENDIX D
Model for Evaluating the Probable Economic Effects of Changes in GSP Status

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

*   *   *   *   *   *   *