United States International Trade Commission

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals

Investigation No. 332-493
USITC Publication 3982
January 2008

U.S. International Trade Commission

COMMISSIONERS

Daniel R. Pearson, Chairman
Shara L. Aranoff, Vice Chairman
Deanna Tanner Okun
Charlotte R. Lane
Irving A. Williamson
Dean A. Pinkert

Robert A. Rogowsky
Director of Operations

Karen Laney-Cummings
Director, Office of Industries

Project Leader
Cynthia B. Foreso, Office of Industries
cynthia.foreso@usitc.gov

Deputy Project Leader
Eric Land, Office of Industries
eric.land@usitc.gov

Principal Authors
Jeffrey Clark, Vincent DeSapio, Cynthia Foreso, Gerald Houck, Eric Land, Phillip Stone, Karl Tsuji, and Stephen Wanser

Special Assistance From:
Walker Pollard, Office of Economics
Diane Bennett and Sharon Greenfield, Office of Industries

Under the direction of:
Robert Carr, Chief
Natural Resources and Metals Division

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals

Investigation No. 332-493

CLASSIFIED BY: United States Trade Representative, Letter Dated September 6, 2007
DECLASSIFIED BY: United States Trade Representative, Letter Dated September 6, 2007

Publication 3982

January 2008

NOTICE

THIS REPORT IS A PUBLIC VERSION OF THE REPORT SUBMITTED TO THE UNITED STATES TRADE REPRESENTATIVE ON DECEMBER 18, 2007. ALL CONFIDENTIAL NATIONAL SECURITY INFORMATION AND CONFIDENTIAL BUSINESS INFORMATION HAS BEEN REMOVED AND REPLACED WITH ASTERISKS (***).

ABSTRACT

This report contains the advice of the United States International Trade Commission (Commission) to the President regarding the probable economic effect of certain proposed additions to, or removals from, the list of eligible articles under the provisions of the Generalized System of Preferences (GSP) on the U.S. industries producing like or directly competitive articles and on U.S. consumers. The articles and their Harmonized Tariff Schedule (HTS) subheadings for the proposed additions are: adipic acid, 2917.12.10; certain plywood veneered panels, 4412.39.5030; certain unwrought aluminum in coils, 7601.10.30 and 7601.20.30; hollow profiles, of aluminum alloys, 7604.21.00; and manganese metal powder, 8111.00.4910. The articles and their HTS subheadings for the proposed removals are: from India, certain other organo-inorganic compounds, 2931.00.90; and from Brazil, PET film, 3920.62.00.

CONTENTS

Contents–Continued

Page

Contents–Continued

Page

Tables–*Continued*

CHAPTER 1
Introduction and Summary of Findings

Introduction[1]

This report provides probable economic effect advice concerning the proposed addition or removal of certain articles from the list of articles eligible for duty-free treatment under the provisions of the U.S. Generalized System of Preferences (GSP), as requested by the United States Trade Representative (USTR).[2] Specifically, the report provides advice as to the probable economic effect on U.S. industries producing like or directly competitive articles, and on consumers, of the proposed addition to or removal from the list of eligible articles.

Product and country coverage

As requested by the USTR, advice is provided on the proposed addition of the following articles (provided for in the noted U.S. Harmonized Tariff Schedule (HTS) subheadings): adipic acid (2917.12.10); certain plywood veneered panels (4412.39.5030); certain unwrought aluminum in coils (7601.10.30 and 7601.20.30); hollow profiles, of aluminum alloys (7604.21.00); and manganese metal powder (8111.00.4910). Advice is also provided on the proposed removal of the following articles (provided for in the noted HTS subheadings): certain other organo-inorganic compounds (2931.00.90) from India, and PET film (3920.62.00) from Brazil.

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

[2] See app. A for the USTR request letter; on November 26, 2007, the USTR informed the Commission that the petition for HTS subheadings 2613.10.00 and 2613.90.00 (molybdenum ores and concentrates) and 3204.17.90 (certain synthetic organic pigments) were withdrawn by the petitioners and that the Commission was not to provide advice on those HTS subheadings (see app. A for the letter from USTR). See app. B for the Commission's *Federal Register* notice instituting the investigation and the notice withdrawing the three HTS subheadings. The Commission held a public hearing on this matter on October 16, 2007 in Washington, DC. See app. C for the calendar of witnesses for the public hearing.

Analytical approach

The probable economic effect advice presented in this report is based on the short- to near-term (1 to 5 years) impact of the proposed GSP-eligibility modifications.[3] Partial-equilibrium modeling was used to estimate the probable economic effect of changes in the GSP program for the selected products on total U.S. imports of these products, competing U.S. industries, and U.S. consumers. The model used in this study is a nonlinear, imperfect substitutes model. Unless otherwise noted, the Commission used the petitions submitted to the USTR, testimony presented at a public hearing, written submissions from interested parties, other information published in government and industry reports, and staff economic and industry expertise to provide a description of the subject products and the qualitative analysis of actual market conditions for the subject products. For the most part, trade data presented in this report are from official statistics of the U.S. Department of Commerce.[4] U.S. production data were estimated by the Commission industry analysts. Elasticities were also estimated by Commission industry analysts based on relevant product and market characteristics. Data cover the period 2002 through 2006.

The Commission's probable economic effect advice relates to the impact of the additions or removals on U.S. imports, industries, and consumers and uses the coding system shown below:[5]

[3] The probable economic effect advice, to a degree, integrates and summarizes the data provided in other sections of each product write-up with particular emphasis on the price sensitivity of import supply and demand. For example, if the price elasticity of demand in the United States for imports from the beneficiary countries and the price elasticity of supply for the eligible foreign suppliers are both relatively high, then the elimination of even a moderate level tariff would suggest the possibility of large increases in imports from the beneficiary countries.

It should be noted that the probable economic effect advice with respect to changes in import levels is presented in terms of the degree to which GSP modifications could affect the level of U.S. trade with the world. Consequently, if GSP beneficiary countries supply a very small share of the total U.S. imports of a particular product or if imports from beneficiary countries readily substitute for imports from developed countries, then the overall effect on U.S. imports could be minimal. See app. D for a brief textual and graphic presentation of the model used to evaluate the probable economic effect of changes in the GSP program.

[4] U.S. export data for certain subject products are not included as the products are part of a large basket category and are, therefore, overstated. Estimates of U.S. exports, if any, are provided in the "Profile of U.S. industry and market, 2002–06" section.

[5] The Commission developed the probable economic effect coding system to ensure consistency in its advice and has used the coding system in a wide range of investigations.

ADDITIONS:

Level of total U.S. imports:

Code A: Little or no increase (less than 6 percent).
Code B: Moderate increase (6 to 15 percent).
Code C: Significant increase (over 15 percent).
Code N: No impact.

U.S. industry and employment:

Code A: Little or no adverse impact–little or no decrease in production or producers' shipments (less than 6 percent).
Code B: Significant adverse impact–significant proportion of workers unemployed, declines in output and profit levels, and departure of firms; effect on some segments of the industry may be substantial even though they are not industry wide (6 to 15 percent).
Code C: Substantial adverse impact to substantial unemployment, widespread idling of productive facilities; substantial declines in profit levels; effects felt by the entire industry (over 15 percent).
Code N: None–there is no domestic industry producing the subject product.

U.S. consumer:[6]

Code A: The bulk of duty rate reduction (greater than 75 percent) is expected to be absorbed by the foreign suppliers. The price U.S. consumers pay is not expected to fall significantly.
Code B: Duty rate reduction is expected to benefit both the foreign suppliers and the domestic consumer (neither absorbing more than 75 percent).
Code C: The bulk of duty rate reduction (greater than 75 percent) is expected to benefit the U.S. consumer.
Code N: None.

[6] The U.S. consumer may be a firm or a person receiving an intermediate good for further processing or an end user receiving a final good.

REMOVALS:

Level of total U.S. imports:

Code X:	Little or no decrease (less than 6 percent).
Code Y:	Moderate decrease (6 to 15 percent).
Code Z:	Significant decrease (over 15 percent).
Code N:	No impact.

U.S. industry and employment:

Code X:	Little or negligible beneficial impact– little or no increase in production or producers' shipments (less than 6 percent).
Code Y:	Significant beneficial impact–significant increase in number of workers employed, increases in output and profit levels; effect on some segments of the industry may be significant but the beneficial effect is not felt industry wide (6 to 15 percent).
Code Z:	Substantial beneficial impact–substantial employment increases, widespread increases in production, substantial increases in profit levels; beneficial impact on the industry as a whole (over 15 percent).
Code N:	None.

U.S. consumer:

Code X:	The bulk of duty rate increase (greater than 75 percent) is expected to be absorbed by the foreign suppliers.
Code Y:	Duty rate increase is expected to increase costs for both the foreign suppliers and the domestic consumer (neither receiving more than 75 percent of the increase).
Code Z:	The bulk of duty rate increase (greater than 75 percent) is expected to be passed on to the U.S. consumer.
Code N:	None.

Summary of Findings

* * * * * * *

Table 1-1: HTS subheadings, products, rates of duty, and probable economic effect advice

* * * * * * *

CHAPTER 2
Adipic Acid

Addition[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
2917.12.10[a]	Adipic acid	6.5	Yes

[a] This HTS subheading was removed from eligibility under the provisions of the GSP in 2003. The current petition seeks to re-add the HTS subheading to the list of eligible articles, stating that the market has changed substantially since the 2003 removal.

Adipic acid is a synthetic organic aliphatic dicarboxylic acid principally derived from the oxidation of cyclohexane. Adipic acid is used primarily to make nylon 6,6, which in turn is used in the production of industrial and apparel fabrics, carpets, and engineering resins. Other uses include the production of polyurethane foam, esters for use as plasticizers and synthetic lubricants, food additives, baking powders, and adhesives.

Probable economic effect advice

* * * * * * *

[1] The petitioner is Rhodia Poliamida e Especialidades, Ltda. (Brazil).

Profile of U.S. industry and market, 2002–06

There are currently two U.S. producers of adipic acid, Invista (formerly a DuPont subsidiary) and Solutia. In 2006, a third U.S. producer of adipic acid, Inolex, exited the industry after shutting down its Hopewell, VA, plant, which accounted for 2 percent of domestic production. Solutia announced on September 26, 2007, that it will emerge from bankruptcy protection by the end of 2007.[2] Shipments of adipic acid, along with imports and exports, have increased in the 2002–06 period (table 2-1), and world demand for the product is expected to grow at an average of 2 percent per year for the next few years. Approximately 80 percent of domestically produced adipic acid is used captively to manufacture nylon 6,6 fibers and resins with the remainder sold in the merchant market. Canada, the leading U.S. import source for adipic acid, accounted for more than 70 percent of adipic acid imports throughout the period; Canada and Brazil together supplied more than 86 percent of imports.

Table 2-1 Adipic acid: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)	3	3	3	3	2
Employment (***1,000 employees***)	(a)	(a)	(a)	(a)	(a)
Shipments (***1,000 dollars***)[b]	***	***	***	***	***
Exports (***1,000 dollars***)	66,911	84,080	95,478	115,122	182,115
Imports (***1,000 dollars***)	51,448	47,701	43,941	56,721	75,925
Consumption (***1,000 dollars***)	***	***	***	***	***
Import-to-consumption ratio (***percent***)	***	***	***	***	***
Capacity utilization **(*percent*)**	90	90	90	90	90

[a] Not available.

[b] Data for 2006 are estimated by Commission staff.

[2] Solutia, Inc., "Solutia Poised to Emerge From Bankruptcy," September 26, 2007.

GSP import situation, 2006

Brazil was the only GSP-eligible source of imports of adipic acid in 2006 (table 2-2). Rhodia, a French firm with subsidiaries worldwide, produces adipic acid in Brazil. The U.S. subsidiary, Rhodia Inc., imports adipic acid from the Brazilian subsidiary and sells it in the U.S. market.

Other GSP-eligible countries are potential sources of adipic acid imports. India and Ukraine recently exported the product to the U.S. market: India in 2005; Ukraine in 2002, 2003, and 2005.

Table 2-2 Adipic acid: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	75,925	100	([a])	***
Imports from GSP-eligible countries:				
Total	9,535	13	100	***
Brazil	9,535	13	100	***

[a] Not applicable.

Position of interested parties[3]

Petitioner.–In its petition to the USTR requesting that this HTS subheading be readded to the GSP, Rhodia Poliamida e Especialidades Ltda. claims that the U.S. Congress intended to extend GSP benefits to developing countries without regard to the nationality of the company ownership. Therefore, it is irrelevant, according to Rhodia, that it is a French-owned company. Rhodia contends that imports of adipic acid from Brazil will benefit U.S. consumers without adversely affecting the U.S. industry. Rhodia asserts that U.S. consumers of adipic acid cannot rely on domestic producers, which captively consume approximately 80 percent of their adipic acid production. Rhodia claims that the U.S. producers have declared *force majeure* multiple times from 2004 to 2006, and have been increasing their exports of adipic acid to capitalize on higher prices outside the U.S. market.

Brazilian exports of adipic acid to the U.S. market meet demand not satisfied by domestic producers, according to Rhodia. U.S. imports from Brazil accounted for about 1 percent of total U.S. apparent consumption in 2006 and 4 percent of the 2006 U.S. merchant market for

[3] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

adipic acid. According to Rhodia, the surge in U.S. imports in 2005 resulted from North American production disruptions after hurricanes in the United States and a prolonged strike at Invista's Ontario, Canada plant.

Rhodia claims that the U.S. industry is not vulnerable. In addition to its strong captive consumption, a significant portion of Invista's merchant market sales are to DuPont on a sole-source basis, meaning that they are not open to competition for at least the next few years, according to Rhodia. While Solutia claims that U.S. demand for nylon 6,6 fiber is declining due to changes in the carpeting industry, Rhodia asserts that Solutia has invested in increased capacity for a different downstream product (nylon 6,6 resin) such that Solutia's overall captive demand for adipic acid will increase. Rhodia also claims that Solutia recently announced price increases for both its adipic acid and nylon industrial fibers due to "strong market demand." Finally, Rhodia asserts that the earlier bankruptcy filing by Solutia is not germane since it resulted from legacy liabilities, not imports.

Support.– Two domestic companies, Chemtura Corporation and Rohm and Haas Co., support the petition for GSP treatment of adipic acid. They claim that GSP treatment will help ensure access to an alternative source to protect their supply chains. They also claim that their downstream businesses are dependent on a reliable and competitively priced supply of adipic acid.

Opposition. – Invista and Solutia oppose the addition of adipic acid to the GSP for four reasons: (1) the granting of duty-free treatment to a country that has a world-class, state-of-the-art production facility would be contrary to the intent of the GSP program; (2) unilateral preferential treatment afforded under the GSP should not be extended to Brazil, one of the world's 10 largest economies, because Brazil does not receive duty-free treatment under the GSP programs of other industrialized countries; (3) the increased exports of adipic acid to the U.S. market would have an inconsequential impact on the development of the Brazilian economy; and (4) the U.S. industry is particularly vulnerable to imports because such a small share of the industry is open to the merchant market. According to Invista, because imports already supply one-third of the U.S. merchant market, allowing a world-class producer greater access to the merchant market would further erode the U.S. industry's share and potentially damage the two remaining U.S. producers.

While they note that the market has been changing, Invista and Solutia claim that the changes have made the U.S. industry more vulnerable. The U.S. textile and apparel and carpeting industries, traditionally the major markets for adipic acid, have undergone some retrenchment and will continue to do so. The companies state that the U.S. textile and apparel industry, including carpets, is switching to alternative fibers, thus reducing demand for nylon fibers made from adipic acid.

U.S. producers are being subjected to a cost-price squeeze, according to Invista and Solutia. Low-priced imports have prevented the domestic industry from raising prices sufficiently to cover rising input costs. Although the domestic producers acknowledge their growing exports, they claim that these have been driven by declining captive consumption. They contend that the primary export market, China, is expanding its own adipic acid industry, which will prevent the domestic producers from continuing to sell large volumes of adipic acid there. U.S. producers claim that Rhodia's ability to sell its nitrous oxide abatement (i.e., carbon credits) gives the Brazilian operation a cost advantage that negates any need for duty-free treatment under the GSP.

Table 2-3 Adipic acid (HTS subheading 2917.12.10): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Canada	46,076,519	42,110,946	33,814,328	16,827,974	55,499,465	30,528,625	30,947,933
Brazil	4,607,684	5,259,127	8,675,137	15,404,518	9,534,640	6,130,737	6,115,041
Germany	0	2,209	0	6,706,647	4,082,099	1,964,230	2,421,768
Korea	0	4,367	128,740	938,600	3,772,395	710,118	797,099
Singapore	0	0	0	8,495,555	1,378,235	1,378,235	0
France	120,188	0	1,223,742	5,572,087	1,019,847	399,384	0
Italy	0	0	0	803,214	266,811	266,811	0
Taiwan	0	12,780	65,443	131,110	122,332	122,332	0
Japan	459,932	204,221	0	119,643	83,363	83,363	43,345
China	0	0	33,824	75,264	71,680	52,186	0
All other	183,646	107,754	0	1,646,559	93,935	93,935	129,954
Total	51,447,969	47,701,404	43,941,214	56,721,171	75,924,802	41,729,956	40,455,140
Imports from GSP-eligible countries:							
Brazil	4,607,684	5,259,127	8,675,137	15,404,518	9,534,640	6,130,737	6,115,041
India	0	0	0	12,302	0	0	0
Ukraine	171,433	65,580	0	786,505	0	0	0
Total	4,779,117	5,324,707	8,675,137	16,203,325	9,534,640	6,130,737	6,115,041

Source: Official statistics of the U.S. Department of Commerce.

Table 2-4 Adipic acid: U.S. exports of domestic merchandise, by market, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
China	2,201,321	4,987,362	2,320,267	91,316	50,494,369	13,326,585	37,741,300
Japan	17,988,619	16,679,850	27,909,689	37,003,215	36,236,562	15,633,475	20,353,683
Argentina	10,795,287	19,055,661	27,072,909	18,163,757	32,743,543	13,719,526	15,998,780
Turkey	2,986,078	431,576	0	7,711,220	15,511,813	6,352,509	8,281,527
Canada	7,784,063	12,007,016	3,241,192	36,769,309	15,129,807	6,966,447	948,536
Singapore	6,214,942	2,577,143	5,589,199	1,192,840	7,549,268	0	2,680,000
Taiwan	4,501,682	6,688,502	8,706,327	1,184,684	4,645,038	2,851,893	5,814,327
Mexico	2,733,862	3,366,570	3,869,561	3,040,943	4,007,544	1,237,699	2,815,018
Belgium	56,857	69,372	90,800	585,600	3,812,790	744,348	4,390,130
United Kingdom	39,740	0	953,895	0	2,217,640	1,342,640	1,433,600
All other	11,608,475	18,217,329	15,724,491	9,379,101	9,766,252	3,816,432	9,931,604
Total	66,910,926	84,080,381	95,478,330	115,121,985	182,114,626	65,991,554	110,388,505

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 3
Certain Plywood Veneered Panels

Addition[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
4412.39.5030[a]	Certain other plywood veneered panels consisting solely of sheets of wood, each ply not exceeding 6 mm in thickness	5.1	Yes

[a] This HTS subheading was a new breakout as of January 1, 2007. Prior to 2007, these products were classified under HTS subheading 4412.19.50, which became duty free under the provisions of the GSP for least developed developing beneficiary countries as of July 1, 1997.

Plywood veneered panels are composed of thin sheets of wood (veneer) that are glued together under high heat and pressure. The subject plywood veneered panels are sheets of wood with at least one outer ply of long leaf pine (Pinus palustris), short leaf pine (Pinus echinata), southern yellow pine (loblolly pine) (Pinus taeda), slash pine (Pinus ellioti), pitch pine (Pinus rigida), or Virginia pine (Pinus virginiana); these woods are also referred to generally as southern yellow pines. The subject softwood plywood veneered panels are used primarily for structural purposes in residential construction and remodeling as well as in the production of furniture.

Probable economic effect advice

* * * * * * *

Profile of U.S. industry and market, 2002–06

The U.S. industry producing veneered products ***.[2] Demand for softwood veneer depends heavily on the construction industry (mainly residential), which consumes nearly 48 percent of total U.S. softwood veneer production. As with other industries producing construction materials, the industry producing softwood veneer follows the trends of housing starts and is impacted by overall economic conditions. While housing starts had been strong for

[1] The petitioner is Urupanel, S.A. (Uruguay).
[2] ***, telephone interview by Commission staff, October 3, 2007.

several years, steep declines have occurred in 2007, with October 2007 rates 15.9 percent below October 2006 levels.[3] Nearly all U.S. consumption of the subject products is accounted for by domestic production (table 3-1); U.S. imports of the subject products account for a negligible share of the U.S. market. Canada is the leading U.S. import supplier, followed by Brazil.[4]

Table 3-1 Certain plywood veneered panels: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers ***(number)***[a]	45	45	45	45	45
Employment ***(1,000 employees)***[a]	36	37	39	42	42
Shipments ***(1,000 dollars)***[b]	4,490,029	4,575,879	5,285,875	5,288,107	5,300,000
Exports ***(1,000 dollars)***	12,050	10,676	16,637	14,773	16,011
Imports ***(1,000 dollars)***	833	2,558	3,484	554	505
Consumption ***(1,000 dollars)***	4,478,812	4,567,761	5,272,422	5,273,888	5,284,494
Import-to-consumption ratio ***(percent)***	(c)	(c)	(c)	(c)	(c)
Capacity utilization ***(percent)***	***	***	***	***	***

[a] Data derived from the U.S. Census Bureau, *Annual Survey of Manufacturers*, Industry Statistics, 2005. Data for producers include all softwood plywood veneers and employment data are for production workers.

[b] Data derived from the U.S. Census Bureau, *Annual Survey of Manufacturers*, Value of Product Shipments and currently include all softwood plywood veneers.

[c] Less than 0.5 percent.

GSP import situation, 2006

Currently, imports under this HTS subheading are not eligible for duty-free treatment under the provisions of the GSP except from countries classified as least developed developing countries (LDDBCs); Brazil (the largest GSP-eligible supplier) and Uruguay (the petitioner) are not classified as LDDBCs. U.S. import data show that Brazil was the only GSP-eligible country exporting the subject products to the U.S. market in the 2002–06 period (table 3-2). In its petition, the government of Uruguay noted that it exports these products to the U.S. market; however, U.S. imports from Uruguay do not appear in official U.S. import data.

[3] Based on official statistics of the U.S. Department of Commerce and U.S. Department of Housing and Urban Development.

[4] Although the official import data show China as a major U.S. import source from 2002 through 2004, this may be due to a misclassification of imports.

Table 3-2 Certain plywood veneered panels: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	505	100	([a])	([b])
Imports from GSP-eligible countries:				
Total	191	38	100	([b])
Brazil	191	38	100	([b])

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

Brazil is currently ranked second in the world in forest area coverage. Although Brazil does not have a reliable inventory of its forest resources, most of which are located in the Amazon region, estimates indicated that in 2006, total forest area was approximately 483 million hectares. Nearly 447 million hectares were native forests (under both private and public ownership), and another 6 million hectares were planted forests (plantations). Eucalyptus made up 65 percent of the planted forests; the remaining 35 percent were pine plantations. It is estimated that 60 percent of Brazilian plywood in 2000 was produced from tropical wood, the remainder from other wood (particularly pine, which is a subject product) from the planted forests in the south of the country. Pine plywood and combi-plywood (with face and back of tropical veneer and core of pine veneer) are now the major types of plywood produced in Brazil and their role is continuing to increase due to the growing availability of materials from the fast-growing pine plantations. The Brazilian lumber industry (including producers of the subject products) is composed of nearly 10,000 companies, mostly small-scale mills. The United States is a large consumer of Brazilian tropical lumber, as is China, the Netherlands, Spain, and Portugal.

Urupanel (Uruguay), the petitioner, began operations in 2004, producing pine and eucalyptus plywood primarily slated for export to the United States; such exports to the United States under this HTS subheading began in late 2007, according to official U.S. statistics. However, according to Urupanel, ***.

Position of interested parties[5]

Petitioner.– In its petition to the USTR, Urupanel stated that duty-free access to the U.S. market for the requested product will benefit Urupanel, the Uruguayan people, and the U.S. industry producing the same or similar products. The petition further states that because Urupanel's primary customers are U.S. companies that use the products as inputs, their costs would be lower as a result of importing less expensive merchandise.

[5] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

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

Table 3-3 Certain plywood veneered panels: (HTS subheading 4412.39.5030): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

						January-June	
Country	2002	2003	2004	2005	2006	2006	2007
				In Dollars			
Canada	217,320	1,105,869	745,395	364,144	314,535	189,748	59,015
Brazil	0	45,792	158,198	190,206	190,766	34,639	188,076
China	615,431	1,406,471	2,559,701	0	0	0	0
Norway	0	0	20,807	0	0	0	0
Total	832,751	2,558,132	3,484,101	554,350	505,301	224,387	247,091
Imports from GSP-eligible countries:							
Brazil	0	45,792	158,198	190,206	190,766	34,639	188,076
Total	0	45,792	158,198	190,206	190,766	34,639	188,076

Source: Official statistics of the U.S. Department of Commerce.

Table 3-4 Certain plywood veneered panels: U.S. exports of domestic merchandise, by market, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Dominican Republic	2,403,369	755,840	1,110,502	2,775,710	4,050,433	2,428,723	2,397,146
Mexico	4,969,341	5,506,453	4,807,525	1,976,826	2,999,024	1,094,105	2,612,351
Guadeloupe	178,932	289,013	1,733,630	1,992,713	2,215,003	1,122,286	268,143
Barbados	677,461	353,413	2,139,414	1,414,684	1,546,537	830,863	541,370
Grenada Islands	261,542	330,199	939,200	1,738,702	979,282	446,135	64,440
Trinidad & Tobago	868,854	533,244	2,016,499	1,935,386	944,185	518,336	148,061
St Lucia Is	349,573	786,067	825,757	778,783	935,569	438,556	378,887
Bahamas	147,965	197,020	1,059,992	446,788	917,350	441,861	522,173
St. Vincent & Grenadines	11,533	45,113	149,787	580,812	260,809	147,978	17,877
Jamaica	74,184	71,872	486,078	342,616	258,753	132,783	103,309
All other	2,107,119	1,807,588	1,368,986	789,707	904,354	517,316	1,250,192
Total	12,049,873	10,675,822	16,637,370	14,772,727	16,011,299	8,118,942	8,303,949

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 4
Certain Unwrought Aluminum, in Coils

Addition[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
7601.10.30[a]	Aluminum, not alloyed; of uniform cross section throughout its length, the least cross-sectional dimension of which is not greater than 9.5 mm, in coils	2.6	Yes
7601.20.30[a]	Aluminum, alloyed; of uniform cross section throughout its length, the least cross-sectional dimension of which is not greater than 9.5 mm, in coils	2.6	Yes

[a] HTS subheadings 7601.10.30 and 7601.20.30 became duty free under the provisions of the GSP for least developed developing beneficiary countries as of July 1, 1997.

The subject products are light aluminum coils that can be made from both hot- or cold-rolled aluminum sheet. The coils are often rolled to thinner gauges or anodized, depending on the final end-use application. End-use applications include construction-related demand (architectural and lighting applications), transportation-related demand (passenger cars and commercial trucks and trailers), packaging, and foil.

Probable economic effect advice

* * * * * * *

[1] The petitioner is the government of the Arab Republic of Egypt.

Profile of U.S. industry and market, 2002–06

According to industry sources, there are approximately five U.S. manufacturers of the subject coiled aluminum rolled products (table 4-1). After declining from 2002 through 2004 because of decreased construction-related demand, U.S. consumption of flat-rolled aluminum increased strongly in 2005–06 as demand, particularly in the commercial segment of the market, began an upturn. In addition, during 2005–06, transportation-related demand also increased as did demand for electrical lighting applications and for architectural or decorative applications in commercial construction.

Table 4-1 Certain unwrought aluminum, in coils: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)	5	5	5	5	5
Employment (***1,000 employees***)	([a])	([a])	([a])	([a])	([a])
Shipments (***1,000 dollars***)[b]	99,358	84,364	44,685	57,427	57,000
Exports (***1,000 dollars***)	637	566	779	1,186	1,664
Imports (***1,000 dollars***)	2,892	1,731	3,563	4,360	12,994
Consumption (***1,000 dollars***)	101,613	85,529	47,469	60,601	68,330
Import-to-consumption ratio (***percent***)	3	2	8	7	19
Capacity utilization (***percent***)	([a])	([a])	([a])	([a])	([a])

[a] Not available.

[b] Data for shipments figures are derived from the U.S. Census Bureau, *Annual Survey of Manufactures*, except for 2006, which are staff estimates.

GSP import situation, 2006

In 2006, there were no U.S. imports from any GSP-eligible countries (table 4-2); however, there were imports from GSP-eligible countries in 2002–04. Egypt has only one known producer of the subject products, Egypt Aluminum Co. (Egyptalum), which is majority state owned. Products produced in Egypt include ingots, slabs, sheets, billets, plates, and wire. In 2004, the output of its hot rolling mill was expected to reach 120,000 metric tons per year of hot rolled aluminum and its cold-rolled mill was expected to reach 60,000 metric tons per year of cold-rolled aluminum in 2004.[2] Egyptalum's hot rolling mill is reported to be equipped with modern technology. Egypt's total production of primary unwrought aluminum rose from 191,000 metric tons in 2001 to an estimated 244,000 metric tons in 2005.[3] Nearly 40 percent of Egyptalum's output is sold domestically, with export markets in Europe (principally Italy, Germany, and the Netherlands) and other Arab nations together accounting

[2] Egyptalum Web site. http://www.egyptalum.com.eg (accessed November 19, 2007).
[3] USGS, "Aluminum," 2005, 5–18.

for the remaining 60 percent.[4] In 2006, the government of Egypt sold 17 percent of Egyptalum to the public on the Cairo stock market. This was in addition to the 8 percent of the company that had been sold to the public in 1997.[5]

In September 2006, China's Citic Group announced that it expected to secure an $800 million contract to build a 270,000 metric ton per year aluminum smelter for Egyptalum in a region northeast of Cairo.[6] Smelter construction would begin in late 2007 or early 2008 and would be accomplished in three stages, (by nearly 90,000 metric tons each year). Completion of the smelter is expected in 2012 and should boost the company's total annual smelter capacity to 500,000 metric tons, from less than 250,000 metric tons at the start of 2006.

Brazil was the principal GSP-eligible supplier of imports of certain unwrought aluminum to the United States in 2005, supplying 92 percent of such imports and 1 percent of total imports in that year. Brazil could increase its exports to the U.S. market with capacity increases based on its abundant supply of raw materials. Although there were no U.S. imports from Brazil in 2006 or in the first half of 2007, Brazil's primary aluminum producer, Cia. Brasileira de Aluminio (CBA), announced plans to increase its annual smelter capacity to 470,000 metric tons.[7] The company is 100 percent self-sufficient in supplies of bauxite and alumina, key raw materials in the production of primary aluminum, producing 2.5 million metric tons of bauxite per year. The company planned to finish completion of a 3 million metric ton per year bauxite mine in Brazil in 2007, and a new 900,000 metric ton per year bauxite mine in Brazil will be brought onstream in a few years.[8]

Brazil's primary aluminum output (including rolled products) grew to 1.6 million metric tons in 2006, an increase of 7 percent over the previous year due to new capacity brought onstream by CBA and Alcoa.[9] Brazil's production of rolled aluminum products increased by 30 percent from 2003 through 2005 to 304,000 metric tons.[10]

---

[4] Egyptalum, "Egyptalum Stake Offer in the Stock Market On Hold," April 4, 2006.
[5] Egyptalum Web site. http://www.egyptalum.com.eg (accessed November 19, 2007).
[6] Teo, "China's Citic Expects to Win Pact to Build 270,000 tpy Egyptian Al Smelter," September 13, 2006.
[7] Kinch, "Brazil's CBA Plans to Raise Aluminum Capacity," June 13, 2006.
[8] Ibid.
[9] Ibid.
[10] Arent Fox on behalf of Companhia Brasileira de Aluminio, written submission to the USITC, October 24, 2007, 3.

Table 4-2 Certain unwrought aluminum, in coils: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	12,944	19	([a])	22
Imports from GSP-eligible countries:				
Total	0	([a])	([a])	([a])

[a]Not applicable.

Position of interested parties[11]

Petitioner.–In its petition to the USTR in favor of granting GSP status for products under HTS 7601.1030 and 7601.2030, the government of the Arab Republic of Egypt argues that its products meet the GSP's value-added requirements.

Support.–In its submission to the Commission, the Companhia Brasileira de Aluminio (CBA), a Brazilian producer of aluminum products, stated that granting GSP status for these products would have no adverse economic effect on U.S. industries producing like or directly competitive products, and will greatly benefit U.S. consumers. According to the company, although CBA serves the flat-rolled and billets segments of the U.S. market, it does not ship significant volumes of the subject products into the United States. Imports of these products from GSP-eligible countries appear to be zero or *de minimis*. According to CBA, this is principally due to fierce price competition from Chinese exports.

[11] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

Table 4-3 Certain unwrought aluminum, in coils (HTS subheadings 7602.10.30 and 7601.20.30): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
United Kingdom	41,171	0	11,452	31,409	6,725,512	2,996,001	5,933,177
Germany	2,099,331	366,800	527,285	3,448,156	3,697,303	1,470,770	1,417,602
China	0	0	26,470	571,418	1,498,927	489,005	604,523
Belgium	0	0	0	0	611,795	231,534	126,304
France	444,287	266,131	68,091	0	201,748	31,492	691,518
Japan	0	0	46,020	83,678	143,775	72,176	0
Canada	227,309	234,548	39,250	25,826	34,781	26,069	6,066
Korea	0	0	0	14,925	30,548	30,548	110,935
Argentina	2,041	0	1,737,441	0	0	0	0
Australia	0	20,811	25,874	81,058	0	0	0
All other	78,380	842,728	1,081,594	103,880	0	0	14,001
Total	2,892,519	1,731,018	3,563,477	4,360,350	12,944,389	5,347,595	8,904,126
Imports from GSP-eligible countries:							
Argentina	2,041	0	1,737,441	0	0	0	0
Brazil	0	0	93,853	47,810	0	0	0
Egypt	0	59,668	0	0	0	0	0
Ghana	0	0	826,781	0	0	0	0
India	9,620	2,929	0	4,410	0	0	0
Venezuela	31,122	81,054	37,312	0	0	0	0
Total	42,783	143,651	2,695,387	52,220	0	0	0

Source: Official statistics of the U.S. Department of Commerce.

Table 4-4 Certain unwrought aluminum (HTS subheading 7601.10.30): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
United Kingdom	0	0	0	0	6,657,126	2,966,608	5,923,357
Japan	0	0	0	5,778	107,289	72,176	0
Canada	177,504	234,548	39,250	0	34,781	26,069	6,066
Germany	126,441	0	0	918,418	2,149	0	81,525
Argentina	0	0	1,737,441	0	0	0	0
China	0	0	0	0	0	0	104,662
Hong Kong	0	0	3,798	0	0	0	0
Korea	0	0	0	0	0	0	110,935
All Other:	450,209	242,623	867,163	56,070	0	0	8,150
Total	754,154	477,171	2,647,652	980,266	6,801,345	3,064,853	6,234,695
Imports from GSP-eligible countries:							
Ghana	0	0	826,781	0	0	0	0
India	9,620	2,929	0	4,410	0	0	0
Brazil	0	0	0	0	0	0	0
Argentina	0	0	1,737,441	0	0	0	0
Total	9,620	2,929	2,564,222	4,410	0	0	0

Source: Official statistics of the U.S. Department of Commerce.

Table 4-5 Certain unwrought aluminum (HTS subheading 7601.20.30): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Germany	1,972,890	366,800	527,285	2,529,738	3,695,154	1,470,770	1,336,077
China	0	0	26,470	571,418	1,498,927	489,005	499,861
Belgium	0	0	0	0	611,795	231,534	126,304
France	15,452	26,437	68,091	0	201,748	31,492	691,518
United Kingdom	41,171	0	11,452	31,409	68,386	29,393	9,820
Japan	0	0	46,020	77,900	36,486	0	0
Korea	0	0	0	14,925	30,548	30,548	0
Argentina	2,041	0	0	0	0	0	0
Australia	0	20,811	25,874	81,058	0	0	0
Hong Kong	0	0	0	0	0	0	0
All Other	106,811	839,799	210,633	73,636	0	0	5,851
Total	2,138,365	1,253,847	915,825	3,380,084	6,143,044	2,282,742	2,669,431
Imports from GSP-eligible countries:							
Egypt	0	59,668	0	0	0	0	0
Brazil	0	0	93,853	47,810	0	0	0
Argentina	2,041	0	0	0	0	0	0
Venezuela	31,122	81,054	37,312	0	0	0	0
Total	33,163	140,722	131,165	47,810	0	0	0

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 5
Hollow Profiles, of Aluminum Alloys

Addition[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
7604.21.00[a]	Hollow profiles, of aluminum alloys	1.5	Yes
[a] HTS subheading 7604.21.00 became duty free under the provisions of the GSP for least developed developing beneficiary countries as of July 1, 1997.			

Hollow aluminum alloy shapes are produced through the remelting of aluminum raw ingots and scrap into billets, which are then either rolled, extruded, drawn, forged, or formed to produce aluminum shapes. The shapes are heat treated to meet the quality requirements according to final use. The shapes are then used by customers to manufacture construction-related products (primary and secondary doors and windows), commercial and passenger transportation equipment (aircraft, passenger cars, trucks, and trailers), consumer durable goods (furniture and appliances), and capital equipment, and are also used in miscellaneous industry applications (electrical machinery and equipment). In 2006, construction-related applications accounted for 40 percent of U.S. demand, transportation applications accounted for 30 percent, and consumer durables accounted for 7 percent.[2]

Probable economic effect advice

* * * * * * *

[1] The petitioner is Aluminios del Uruguay, S.A.

[2] Rand Baldwin, president, Aluminum Extruders Council, Wauconda, IL, telephone interview with Commission staff, September 13, 2007.

Profile of U.S. industry and market, 2002–06

According to the Aluminum Extruders Council, there are nearly 150 producers of extruded aluminum hollow shapes in the United States, including most of the major U.S. and international unwrought aluminum producers.[3] Leading producers of hollow shapes operating in the United States include units of Alcoa Inc., Alcan, Noranda Aluminum, and Hydro Aluminum.

From 2002 through 2006, U.S. demand for hollow extruded profiles increased strongly due to strength construction-related demand (particularly in commercial construction), consumer durable demand, and commercial transportation demand, as low interest rates and solid economic growth stimulated capital investment by manufacturers in the United States and foreign markets.[4] As a result, U.S. shipments increased during 2002-06 by 29 percent, imports by over 200 percent, and consumption by 45 percent (table 5-1).

Table 5-1 Hollow profiles, of aluminum alloys: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)	150	150	150	150	150
Employment (***1,000 employees***)	40-50	40-50	40-50	40-50	40-50
Shipments (***1,000 dollars***)[a]	1,200,000	1,250,000	1,300,000	1,300,000	1,550,000
Exports (***1,000 dollars***)	29,019	31,752	28,711	36,088	50,714
Imports (***1,000 dollars***)	102,183	133,854	151,621	234,675	342,710
Consumption (***1,000 dollars***)	1,273,164	1,352,102	1,422,910	1,498,587	1,841,996
Import-to-consumption ratio (***percent***)	8	10	11	16	19
Capacity utilization (***percent***)	([b])	([b])	([b])	([b])	([b])

[a] Estimated by the staff based on data supplied by Aluminum Extruders Council.
[b] Not available.

GSP import situation, 2006

U.S. imports from GSP-eligible countries have generally increased during 2002–06, with Brazil and Colombia accounting for 35 percent and 31 percent respectively of such imports. However, GSP-eligible countries account for only 4 percent of total U.S. imports of the subject products (table 5-2).

[3] Ibid.
[4] Ibid.

Table 5-2 Hollow profiles, of aluminum alloys: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	342,710	19	([a])	19
Imports from GSP-eligible countries:				
Total	12,567	4	100	1
Brazil	4,458	1	35	([b])
Colombia	3,955	1	31	([b])

[a] Not applicable.
[b] Less than 1 percent.

Aluminios del Uruguay S.A (the petitioner) is Uruguay's largest producer of aluminum shapes. The company principally produces hollow shapes for the manufacture of doors and windows for buildings. Other uses for its aluminum shapes include transportation equipment and bicycles. Aluminios produces aluminum shapes through an extrusion process.[5] The company remelts aluminum ingots and scrap into extrusion billets, which are then processed in a press to obtain aluminum shapes. The final shapes also receive a heat treatment to meet quality requirements, and may also be anodized or painted, depending on the final use.

According to Aluminos, its production of hollow aluminum shapes decreased in the 2004-06 period by 30 percent to 1,700 short tons, and it operated at 80 percent capacity during the period.[6] The firm will consider increasing capacity utilization 95 percent capacity if GSP status is granted.[7] Total exports of hollow aluminum shapes by Aluminios decreased by 62 percent from 2004 through 2006 from 401 short tons to 648 short tons ($2.2 million) with exports to the United States declining by 78 percent to 72 short tons ($285,000). The United States accounted for 11 percent of Aluminos'total exports in 2006.[8] Exports to Mercosur nations accounted for 64 percent of Aluminios del Uruguay's total exports in 2006.

Brazil was the principal supplier of GSP-eligible imports of hollow aluminum shapes to the United States in 2006 and could increase its exports to the U.S. market with capacity increases based on abundant raw materials. In 2007, Brazilian primary aluminum producer, Cia. Brasileira de Aluminio (CBA), announced plans to increase its annual primary smelter capacity to 470,000 metric tons.[9] The company is 100 percent self-sufficient in supplies of bauxite and alumina, key raw materials in the production of primary aluminum, producing

[5] Aluminios del Uruguay S.A., petition submitted to the USTR, 1.
[6] Ibid., 2.
[7] Ibid.
[8] Ibid., 3.
[9] Kinch,, "Brazil's CBA Plans to Raise Aluminum Capacity," June 13, 2006.

2.5 million metric tons of bauxite per year. The company planned to finish a 3 million metric ton per year bauxite mine in Brazil in 2007, and a new 900,000 metric ton per year bauxite mine in Brazil will be brought onstream in a few years.[10]

Brazil's primary aluminum output grew to 1.6 million metric tons in 2006, an increase of 7 percent over the previous year, due to new capacity brought onstream by CBA and Alcoa.[11] Brazil's production of extruded aluminum shapes increased by 11 percent in the 2003–05 period to 127,000 metric tons.[12]

Position of interested parties[13]

Petitioner.–In its petition to the USTR in favor of granting GSP status for products under HTS subheading 7604.21.00, Aluminios del Uruguay S.A. noted that this item is the only item under HTS 7604 that does not receive duty-free benefits under GSP rules. All aluminum profiles, with the exception of hollow aluminum profiles, currently receive GSP status. The company argues that since the hollow aluminum shapes that it produces, principally for use in the manufacture of doors and windows, are used with other aluminum shapes as part of an entire system, it is critically important that all aluminum shapes receive the same duty-free treatment. The company hopes to increase its production level and more actively participate in the U.S. market with the granting of GSP status.

Support.--In its submission to the Commission, Companhia Brasileira de Aluminio (CBA), a Brazilian producer of aluminum products, stated that granting GSP status for these products would have no economic effect on U.S. industries producing like or directly competitive products, and will greatly benefit U.S. consumers. According to the company, although CBA serves the flat-rolled and billets segments of the U.S. market, it does not ship significant volumes of the subject products into the United States. According to CBA, this is principally due to fierce price competition from Chinese exports. According to CBA, imports of aluminum hollow shapes from Uruguay and Brazil account for a *de minimis* share of imports, and total imports of aluminum hollow shapes from all GSP-eligible countries account for only about 4 percent of total imports.

[10] Ibid.

[11] Ibid.

[12] Companhia Brasileira de Aluminio, written submission to the USITC, October 24, 2007, 3.

[13] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

Table 5-3 Hollow profiles, of aluminum alloys (HTS subheading 7604.21.00): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
China	10,517,846	29,379,939	41,795,752	114,211,083	199,122,948	92,840,528	93,316,873
Canada	58,141,243	59,043,450	66,493,092	74,989,923	84,827,154	46,606,482	35,526,829
Germany	8,499,912	9,889,666	11,465,509	11,843,685	16,789,122	7,611,898	9,487,311
Mexico	13,126,541	14,386,200	5,735,187	3,025,329	6,349,243	1,894,647	6,145,520
Italy	1,092,786	2,262,119	3,656,130	3,787,208	4,923,325	2,377,411	1,778,173
Brazil	101,824	55,368	2,558,753	3,456,684	4,457,616	1,869,064	2,051,918
Colombia	1,102,357	2,161,288	1,556,620	4,470,147	3,954,923	1,250,003	2,838,800
Hong Kong	365,024	894,059	1,448,599	2,605,860	3,860,244	2,319,296	752,219
Switzerland	236,929	1,953,903	1,572,768	1,403,617	2,324,009	902,378	1,476,620
Greece	0	484,576	1,364,857	1,375,539	1,959,586	746,569	1,154,293
All other	8,998,994	13,343,337	13,974,222	13,505,439	14,141,412	6,157,461	9,421,577
Total	102,183,456	133,853,905	151,621,489	234,674,514	342,709,582	164,575,737	163,950,133
Imports from GSP-eligible countries:							
Brazil	101,824	55,368	2,558,753	3,456,684	4,457,616	1,869,064	2,051,918
Colombia	1,102,357	2,161,288	1,556,620	4,470,147	3,954,923	1,250,003	2,838,800
Ecuador	30,155	0	844,522	1,044,460	1,415,011	212,053	1,210,677
Indonesia	0	0	46,148	389,582	961,688	567,652	122,603
Panama	1,721,801	1,510,115	614,647	613,869	623,857	292,309	42,096
Uruguay	0	471,131	806,172	472,843	392,949	350,449	0
Venezuela	569,835	1,356,487	1,343,241	824,586	333,586	57,954	0
Dominican Republic	1,740,093	1,463,435	526,179	290,127	327,869	148,309	80,828
India	0	156,592	407,225	228,001	97,011	16,796	0
Sierra Leone	0	0	0	0	2,702	0	0
All Other	228,635	149,352	78,072	42,524	0	0	72,467
Total	5,494,700	7,323,768	8,781,579	11,832,823	12,567,212	4,764,589	6,419,389

Source: Official statistics of the U.S. Department of Commerce.

Table 5-4 Hollow profiles, of aluminum alloys: U.S. exports of domestic merchandise, by market, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Canada	12,172,103	15,698,530	21,566,792	23,379,272	22,501,466	12,046,605	10,641,512
Mexico	12,655,240	9,863,600	1,205,438	5,259,423	19,998,704	8,286,589	11,556,358
Costa Rica	291,748	665,443	1,246,647	473,766	1,294,045	443,965	537,958
Singapore	25,181	62,357	172,034	482,543	1,087,879	596,154	404,598
United Kingdom	465,496	742,678	863,177	883,377	686,341	362,035	596,671
Italy	207,194	28,296	13,478	86,720	589,059	80,603	286,241
Belgium	37,150	6,230	375,636	62,058	504,170	504,170	0
Taiwan	169,360	315,362	35,142	447,577	452,942	146,949	119,699
Japan	181,740	404,290	288,343	70,187	390,076	59,732	540,811
Romania	0	0	0	0	354,827	0	0
All other	2,813,550	3,965,459	2,944,659	4,943,177	2,854,288	1,596,945	8,541,568
Total	29,018,762	31,752,245	28,711,346	36,088,100	50,713,797	24,123,747	33,225,416

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 6
Manganese Metal Powder

Addition[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
8111.00.4910[a]	Manganese metal powder[b]	14.0	Yes

[a] HTS subheading 8111.00.4910 became duty free under the provisions of the GSP for least developed developing beneficiary countries as of July 1, 1997.

[b] The subject product is "Unwrought manganese: Powder containing at least 99.5 percent by weight manganese." Powders are products of which 90 percent or more by weight passes through a sieve having a mesh aperture of 1 mm.

Manganese is a metal that is used as an alloying addition in the production of iron, steel, and aluminum. In powder form, the principal applications are in the production of aluminum alloys, primarily aluminum sheet used for the production of aluminum beverage cans and for the manufacture of welding products such as welding rods and flux-cored welding wire. The most common method of adding manganese to molten aluminum is the addition of manganese-aluminum briquettes or tablets containing 75 to 85 percent of manganese metal powder, with the balance being aluminum powder. The manufacture of such briquettes is the largest single application for manganese metal powder. Other applications for manganese metal powder include direct use in aluminum production by pneumatic injection and use in welding rod and wire.[2]

Manganese metal powder is produced by crushing and grinding manganese metal flake that has been stripped from cathodes where it is deposited in an electrolytic process. Manganese metal powder is packaged in bulk containers of 2,000 to 3,000 pounds, in metal drums, or in paper sacks typically containing 50 pounds each.

[1] The petitioner is Manganese Metal Co., Ltd. (MMC), (Republic of South Africa).

[2] A form of manganese powder is used to produce high-density manganese briquettes for the steel industry. Powder imported for that purpose, however, has contained less than 99.5 percent manganese and would not qualify for the proposed change in tariff treatment. Imports of such powder are classified under HTSUS statistical subheading 8111.00.4990 and are not included in tables in this report. Manganese Metal Company has indicated that it intends to stop production of such powder. V. Mroczka, attorney for MMC and ***, interviewed by Commission staff, September 21, 2007.

Probable economic effect advice

* * * * * * *

Profile of U.S. industry and market, 2002–06

Manganese metal powder is produced by crushing and grinding manganese metal flake. While there are no producers of manganese flake in the United States, one U.S. company, Eramet Marietta,[3] formerly (prior to 2001) a producer of flake, now produces manganese powder from imported flake, primarily from China. Manganese metal powder produced by Eramet is primarily consumed internally to produce manganese-aluminum briquettes for the aluminum industry. Eramet also sells manganese metal powder on the merchant market.[4] From 2002 through 2005, Eramet's sales of powder *** percent of its production. Eramet *** in 2006.[5] See table 6-1 for industry data.

In 2006, another company, Shieldalloy, ceased U.S. production of manganese-aluminum briquettes, resulting in a decline in U.S. imports of manganese metal powder from China.[6] Imported manganese metal powder is used in direct injection in aluminum production and the manufacture of welding rod and wire.

Table 6-1 Manganese metal powder: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)	1	1	1	1	1
Employment (***number***)	([a])	([a])	([a])	([a])	([a])
Shipments (***1,000 dollars***)[b]	***	***	***	***	***
Exports (***1,000 dollars***)	([c])	([c])	([c])	([c])	([c])
Imports (***1,000 dollars***)	([d])	([d])	14,155	10,015	8,433
Consumption (***1,000 dollars***)	([d])	([d])	***	***	***
Import-to-consumption ratio (***percent***)	([d])	([d])	***	***	***
Capacity utilization (***percent***)	***	***	***	***	***

[a] ***.

[b] Commission staff estimates of the value of manganese metal powder produced by Eramet for internal use in the production of manganese-aluminum briquettes.

[c] Export data are not available because there is no statistical line for manganese metal powder. Exports are believed to be negligible.

[d] Not available.

[3] Eramet Marietta is a division of Eramet, a large mining and metals firm headquartered in France.

[4] DLA Piper on behalf of Eramet Marietta Inc., written submission to the USITC, September 26, 2007, 5.

[5] DLA Piper on behalf of Eramet Marietta Inc., written submission to the USITC, October 24, 2007, exhibit 5.

[6] Shieldalloy was the only U.S. producer of manganese-aluminum briquettes, other than Eramet.

GSP import situation, 2006

The only GSP-eligible country that has an industry producing manganese powder is South Africa (table 6-2). There is one South African firm, MMC (the petitioner),[7] which produces manganese metal powder in a single location.[8] MMC is an integrated producer, starting with manganese ore and producing manganese metal flake and powder, and manganese-aluminum briquettes.[9]

MMC has a capacity of 27,000 metric tons per year of manganese metal,[10] with the capacity to convert *** metric tons into powder.[11] MMC stated that it intends to limit its production of powder to 18,000 metric tons per year for the 2007–08 period.[12] MMC's sales of powder in the United States ***[13]

China was the dominant source of U.S. imports from non-GSP-eligible countries. Reportedly, there were 156 producers of manganese metal in China in 2005, with total annual production of 569,000 metric tons and capacity to produce 1.1 million metric tons of manganese metal.[14] The capacity of Chinese producers to convert manganese metal flake into powder is not available.

Because of concerns about potential workplace hazards of selenium, some consumers, welding product producers in particular, prefer product that is selenium-free. MMC uses a selenium-free process to produce manganese metal flake and its downstream products, powder and manganese-aluminum briquettes; therefore, the residual content of selenium in MMC products is very low or undetectable. Most producers of manganese metal in China use a selenium dioxide technology, which lowers production costs but results in a slight residual selenium content in the product. Importers of Chinese manganese metal powder, however, claim that there are Chinese sources of low-selenium powder that meet most welding specifications.[15]

[7] MMC, a unit of BHP Billiton Group, is 51 percent owned by Samancor Manganese, which in turn is 60 percent owned by BHP Billiton and 40 percent by Anglo American plc, large international mining firms with headquarters in the United Kingdom. MMC is 49 percent owned by Delta plc, a mid-sized industrial firm with headquarters in the United Kingdom.

[8] MMC closed a second plant in South Africa in February 2006. Vinson & Elkins on behalf of Manganese Metal Co., petition submitted to the USTR, October 3, 2007, 4.

[9] MMC permanently exited the U.S. market for manganese-aluminum briquettes in 2006. Vinson & Elkins on behalf of Manganese Metal Co., testimony before the USTR GSP Subcommittee, October 3, 2007.

[10] BHP Billiton, Annual Report 2006,.30.

[11] Manganese Metal Co., Ltd., petition submitted to USTR, October 3, 2007, 14.

[12] USITC hearing transcript, October 16, 2007, 16.

[13] Vinson & Elkins on behalf of Manganese Metal Co., testimony before the USTR GSP Subcommittee, October 3, 2007, exhibit 1. MMC also reported shipments to "Other"; ***

[14] USGS, "Manganese," citing TEX Report, May 29, 2006.

[15] *** and ***, telephone interview by Commission staff, September 17, 2007.

Table 6-2 Manganese metal powder: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	8,433	100	([a])	***
Imports from GSP-eligible countries:				
Total	6,808	81	100	***
South Africa	6,808	81	100	***

[a] Not applicable.

Position of interested parties[16]

Petitioner.– MMC, as the only producer of manganese metal powder in South Africa, is the only company whose product would be affected by the proposed change. MMC claims that no U.S. producer actively sells electrolytic manganese powder to U.S. customers and that the sole producer of manganese metal powder in the United States, Eramet, only produces manganese metal powder to be used captively in its production of manganese-aluminum briquettes.

MMC states that manganese-aluminum briquettes are a distinct product, separate from manganese powder. According to MMC, even though both products are used in the aluminum industry to add manganese, aluminum plants have been designed around the use of either briquettes or powder and switching between these two products is not commercially realistic. MMC indicates that the cost to install equipment for the injection of powder is stated to be $5 million per facility (i.e., $1 million per furnace for a facility containing 5 furnaces). Therefore, MMC maintains that because the only U.S. producer, Eramet, does not sell powder, there can be no adverse economic effect on U.S. industries producing like or directly competitive articles.

[16] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

MMC further states that, again because of the lack of sales to U.S. consumers of domestically produced manganese metal powder, the current 14 percent duty puts U.S. consuming industries at a disadvantage with their international competitors. MMC asserts that any economic effect of lifting the duties will be positive for U.S. consumers of manganese metal powder.

Opposition.–Eramet Marietta Inc., Marietta, OH (Eramet), states that it is the only remaining U.S. producer of manganese metal powder, which it primarily uses internally for the production of manganese-aluminum briquettes. Eramet claims that contrary to MMC's claim that no U.S. producer actively sells electrolytic manganese powder, it sells manganese metal powder to consumers in the United States. Eramet indicates that it has *** unused powder production capacity and ***

Eramet asserts that the Commission, in considering the impact on Eramet as a U.S. producer of manganese metal powder, should include the probable impact on Eramet's operations producing manganese-aluminum briquettes. Eramet states that it considers the market for these two aluminum hardeners to be a single market because producers of aluminum alloys can choose between using manganese powder and using manganese-aluminum briquettes (which contain manganese powder). Eramet maintains that, with the current market level of $2 per pound of manganese powder, a savings of 14 percent from the duty elimination would increase the possibility of loss of market share from briquettes to powder.

Eramet claims that the elimination of the duty on powder from South Africa will have a significant negative effect on its production and sales of manganese metal powder and manganese aluminum briquettes. To meet the lower prices offered by MMC, Eramet states that it would be forced to lower its prices on sales of both powder and briquettes, resulting in lower revenue and earnings. Eramet states that this could result in the shutdown of the company's manganese grinding and briquetting operations and thereby threaten the continued viability of its overall special metals operations, of which the sales of manganese-aluminum briquettes represented about *** percent of its total revenues in 2006.

Eramet asserts that U.S. consumers will be negatively affected if granting GSP-eligibility for manganese powder results in the closure of Eramet's operations producing manganese powder and manganese-aluminum briquettes since Eramet is the only remaining U.S. producer of these products.

Table 6-3 Manganese metal powder (HTS subheading 8111.00.4910): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
South Africa	([a])	([a])	6,545,951	7,884,030	6,808,309	3,547,619	4,103,686
China	([a])	([a])	7,484,311	2,131,146	1,624,823	1,483,660	2,150,372
Germany	([a])	([a])	125,106	0	0	0	0
Total	([a])	([a])	14,155,368	10,015,176	8,433,132	5,031,279	6,254,058
Imports from GSP-eligible countries:							
South Africa	([a])	([a])	6,545,951	7,884,030	6,808,309	3,547,619	4,103,686
Total	([a])	([a])	6,545,951	7,884,030	6,808,309	3,547,619	4,103,686

[a] These data are not available.

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 7
Certain Other Organo-Inorganic Compounds

Removal (India)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
2931.00.90[a]	Other non-aromatic organo-inorganic compounds	3.7	Yes

[a] This HTS subheading is currently eligible for duty-free treatment under the provisions of the GSP for all GSP-eligible contries.

This HTS subheading covers a large range of products with many end uses. Organo-inorganic compounds contain at least one carbon atom bonded to an atom other than carbon, oxygen, or nitrogen. The organo-inorganic compounds in this HTS subheading are nonaromatic, meaning that they do not contain a benzene ring structure. Organo-inorganic compounds containing a carbon-sulfur bond are covered in HTS heading 2930 and are excluded from this subheading. Uses for chemicals in this category vary widely and include applications such as pharmaceuticals, heat stabilizers for plastics, pesticides, and marine paints.

Pharmaceutical products make up the majority of U.S. imports under this subheading. Some members of the bisphosphonates class of drugs for treating osteoporosis and other bone diseases fall under this subheading (e.g., alendronate, which is marketed by Merck under the trade name FOSAMAX®). In 2006, 75.8 percent of the total imports for this HTS

[1] The petitioner is Stannica LLC (Baton Rouge, LA).

subheading were imported free of duty under the Pharmaceutical Zero-for-Zero Agreement.[2] Almost all of the subject imports from Ireland, the greatest source of U.S. imports under this subheading, are pharmaceuticals.

This subheading also includes some leading pesticides, such as glyphosate, which is marketed by Monsanto under the trade name Roundup. Glyphosate is one of the largest-selling pesticides worldwide. Monsanto's U.S. patent for glyphosate expired in 2000, and Monsanto and other companies currently produce the chemical in the United States and overseas.

Some of the organo-tin compounds whose molecules contain an atom of tin bonded to at least one carbon atom, are used in the production of heat stabilizers for polyvinyl chloride (PVC) plastics. These heat stabilizers are added in small amounts (typically less than 1 percent by weight) to PVC to prevent degradation of the plastic during the molding or film-blowing process. Organo-tin heat stabilizers are most often used in clear PVC films used in meat packaging and other packaging applications.[3]

Other less common chemicals in this HTS subheading include organo-silicon, organo-aluminums, organo-magnesiums, and organo-lithiums. These compounds are most often used as catalysts in the production of plastics and other chemicals.

Probable economic effect advice

* * * * * * *

[2] This pharmaceutical tariff elimination agreement resulted from the Uruguay Round of WTO negotiations in 1994, whereby the participating countries agreed to update periodically the list of covered products, so that newly developed pharmaceuticals could be added to the list of products accorded duty-free treatment. The list can be found in the Pharmaceutical Appendix to the Harmonized Tariff Schedule of the United States. Other the the United States, the other primary participating countries are the European Union, Switzerland, Japan, and Canada, who have likewise conferred duty free treatment on pharmaceutical chemical trade on a multilateral basis. Imports of qualified products from non-participating WTO members into those countries are also accorded duty free treatment under most-favored-nation rules, even though exports from the participating WTO members to non-participants need not be treated in a reciprocal manner.

[3] USITC hearing transcript, October 16, 2007, 83 and 43.

Profile of U.S. industry and market, 2002–06

Because this HTS subheading covers such a broad range of mostly unidentified chemicals from different segments of the chemical industry, it is not possible to obtain official accurate estimates of U.S. production, employment, consumption, and capacity utilization for these products (table 7-1).

Table 7-1 Certain other organo-inorganic compounds: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)[a]	19	19	19	19	19
Employment (***1,000 employees***)	([b])	([b])	([b])	([b])	([b])
Shipments (***1,000 dollars***)[c]	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Exports (***1,000 dollars***)	438,823	633,194	760,394	716,379	771,574
Imports (***1,000 dollars***)	1,406,773	1,505,187	1,237,110	1,261,010	1,316,101
Consumption (***1,000 dollars***)	2,097,950	2,001,993	1,606,716	1,674,631	1,674,527
Import-to-consumption ratio (***percent***)	1	1	1	1	1
Capacity utilization (***percent***)	([b])	([b])	([b])	([b])	([b])

[a] Staff estimates.
[b] Not available.
[c] Data for shipments are estimated by the staff based on products that could be identified as being in this HTS basket category; however, since not all products could be identified, data are likely underestimated.

At least two companies in the United States produce the pesticide glyphosate: Monsanto Company of St. Louis, MO, and NuFarm Americas, Inc. of Burr Ridge, IL. Monsanto had total revenues of $7.3 billion and 17,500 employees in 2006. NuFarm Americas had $26.4 million in revenues and 121 employees in the same year.[4] Commission staff has been unable to determine what percentages of revenues and employees for the two companies are attributable to glyphosate. It is likely that glyphosate sales are a much larger percentage of revenue for NuFarm Americas than for Monsanto, since more than one-half of Monsanto's revenue comes from sales of seeds, not from crop protection chemicals.[5]

Arkema, Inc., of Philadelphia, PA, also produces products covered in this HTS subheading. ***. The petitioner, Stannica LLC, Baton Rouge, LA, is a joint venture between Albemarle and Arkema. ***.[6]

[4] Bureau van Dijk, Orbis Companies Database.
[5] Monsanto, *Annual Report 2006.*
[6] Industry official, e-mail message to Commission staff.

GSP import situation, 2006

In 2006, India accounted for about 49 percent of total U.S. imports under this HTS subheading from GSP-eligible countries, with Brazil being the second largest GSP-eligible source (table 7-2). Although U.S. imports from India under HTS subheading 2931.00.90 fluctuated in the 2002–06 period, U.S. imports from all GSP-eligible sources increased by 78 percent.

Table 7-2 Certain other organo-inorganic compounds: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
	1,000 dollars			
Grand total	1,316,101	100	([1])	79 [2]
Imports from GSP-eligible countries:				
Total	10,965	1	100	1[2]
India	5,338	([3])	49	([2,3])
Brazil	4,001	([3])	37	([2,3])

[1] Not applicable.

[2] Commission staff estimated the domestic production based on products that could be identified as being in this HTS category, so the value for U.S. consumption derived from domestic production likely is understated.

[3] Less than 0.5 percent.

India's total exports for HTS subheading 2931.00, which is a larger group of chemicals that includes those chemicals covered under HTS subheading 2931.00.90, were valued at $33.1 million in 2006.[7] The United States was the largest market destination of Indian exports for this HTS subheading, accounting for 27.4 percent of such exports.[8] Other large markets for Indian exports include the United Kingdom, Italy, and Germany.[9] ***.[10]

[7] GTIS, World Trade Atlas Database.

[8] Ibid.

[9] Ibid..

[10] Industry official, telephone interview by Commission staff, several dates.

India has at least one producer of organo-tin compounds. However, this Indian producer, Gulbrandsen Chemicals, claims that it produces different organo-tin compounds than the ones produced and sold by the petitioner.[11] Gulbrandsen states that it only sells dibutyltin oxide and monobutyltin trichloride in the United States. ***.[12] Gulbrandsen also claims that imports of organo-tin compounds from India currently only have a small share of the U.S. market, ***.[13]

Position of interested parties[14]

Petitioner.– Stannica LLC, a U.S. manufacturer of organo-tin compounds, is requesting the removal of India from GSP eligibility for HTS subheading 2931.00.90. Stannica is concerned about organo-tin imports produced in Bharuch, India by Gulbrandsen, a U.S. company. Specifically, Stannica asserts that the duty exemption that Gulbrandsen's imports from India receive under the GSP have allowed Gulbrandsen to gain market share by lowering prices. Stannica states that the GSP waiver for organo-tin compounds from India does not directly aid U.S. users of organo-tin compounds and is harmful to Stannica's competitiveness.

Stannica claims that Gulbrandsen is importing tetrabutyltin, tetraoctyltin, dibutyltin oxide, and a mixture of monobutyltin trichloride and dibutyltin dichloride from India. Stannica states that these chemicals are key raw materials in the production of heat stabilizers used in processing rigid PVC pipe, siding, and other PVC products.

Stannica maintains that the elimination of GSP preferences for India, which will require Gulbrandsen to pay the tariff on its organo-tin imports, will allow Stannica to compete more effectively against Gulbrandsen's current attempt to gain market share through aggressive pricing. According to Stannica, its improved competitiveness in the organo-tin market will encourage continued investment in their Axis, AL, manufacturing facility.

According to Stannica, its cost of production has increased in recent years, primarily due to the increase in the price of tin, which has risen by 75 percent in the last 12 months. Stannica asserts that labor rates have escalated just marginally and that its labor rates are much higher than those of Gulbrandsen's production in India. Stannica states that overhead rates for its organo-tin business have increased with increased absorption of fixed costs from other nonrelated businesses that are being rationalized.

[11] USITC hearing transcript, October 16, 2007, 126.

[12] Ibid.

[13] DeKieffer & Horgan on behalf of Gulbrandsen Chemicals, written submission to the USITC, September 26, 2007, 5.

[14] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

Opposition.– Gulbrandsen Chemicals, Inc., a manufacturer and supplier of chemical intermediates, fine chemicals, and catalysts to the chemical industry, opposes the revocation of GSP eligibility for products imported from India under HTS 2931.00.90. Gulbrandsen states that it is incorporated in South Carolina and has production facilities in Orangeburg, SC, and Mujpur, India. Gulbrandsen's facility in India employs *** workers producing aluminum chloride and organo-tin compounds.

Gulbrandsen states that the removal of GSP eligibility for India would not benefit the U.S. industry. Gulbrandsen claims that the organo-tin products imported from India are not the same products as the ones sold by the domestic producer Stannica. *** Gulbrandsen states that it has never encountered Stannica selling these two products in the U.S. market. Gulbrandsen maintains that since the organo-tin products imported from India and the products produced by Stannica do not compete against one another, the removal of GSP eligibility for India would not benefit the domestic industry.

Gulbrandsen further claims that its imported organo-tin products have too small of a share of the U.S. market to represent a competitive threat to Stannica. Gulbrandsen estimates that its share of the organo-tin market was *** percent in 2006. It estimates Stannica's share of the market at *** percent for the same year. Gulbrandsen states that its small market share has decreased in the past 2 years due to the loss of a major customer.

According to Gulbrandsen, its Indian facility does not provide a cost advantage that would make it a threat to domestic producers. Gulbrandsen's Indian facility is small compared to Stannica's production facility and does not benefit from the economies of scale enjoyed by Stannica. Additionally, Gulbrandsen maintains that costs associated with India's poor infrastructure and international shipping offset any advantage that Gulbrandsen's Indian facility might gain due to low labor costs.

According to Gulbrandsen, the removal of GSP benefits for imports of organo-tin products from India would harm U.S. customers for these product and ultimately hurt U.S. consumers. Gulbrandsen states that organo-tin compounds used to produce PVC stabilizers and catalysts are low-value-added products with thin margins. Gulbrandsen further states that imposing the 3.7 percent ad valorem tariff on the products could force the firm to withdrawn from the organo-tin market and that this in turn would adversely impact its customers because the market presently has few other suppliers.

Gulbrandsen claims that its imports of organo-tin products from India are consistent with the goals of the GSP program—to encourage production in developing countries and import products into the United States without harming the domestic industry. Gulbrandsen states that in 2006 imports of organo-tin products from India were far below the competitive need limitations of GSP.

Table 7-3 Certain other organo-inorganic compounds (HTS subheading 2931.00.90): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Ireland	1,231,561,412	1,302,971,841	968,689,062	980,862,708	981,375,184	401,021,543	432,050,962
China	14,234,844	17,364,870	31,732,919	53,827,549	102,331,553	60,989,472	87,432,164
Germany	46,801,688	75,709,064	83,695,867	85,783,012	83,404,771	42,099,173	52,987,736
United Kingdom	42,428,129	40,605,630	58,469,830	35,114,597	47,689,775	23,026,325	22,398,275
Japan	16,009,256	20,316,552	31,844,767	29,911,326	27,169,969	12,801,041	13,957,100
Italy	21,462,674	13,670,339	5,499,444	13,333,923	14,160,569	6,339,409	5,289,568
Canada	5,149,579	6,795,538	8,543,323	15,228,791	13,253,777	5,488,277	3,643,225
Sweden	794,450	2,136,668	3,037,715	0	7,476,945	7,430,745	0
France	6,193,586	5,513,505	8,830,303	7,507,610	6,915,242	4,485,262	5,885,865
India	4,750,632	3,179,901	3,776,848	3,308,091	6,265,774	2,741,008	2,638,419
All other	17,386,920	16,923,316	32,990,293	36,132,716	26,057,758	15,614,578	21,992,720
Total	1,406,773,170	1,505,187,224	1,237,110,371	1,261,010,323	1,316,101,317	582,036,833	648,276,034
Imports from GSP-eligible countries:							
India	4,750,632	3,179,901	3,776,848	3,308,091	6,265,774	2,741,008	2,638,419
Brazil	196,812	2,452,742	2,378,572	1,994,715	4,811,127	2,757,712	608,000
Russia	407,236	514,131	681,123	437,710	955,142	353,486	649,150
South Africa	1,220,262	1,538,390	974,479	684,524	642,845	495,909	6,973
Turkey	45,792	545,006	50,112	59,968	240,990	165,028	0
Argentina	713,281	930,690	8,853,525	18,114,853	76,295	65,853	339,883
Kyrgyzstan	0	0	0	0	48,776	48,776	0
Egypt	0	0	0	28,106	10,159	10,159	9,339
Ukraine	9,850	5,070	0	42,334	4,374	0	0
Peru	0	774,179	89,062	0	0	0	0
All other	0	0	1,541,362	116,991	0	0	0
Total	7,343,865	9,940,109	18,345,083	24,787,292	13,055,482	6,637,931	4,251,764

Source: Official statistics of the U.S. Department of Commerce.

Table 7-4 Certain other organo-inorganic compounds: U.S. exports of domestic merchandise, by market, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006	January-June 2007
				In Dollars			
Belgium	67,997,348	150,432,161	166,285,417	147,137,676	174,553,281	87,201,167	112,997,404
Australia	17,224,683	50,361,345	97,547,122	80,912,191	84,528,203	27,740,119	7,376,039
Argentina	27,636,776	33,126,302	65,780,530	85,470,543	76,448,428	37,955,108	20,803,132
Canada	40,884,230	57,423,244	42,099,596	42,465,279	52,955,807	28,372,171	42,560,492
Japan	39,589,411	42,249,489	42,838,322	41,324,395	46,126,589	23,749,289	26,026,538
Taiwan	26,639,590	29,991,419	31,511,298	34,230,276	39,433,810	19,631,752	20,367,656
Netherlands	15,764,471	16,151,220	25,618,140	30,614,342	37,424,302	19,350,494	18,733,006
Korea	24,249,390	27,427,513	36,286,489	22,513,873	36,317,860	21,593,160	11,775,554
China	20,053,993	28,691,632	33,896,262	42,144,612	29,452,303	15,101,563	16,068,952
Malaysia	25,155,986	34,906,977	13,874,211	33,834,372	27,015,715	12,124,677	3,327,811
All other	133,627,620	162,432,621	204,656,665	155,731,483	167,318,199	84,078,466	84,726,408
Total	438,823,498	633,193,923	760,394,052	716,379,042	771,574,497	376,897,966	364,762,992

Source: Official statistics of the U.S. Department of Commerce.

CHAPTER 8
Pet Film

Removal (Brazil)[1]

HTS subheading	Short description	Col. 1 rate of duty as of 1/1/07 (percent ad valorem)	Like or directly competitive article produced in the United States on Jan. 1, 1995?
3920.62.00[a]	PET film[b]	4.2	Yes

[a] India was removed from GSP eligibility for this HTS subheading in 1998 and Thailand was removed from GSP eligibility in 2003. In addition, antidumping orders are currently in place for PET film from Korea (original order date 6/5/91; continued date 10/20/2005) and Taiwan (order date 7/1/2002). Antidumping and countervailing duty orders are currently in place for PET film from India (order date 7/1/2002).

[b] Excludes biaxially-oriented polyethylene terephthalate film intended for use in capacitors, classified under HTS subheading 9902.25.76.

PET film is a high-performance, flexible material produced from molten polyethylene terephthalate polymer, which is a linear, thermoplastic polyester resin. The end product is usually available in rolls of varying widths up to several feet, and in thicknesses ranging from an ultrathin 2 microns (8 gauge) to 350 microns (1,400 gauge). PET film can be semi-rigid to rigid, depending on its thickness, and is very lightweight. It is strong and impact resistant as well as naturally colorless and transparent. PET film has a combination of physical and chemical properties suitable for a myriad of applications, including food packaging, adhesive tapes, and plastic cards of many types (including "smart cards"), electrical motor insulation, wire, cable, capacitors, microfilm, X-ray film, instant films, ink jet photo paper, overhead projector film, audio and video tape, and computer storage media. Domestically produced PET film is consumed captively as well as sold on the merchant market to downstream converters that fabricate the film into finished products, to distributors, directly to end-use consumers, or exported.

Probable economic effect advice

* * * * * * *

[1] The petitioners are DuPont Teijin Films (Wilmington, DE), Mitsubishi Polyester Film (Greer, SC), Toray Plastics America (N. Kingston, RI), and SKC, Inc. (Mt. Olive, NJ).

Profile of U.S. industry and market, 2002–06

Of the eight domestic PET film producers, only four (the petitioners) are believed to sell significant volumes into the merchant market. Three domestic producers manufacture PET film for internal use only, and the one remaining producer, Terphane Holding Corporation ("Terphane," also the company producing PET film in Brazil) is reported to be limiting its production to a niche product ("ultra thin" PET film). Approximately 75 percent of industry capacity is slated for the merchant market and about 25 percent for captive use. Production lines for PET film are designed to run at full capacity to achieve maximum efficiency and cost competitiveness.

From 2002 through 2006, there was a considerable amount of restructuring by merchant producers because of changing patterns in demand. Specifically, the demand for PET film for magnetic and photographic applications declined owing to the growing preference for digital media. However, packaging and industrial applications have been a growth area for PET film, and this growth is expected to continue for the foreseeable future. Table 8-1 presents industry data.

Table 8-1 PET film: U.S. producers, employment, shipments, trade, consumption, and capacity utilization, 2002–06

Item	2002	2003	2004	2005	2006
Producers (***number***)	8	8	8	8	8
Employment (***employees***)[a]	3,000	3,100	2,650	2,500	2,300
Shipments (***1,000 dollars***)[b]	1,100,000	1,300,000	900,000	930,000	975,000
Exports (***1,000 dollars***)[c]	140,000	105,000	125,000	120,000	110,000
Imports (***1,000 dollars***)	239,605	249,336	290,159	362,652	383,782
Consumption (***1,000 dollars***)[a]	1,199,605	1,444,336	1,065,159	1,172,652	1,248,782
Import-to-consumption ratio (***percent***)[a]	20	17	27	31	31
Capacity utilization (***percent***)[a]	85	88	92	86	92

[a] Estimated by Commission staff, based on partial information/data adequate for estimation with a moderately high degree of confidence.

[b] Shipments to the merchant market. This does not include domestic production that is captively consumed.

[c] Exports are estimated by Commission staff as the Schedule B subheading is a basket category covering products in addition to PET film.

GSP import situation, 2006

Brazil was the eighth largest source of U.S. imports of PET film in 2006, and the second largest GSP-eligible source. The value of imports of PET film from Brazil increased by 549 percent in the 2002-06 period, from $2.0 million to $13.2 million. However, in 2006 Brazil accounted for less than 4 percent of total U.S. imports of PET film, and 23 percent of imports from GSP-eligible countries (table 8-2).

Table 8-2 PET film: U.S. imports and share of U.S. consumption, 2006

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
		1,000 dollars		
Grand total	383,783	100	([a])	31
Imports from GSP-eligible countries:				
Total	45,693	12	100	4
Thailand[b]	13,248	3	29	1
Brazil	13,180	3	29	1
India[c]	8,778	2	19	([d])
Indonesia	5,170	1	11	([d])

[a] Not applicable.
[b] GSP-eligibility for PET film from Thailand was removed as of July 1, 2004.
[c] GSP-eligibility for PET film from India was removed as of July 1, 1998.
[d] Less than 0.5 percent.

According to publicly available information, Terphane, the sole Brazilian producer, expects 60 percent of its production will be exported to the United States and Latin America. There have been no quality issues raised concerning the Brazilian product, and Terphane describes itself as a leading manufacturer with more than 30 years of experience producing film.

Position of interested parties[2]

Petitioner.– The four firms that petitioned for the removal of imports of PET film from Brazil from GSP eligibility were: DuPont Teijin Films, Mitsubishi Polyester Film of America, SKC, Inc., and Toray Plastics (America), Inc. ("petitioners"). The petitioners maintain that although "imports from Brazil currently make up a relatively small percentage of total domestic consumption," these imports "negatively impact U.S. producers due to the price sensitivity of sales in the U.S. market."[3] The petitioners also state that Brazil was the "sixth largest source of U.S. PET film imports, accounting for nearly 5.6 percent of total U.S. imports for the year."[4] Petitioners also maintain that the domestic industry is "very price- and import-sensitive" and a "small quantity of low-priced imports can drag down prices throughout the market."[5]

Opposition.–Although Terphane states that it imports PET film from its facility in Brazil, it is the "only U.S. domiciled and owned commercial producer of PET film in the United States."[6] Terphane states that it has only two production facilities (Brazil and New York) and "is the sole producer of PET film in Brazil and in South America."[7] Terphane produces PET film primarily for the packaging segment of the market, with a lesser share going to industrial uses, and it sells its product only in the United States and in South America. Terphane maintains that its 1 percent of U.S. PET film production capacity is not a competitive threat to the petitioners, which control (counting both their U.S. and foreign plants) more than 98 percent of the U.S. merchant market. Terphane also stated that it is not the firm that is driving prices in the U.S. merchant market, as it primarily fills the role of secondary supplier of product to its customers that use either petitioners' production or imports from primarily Asian sources as their primary sources of PET film.

[2] Except as noted, information provided in this section is derived from the petition filed with the USTR as well as testimony and written submissions of interested parties to the Commission in connection with this investigation.

[3] Wilmer Hale on behalf of Dupont Teijin Films, Mitsubishi Polyester Film of America, SKC Inc., and Toray Plastics (America) Inc., written submission to the USITC, October 24, 2007, 1–2.

[4] Ibid., 5.

[5] Ibid., 5.

[6] Miller & Chevalier on behalf of Terphane Holding Corp., written submission to the USITC, October 24, 2007, 2.

[7] Ibid.

Table 8-3 PET film (HTS subheading 3920.62.00): U.S. imports for consumption, by principal sources, 2002–06, January-June 2006 and January-June 2007

Country	2002	2003	2004	2005	2006	January-June 2006 YTD	January-June 2007 YTD
				In Dollars			
Korea	41,135,807	47,484,316	64,156,183	74,774,651	71,090,096	34,471,862	33,254,057
Japan	42,096,062	48,366,593	55,766,769	56,995,694	55,814,172	28,280,753	17,556,714
China	19,321,785	16,818,510	22,632,948	36,618,748	42,143,577	24,065,000	23,914,107
Canada	18,993,252	21,472,098	24,900,294	33,052,648	40,663,380	21,895,930	20,672,657
United Kingdom	20,519,700	17,951,564	20,984,877	37,750,205	35,165,907	23,929,449	9,738,044
Taiwan	8,938,019	13,315,423	11,748,773	12,797,958	14,558,006	6,095,131	10,323,947
Thailand	24,858	5,399,616	15,091,012	18,925,923	13,247,514	6,727,325	6,266,748
Brazil	2,029,545	6,709,656	8,283,371	9,088,957	13,180,266	6,808,811	6,210,754
Italy	11,539,028	14,051,908	15,890,794	13,494,054	12,647,666	7,499,480	4,158,272
Belgium	3,892,692	1,973,392	1,890,011	5,412,610	12,628,990	5,955,608	480,428
All other	71,114,639	55,812,818	48,814,172	63,741,050	72,642,924	38,974,092	36,356,878
Total	239,605,387	249,355,894	290,159,204	362,652,498	383,782,498	204,703,441	168,932,606
Imports from GSP-eligible countries:							
Thailand	24,858	5,399,616	15,091,012	18,925,923	13,247,514	6,727,325	6,266,748
Brazil	2,029,545	6,709,656	8,283,371	9,088,957	13,180,266	6,808,811	6,210,754
India	17,840,701	12,070,146	9,436,029	10,002,048	8,777,542	4,947,782	3,575,883
Indonesia	14,783,718	10,379,531	5,756,424	4,637,234	5,170,336	2,221,379	2,993,654
Turkey	3,770	8,627	0	975	4,920,522	2,808,793	1,914,827
Philippines	0	48,452	0	45,582	199,747	113,654	25,389
Argentina	0	97,977	13,824	0	68,576	32,284	4,113
Colombia	0	0	94,127	9,933	67,895	41,126	0
Pakistan	0	0	0	0	53,350	0	0
South Africa	0	0	0	0	6,545	6,545	0
All other	229,574	5,106	4,871	59,033	1,169	0	6,306,842
Total	34,912,166	34,719,111	38,679,658	42,769,685	45,693,462	23,707,699	27,298,210

Source: Official statistics of the U.S. Department of Commerce.

Bibliography

Aluminios del Uruguay S.A. “Petition for addition,” submitted to the Office of the United States Trade Representative, June 22, 2007.

Arent Fox on behalf of Companhia Brasileira de Aluminio. Written submission to the U.S. International Trade Commission in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, October 24, 2007.

BHP Billiton. *Annual Report 2006.*

Bureau van Dijk. Orbis Companies Database. https://orbis.bvep.com (accessed October 24, 2007).

Companhia Brasileira de Aluminio. Written submission to the U.S. International Trade Commission in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, October 24, 2007.

DeKieffer & Horgan on behalf of Gulbrandsen Chemicals. Written submission to the United States International Trade Commission, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, September 26, 2007.

DLA Piper on behalf of Eramet Marietta Inc. Petition submitted to the U.S. Trade Representative, June 22, 2007.

DLA Piper, on behalf of Eramet Marietta Inc. Written submission to the U.S. International Trade Commission, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, September 26, 2007.

DLA Piper, on behalf of Eramet Marietta Inc. Written submission to the U.S. International Trade Commission, October 24, 2007.

Edelstein, D.L., “Copper.” *Mineral Commodity Summaries*, various years.

Egyptalum. “Egyptalum Stake Offer in the Stock Market On Hold; Expansion Continues,” April 4. 2006. http://www.egyptalum.com.eg/.

Global Trade Information Service, Inc. (GTIS). World Trade Atlas Database, (accessed October 24, 2007).

Kinch, Diana.."Brazil's CBA Plans to Raise Aluminum Capacity." *American Metal Market*, June 13, 2006. http://amm.com/2006-06-12__12-54-08.html.

Miller & Chevalier on behalf of Terphane Holding Corporation. Written submission to the U.S. International Trade Commission, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, Submitted to the U.S. International Trade Commission, October 24, 2007.

Monsanto. *Annual Report 2006*, http://monsanto.com/pdf/pubs/2006/2006AnnualReport.pdf..

Solutia Inc. "Solutia Poised to Emerge From Bankruptcy After Reaching Settlement With All Major Constituents in Chapter 11 Case (September 26)." St. Louis, 2007. http://investor.solutia.com.

Stannica LLC. Written submission to the United States Trade Representative, June 22, 2007.

Teo, Vivian. "China's Citic Expects to Win Pact to Build 270,000 tpy Egyptian Al Smelter." *American Metal Market*, September 13, 2006. http://amm.com/2006-09-13__20-50-57.html.

U.S. Geological Survey (USGS). "Aluminum." *2005 Minerals Yearbook*. http://minerals.usgs.gov/ minerals/ pubs/ commodity/aluminum/alumimyb05.pdf.

U.S. Geological Survey (USGS). "Manganese." *2005 Minerals Yearbook.*

U.S. International Trade Commission (USITC) hearing transcript in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, October 16, 2007.

United States Trade Representative (USTR) GSP Subcommittee hearing transcript in connection with the 2007 GSP Review, October 3, 2007.

Vinson & Elkins on behalf of Manganese Metal Company (Pty) Ltd. Petition submitted to the United States Trade Representative, October 3, 2007.

Vinson & Elkins, on behalf of Manganese Metal Company (Pty) Ltd." Written submission to the U.S. International Trade Commission, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, September 26, 2007.

Vinson & Elkins on behalf of Manganese Metal Company (Pty) Ltd. Victors. Mroczka. Testimony before the United States Trade Representative GSP Subcommittee, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, October 3, 2007.

Vinson & Elkins on behalf of Manganese Metal Company (Pty) Ltd. Written submission to the U.S. International Trade Commission, October 24, 2007.

Wilmer Hale on behalf of of Dupont Teijin Films, Mitsubishi Polyester Film of America, SKC, Inc., and Toray Plastics (America), Inc. Written submission to the U.S. International Trade Commission, in connection with inv. No. 332-493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals*, October 24, 2007.

Wilmer Hale on behalf of of Dupont Teijin Films, Mitsubishi Polyester Film of America, SKC, Inc.,

and Toray Plastics (America), Inc. Written submission to the U.S. International Trade Commission, September 24, 2007.

Wilmer Hale on behalf of of Dupont Teijin Films, Mitsubishi Polyester Film of America, Toray Plastics (America), Inc. and SKC, Inc. Petition submitted to the U.S. Trade Representative, June 22, 2007.

APPENDIX A

USTR Request Letter and Letter to Withdraw Petitions

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

SEP 04 2007

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

Dear Chairman Pearson:

The Trade Policy Staff Committee (TPSC) has recently decided and will announce in the *Federal Register* to accept certain product petitions for the 2007 Annual Review for modification of the Generalized System of Preferences (GSP). For the most part, modifications to the GSP program which may result from this review will be announced in the spring of 2008, and become effective in the summer of 2008. In this connection, I am making the requests set out below.

In accordance with sections 503(a)(1)(A), 503(e) and 131(a)of the Trade Act of 1974, as amended ("the 1974 Act"), and pursuant to the authority of the President delegated to the United States Trade Representative (USTR) by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the Commission that the articles identified in Part A of the enclosed annex are being considered for designation as eligible articles for purposes of the GSP, or in some cases for eligibility for all GSP beneficiaries (rather than only for Least Developed Beneficiaries) as set forth in 503(a)(1)(A) of the 1974 Act. I further notify the Commission that the articles listed in Part B of the enclosed annex are being considered for removal from eligibility for duty-free treatment under the GSP program from the specified countries.[1]

In accordance with sections 503(a)(1)(A), 503(e) and 131(a) of the 1974 Act, and under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I request that the Commission provide its advice, with respect to the articles identified in Part A of the enclosed annex, as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers of the elimination of United States import duties for all beneficiary developing countries under the GSP program.

Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I further request, with respect to articles listed in Part B of the enclosed annex, that the Commission provide its advice as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the removal from eligibility for duty-free treatment under the GSP program for such articles from the specified countries.

---

[1] Consideration of petitions for competitive need limitation waivers may be addressed at a later date with a separate request letter.

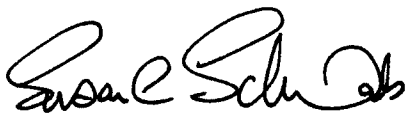
I would greatly appreciate it, if the requested advice could be provided by no later than 90-104 days from receipt of this letter. To the extent possible, I would also appreciate it if the probable economic effect advice and statistics (profile of the United States industry and market and United States import and export data) and any other relevant information or advice was provided separately and individually for each Harmonized Tariff Schedule of the United States subheading for all the cases in these requests.

I direct you to mark as "Confidential" those portions of the Commission's report and related working papers that contain or provide a basis for determining the Commission's advice on the probable economic effect on United States industries producing like or directly competitive articles and on consumers. All other parts of the report are unclassified, but the overall classification marked on the front and back covers of the report should be "Confidential" to conform with the confidential sections contained therein. All business confidential information contained in the report should be clearly identified.

When 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,



Susan C. Schwab

Annex

The Harmonized Tariff Schedule of the United States (HTS) subheadings listed below have been accepted as product petitions for the 2007 Generalized System of Preferences (GSP) Annual Review for modification of the (GSP). The tariff nomenclature in the HTS for the subheadings listed below are definitive; the product descriptions in this list are *for informational purposes only* (except in those cases where only part of a subheading is the subject of a petition). The descriptions below are not intended to delimit in any way the scope of the subheading. The HTS may be viewed on http://www.usitc.gov/tata/index.htm.

Case No.	HTS Subheading	Brief Description	Petitioner
A.	Petitions for addition of a product to the list of eligible products for the Generalized System of Preferences.		
2007-01	2613.10.00	Molybdenum ores and concentrates, roasted	Government of Mongolia
2007-02	2613.90.00	Molybdenum ores and concentrates, other	Government of Mongolia
2007-03	2917.12.10	Adipic acid	Rhodia Poliamida e Especialidades Ltda (Brazil)
2007-04	3204.17.90	Other synthetic organic pigments and coloring preparations	Pinturas INCA S.A. (Uruguay)
2007-05	4412.39.5030[1]	Other plywood sheets, not exceeding 6mm in thickness, with at 1 outer ply of certain pines	Urupanel S.A. (Uruguay)
2007-06	7601.10.30	Certain unwrought aluminum, not alloyed, of uniform cross section throughout its length	Government of Arab Republic of Egypt
2007-07	7601.20.30	Certain unwrought aluminum, alloys, of uniform cross section throughout its length	Government of Arab Republic of Egypt
2007-08	7604.21.00	Certain aluminum bars, rods, and profiles of aluminum alloys, hollow profiles	Aluminios del Uruguay, S.A. (Uruguay)
2007-09	8111.00.49.10[2]	Certain unwrought manganese and articles thereof, including waste and scrap	Manganese Metal Company, Lt, (Republic of South Africa)
B.	Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences		
2007-10	2931.00.90 (India)	Certain other organo-inorganic compounds	Stannica LLC (Baton Rouge, LA)
2007-11	3920.62.00 (Brazil)	Polyethylene terephthalate film, sheet and strip (PET film)	Dupont Teijin Films Wilmington, DE) Mitxubishi Polyester Film (Greer, SC) Toray Plastics (America) (N. Kingston, RI) SKC Inc. (Mt. Olive, NJ)

[2] If implemented, would require creation of a new 8-digit HTS line.

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

NOV 26 2007

Ms. Lyn M. Schlitt
Director, Office of External Relations
U.S. International Trade Commission
Room 716
500 E Street, SW
Washington, DC 20436

332-493

Dear Ms. Schlitt:

Ambassador Susan C. Schwab has asked me to advise the U.S. International Trade Commission (USITC) of the petitioners' withdrawal of the following petitions to add articles for duty-free treatment under the Generalized System of Preferences program:

1. Accepted case 2007-01, 2613.10.00 Molybdenum ores, roasted
2. Accepted case 2007-02, 2613.90.00 Molybdenum ores, other
3. Accepted case 2007-04, 3204.17.90 Other synthetic organic pigments and coloring preparations

These tariff lines will no longer need to be included in the USITC study as to the probable economic effect on U.S. industries producing like or directly competitive articles, which was requested on September 4, 2007 (see attached letter).

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Meredith Broadbent

Meredith Broadbent
Assistant U.S. Trade Representative for
Industry, Market Access and Telecommunications

Attachment

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

SEP 04 2007

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

Dear Chairman Pearson:

The Trade Policy Staff Committee (TPSC) has recently decided and will announce in the *Federal Register* to accept certain product petitions for the 2007 Annual Review for modification of the Generalized System of Preferences (GSP). For the most part, modifications to the GSP program which may result from this review will be announced in the spring of 2008, and become effective in the summer of 2008. In this connection, I am making the requests set out below.

In accordance with sections 503(a)(1)(A), 503(e) and 131(a)of the Trade Act of 1974, as amended ("the 1974 Act"), and pursuant to the authority of the President delegated to the United States Trade Representative (USTR) by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the Commission that the articles identified in Part A of the enclosed annex are being considered for designation as eligible articles for purposes of the GSP, or in some cases for eligibility for all GSP beneficiaries (rather than only for Least Developed Beneficiaries) as set forth in 503(a)(1)(A) of the 1974 Act. I further notify the Commission that the articles listed in Part B of the enclosed annex are being considered for removal from eligibility for duty-free treatment under the GSP program from the specified countries.[1]

In accordance with sections 503(a)(1)(A), 503(e) and 131(a) of the 1974 Act, and under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I request that the Commission provide its advice, with respect to the articles identified in Part A of the enclosed annex, as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers of the elimination of United States import duties for all beneficiary developing countries under the GSP program.

Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I further request, with respect to articles listed in Part B of the enclosed annex, that the Commission provide its advice as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the removal from eligibility for duty-free treatment under the GSP program for such articles from the specified countries.

[1] Consideration of petitions for competitive need limitation waivers may be addressed at a later date with a separate request letter.

I would greatly appreciate it, if the requested advice could be provided by no later than 90-104 days from receipt of this letter. To the extent possible, I would also appreciate it if the probable economic effect advice and statistics (profile of the United States industry and market and United States import and export data) and any other relevant information or advice was provided separately and individually for each Harmonized Tariff Schedule of the United States subheading for all the cases in these requests.

I direct you to mark as "Confidential" those portions of the Commission's report and related working papers that contain or provide a basis for determining the Commission's advice on the probable economic effect on United States industries producing like or directly competitive articles and on consumers. All other parts of the report are unclassified, but the overall classification marked on the front and back covers of the report should be "Confidential" to conform with the confidential sections contained therein. All business confidential information contained in the report should be clearly identified.

When 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,

Susan C. Schwab

Annex

The Harmonized Tariff Schedule of the United States (HTS) subheadings listed below have been accepted as product petitions for the 2007 Generalized System of Preferences (GSP) Annual Review for modification of the (GSP). The tariff nomenclature in the HTS for the subheadings listed below are definitive; the product descriptions in this list are *for informational purposes only* (except in those cases where only part of a subheading is the subject of a petition). The descriptions below are not intended to delimit in any way the scope of the subheading. The HTS may be viewed on http://www.usitc.gov/tata/index.htm.

Case No.	HTS Subheading	Brief Description	Petitioner
A.	Petitions for addition of a product to the list of eligible products for the Generalized System of Preferences.		
2007-01	2613.10.00	Molybdenum ores and concentrates, roasted	Government of Mongolia
2007-02	2613.90.00	Molybdenum ores and concentrates, other	Government of Mongolia
2007-03	2917.12.10	Adipic acid	Rhodia Poliamida e Especialidades Ltda (Brazil)
2007-04	3204.17.90	Other synthetic organic pigments and coloring preparations	Pinturas INCA S.A. (Uruguay)
2007-05	4412.39.5030[1]	Other plywood sheets, not exceeding 6mm in thickness, with at 1 outer ply of certain pines	Urupanel S.A. (Uruguay)
2007-06	7601.10.30	Certain unwrought aluminum, not alloyed, of uniform cross section throughout its length	Government of Arab Republic of Egypt
2007-07	7601.20.30	Certain unwrought aluminum, alloys, of uniform cross section throughout its length	Government of Arab Republic of Egypt
2007-08	7604.21.00	Certain aluminum bars, rods, and profiles of aluminum alloys, hollow profiles	Aluminios del Uruguay, S.A. (Uruguay)
2007-09	8111.00.49.10[2]	Certain unwrought manganese and articles thereof, including waste and scrap	Manganese Metal Company, Lt, (Republic of South Africa)
B.	Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences		
2007-10	2931.00.90 (India)	Certain other organo-inorganic compounds	Stannica LLC (Baton Rouge, LA)
2007-11	3920.62.00 (Brazil)	Polyethylene terephthalate film, sheet and strip (PET film)	Dupont Teijin Films Wilmington, DE) Mitxubishi Polyester Film (Greer, SC) Toray Plastics (America) (N. Kingston, RI) SKC Inc. (Mt. Olive, NJ)

[2] If implemented, would require creation of a new 8-digit HTS line.

APPENDIX B

Notice of Investigation and Notice to Withdraw Petitions

can be obtained by contacting the TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS-ONLINE) at *http://edis.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: As requested by the Committee, the Commission will conduct an investigation under section 332(g) and prepare a report regarding the effects of animal health, sanitary, and food safety measures on beef trade between the United States and its major trading partners. The Commission's report will cover the period 2002–2007, to the extent data are available.

As requested by the Committee, the Commission will include the following information in its report, to the extent possible: (1) An overview of the U.S. and global markets for beef, including production, consumption, exports, and imports; (2) information on animal health, sanitary, and food safety measures facing U.S. and other major beef exporters in major destination markets; (3) information on other barriers to U.S. beef exports in major destination markets, including high tariffs, quotas, and import licensing and distribution systems; and (4) a qualitative and, to the extent possible, quantitative analysis of the economic effects of foreign animal health, sanitary, and food safety measures on U.S. beef exports. The Commission expects to deliver the report to the Committee by June 6, 2008.

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 November 15, 2007. Requests to appear at the public hearing should be filed with the Secretary, no later than 5:15 p.m., October 18, 2007, in accordance with the requirements in the ''Written Submissions'' section below. In the event that, as of the close of business on October 18, 2007, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant may call the Secretary to the Commission (202–205–2000) after October 15, 2007, for information concerning whether the hearing will be held.

Written Submissions: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements and briefs concerning this investigation. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary. Pre-hearing briefs and statements should be filed not later than 5:15 p.m., October 22, 2007; and post-hearing briefs and statements should be filed not later than 5:15 p.m., November 23, 2007. All other submissions should be filed not later than 5:15 p.m., February 29, 2008. 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.

In its request letter, the Committee states that it intends to make the Commission's report available to the public, in its entirety, and asked that the Commission not include any confidential business information in the report it sends to the Committee. Consequently, the report that the Commission sends to the Committee will not contain any such information. Any confidential business information received by the Commission in this investigation and used in preparing the report will not be published in a manner that would reveal the operations of the individual or firm supplying the information.

Issued: September 13, 2007.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7–18407 Filed 9–18–07; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–493]

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: Following receipt on September 6, 2007 of a request from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332 (g)), the Commission instituted investigation No. 332–493, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals.*

DATES: *September 25, 2007:* Deadline for filing requests to appear at the public hearing.

September 26, 2007: Deadline for filing pre-hearing briefs and statements.

October 16, 2007: Public hearing.

October 24, 2007: Deadline for filing post-hearing briefs and statements and other written submissions.

December 19, 2007: Transmittal of report to USTR.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street, SW., Washington, DC. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436.

FOR FURTHER INFORMATION CONTACT: Information may be obtained from Cynthia B. Foreso, Project Leader, Office of Industries (202–205–3348 or *cynthia.foreso@usitc.gov)* or Eric Land, Deputy Project Leader, Office of

Industries (202–205–3349 or *eric.land@usitc.gov).* For more information on legal aspects of the investigation, contact William Gearhart of the Commission's Office of the General Counsel (202–205–3091 or *william.gearhart@usitc.gov*). The media should contact Margaret O'Laughlin, Office of External Relations (202–205–1819 or *margaret.olaughlin@usitc.gov*). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ONLINE) at *http://www.usitc.gov/secretary/edis.htm.* 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: As requested by the USTR, in accordance with section 503(a)(1)(A), 503(e), and 131(a) of the Trade Act of 1974, as amended (19 U.S.C. 2463(a)(1)(A), 19 U.S.C. 2151(a)), and pursuant to section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), the Commission will provide advice as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties for all beneficiary developing countries under the GSP program on articles provided for in HTS subheadings 2613.10.00, 2613.90.00, 2917.12.10, 3204.17.90, 4412.39.5030, 7601.10.30, 7601.20.30, 7604.21.00, and 8111.00.4910. Also, as requested by USTR, pursuant to section 332(g) of the Tariff Act of 1930, the Commission will provide advice as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the removal from eligibility for duty-free treatment under the GSP program of articles provided for in HTS subheadings 2931.00.90 from India and 3920.62.00 from Brazil. As requested by the USTR, the Commission will provide its advice no later than December 19, 2007. The USTR indicated that those sections of the Commission's report and related working papers that contain the Commission's advice will be classified as ''confidential.''

Public Hearing: A public hearing in connection with this investigation will be held beginning at 9:30 a.m. on October 16, 2007 at the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All persons have the right to appear by counsel or in person, to present information, and to be heard. Persons wishing to appear at the public hearing should file a letter with the Secretary, United States International Trade Commission, 500 E St., SW., Washington, DC 20436, not later than the close of business (5:15 p.m.) on September 25, 2007, in accordance with the requirements in the ''Submissions'' section below.

Written Submissions: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements or briefs concerning these investigations. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436. Pre-hearing briefs and statements should be filed not later than 5:15 p.m., September 26, 2007; and post-hearing briefs and statements and all other written submissions should be filed not later than 5:15 p.m., October 24, 2007. 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 of the rules requires that a signed original (or a copy designated as an original) and fourteen (14) copies of each document be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, *http://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 ''nonconfidential'' 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 these investigations 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 confidential as well as any confidential business information.

Issued: September 12, 2007.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7–18408 Filed 9–18–07; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Importer of Controlled Substances; Notice of Application

Pursuant to 21 U.S.C. 958(i), the Attorney General shall, prior to issuing a registration under this Section to a bulk manufacturer of a controlled substance in schedule I or II and prior to issuing a registration under 21 U.S.C. 952(a) authorizing the importation of such substances, provide manufacturers holding registrations for the bulk manufacture of the substance an opportunity for a hearing.

Therefore, in accordance with 21 CFR 1301.34(a), this is notice that on October 10, 2006, Lannett Company Incorporated, 9001 Torresdale Avenue, Philadelphia, Pennsylvania 19136, made application by letter and subsequent renewal on February 19, 2007 to the Drug Enforcement Administration (DEA) for registration as an importer of the basic classes of controlled substances:

Drug	Schedule
Tetrahydrocannabinols (7370)	I
Methylphenidate (1724)	II
Morphine (9300)	II

The company plans to import the basic classes of controlled substances for analytical testing on a formulated product for submission to U.S. Food and Drug Administration (FDA) for generic product approval.

Any manufacturer who is presently, or is applying to be, registered with DEA to manufacture such basic classes of

Name of Committee: Literature Selection Technical Review Committee.

Date: February 28–29, 2008.

Open: February 28, 2008, 9 a.m. to 11 a.m.

Agenda: Administrative reports and program discussion.

Place: National Library of Medicine, Building 38, Board Room, 2nd Floor, 8600 Rockville Pike, Bethesda, MD 20894.

Closed: February 28, 2008, 11 a.m. to 5 p.m.

Agenda: To review and evaluate journals as potential titles to be indexed by the National Library of Medicine.

Place: National Library of Medicine, Building 38, Board Room, 2nd Floor, 8600 Rockville Pike, Bethesda, MD 20894.

Closed: February 29, 2008, 8:30 a.m. to 2 p.m.

Agenda: To review and evaluate journals as potential titles to be indexed by the National Library of Medicine.

Place: National Library of Medicine, Building 38, Board Room, 2nd Floor, 8600 Rockville Pike, Bethesda, MD 20894.

Contact Person: Sheldon Kotzin, MLS, Associate Director, Division of Library Operations, National Library of Medicine, 8600 Rockville Pike, Bldg. 38/Room 2W06, Bethesda, MD 20894, 301–496–6921, *Sheldon_Kotzin@nlm.nih.gov.*

Any interested person may file written comments with the Committee by forwarding the statement to the Contact Person listed on this Notice. The statement should include the name, address, telephone number and, when applicable, the business or professional affiliation of the interested person.

In the interest of security, NIH has instituted stringent procedures for entrance into the building by non-government employees. Persons without a government I.D. will need to show a photo I.D. and sign in at the security desk upon entering the building.

(Catalogue of Federal Domestic Assistance Program No. 93.879, Medical Library Assistance, National Institutes of Health, HHS)

Dated: November 27, 2007.

Jennifer Spaeth,

Director, Office of Federal Advisory Committee Policy, NIH.

[FR Doc. 07–5929 Filed 12–04–07; 8:45 am]

BILLING CODE 4140–01–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C., Appendix 2), notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Kidney Monitoring and Therapeutics Small Business Review.

Date: December 18, 2007.

Time: 2 p.m. to 4 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Telephone Conference Call).

Contact Person: Krystyna E. Rys-Sikora, PhD, Scientific Review Administrator, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4016J, MSC 7814, Bethesda, MD 20892, 301–451–1325, *ryssokok@csr.nih.gov.*

This notice is being published less than 15 days prior to the meeting due to the timing limitations imposed by the review and funding cycle.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Hematopoietic Stem Cells.

Date: December 20, 2007.

Time: 11 a.m. to 1 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Telephone Conference Call).

Contact Person: Delia Tang, MD, Scientific Review Administrator, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4126, MSC 7802, Bethesda, MD 20892, 301–435–2506, *tangd@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Nanotechnology in Heart, Lung and Blood.

Date: January 16–17, 2008.

Time: 9 a.m. to 5 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Virtual Meeting).

Contact Person: Alexandra M. Ainsztein, PhD, Scientific Review Administrator, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5144, MSC 7840, Bethesda, MD 20892, 301–451–3848, *ainsztea@csr.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: November 28, 2007.

Jennifer Spaeth,

Director, Office of Federal Advisory Committee Policy.

[FR Doc. 07–5926 Filed 12–4–07; 8:45 am]

BILLING CODE 4140–01–M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–493]

Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2007 Review of Additions and Removals

AGENCY: United States International Trade Commission.

ACTION: Change in scope of investigation.

SUMMARY: Following receipt of a letter on November 26, 2007, from the United States Trade Representative (USTR) advising of the withdrawal of petitions requesting the addition of the following three articles to the list of articles eligible for duty-free treatment under the Generalized System of Preferences (GSP) program, the Commission has terminated its investigation with respect to those three articles and will not provide probable economic effect advice with respect to those articles:

Molybdenum ores and concentrates, roasted (HTS subheading 2613.10.00, USTR accepted case 2007–01);

Molybdenum ores and concentrates, other (HTS subheading 2613.90.00, USTR accepted case 2007–02); and

Other synthetic organic pigments and coloring preparations (HTS subheading 3204.17.90, USTR accepted case 2007–04).

The Commission expects to transmit its report to the USTR providing its advice with respect to the remaining articles that are the subject of the USTR's request for advice by December 19, 2007.

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 may be obtained from Cynthia B. Foreso, Project Leader, Office

of Industries (202–205–3348 or *cynthia.foreso@usitc.gov*) or Eric Land, Deputy Project Leader, Office of Industries (202–205–3349 or *eric.land@usitc.gov*). For more information on legal aspects of the investigation, contact William Gearhart of the Commission's Office of the General Counsel (202–205–3091 or *william.gearhart@usitc.gov*). The media should contact Margaret O'Laughlin, Office of External Relations (202–205–1819 or *margaret.olaughlin@usitc.gov*). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ONLINE) at *http://www.usitc.gov/secretary/edis.htm*. 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 instituted the investigation on September 12, 2007, following receipt of a letter from the USTR on September 6, 2007. Notice of institution of the investigation and the scheduling of a public hearing (which was held on October 16, 2007) was published in the **Federal Register** of September 19, 2007 (72 F.R. 53604). The notice indicated that the Commission would provide advice with respect to the addition of nine articles and advice with respect to the removal of two articles. The Commission will provide its advice with respect to the addition of the six remaining articles and removal of the two articles by December 19, 2007. The deadline for filing written submissions in this investigation was October 24, 2007.

By order of the Commission.

Issued: November 30, 2007.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7–23560 Filed 12–4–07; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree

Notice is hereby given that on November 28, 2007, a proposed Consent Decree was lodged with the United States District Court for the Southern District of Florida in the case *United States* v. *Losada, et al.,* No. 07–10027 (S.D. Fla.)

The United States of America (''United States''), on behalf the National Oceanic and Atmospheric Administration of the Department of Commerce, filed a complaint against defendants Losada and the vessel ''Androw'' under the National Marine Sanctuaries Act (''NMSA''), 16 U.S.C. 1431, *et seq.,* seeking damages and response costs for Defendants' destruction of natural resources in the Florida Keys National Marine Sanctuary (the ''Sanctuary'').

Under the proposed Consent Decree, Losada will pay $5,000, and agrees not to operate a vessel or fish within the Sanctuary for a period of five years. The settlement amount is based the defendant's ability to pay. In exchange for the payment, the plaintiff covenants not to sue the defendants for damages and response costs under NMSA with respect to the site of the grounding.

The Department of Justice will receive for a period of thirty (30) days from the date of this publication comments relating the proposed Consent Decrees. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and either e-mailed to *pubcomment-ees.enrd@usdoj.gov* or mailed to P.O. Box 7611, U.S. Department of justice, Washington, DC 20044–7611, and should refer to: *United States* v. *Losada, et al.,* No. 07–10027 (S.D. Fla.), referencing DOJ case number 90–5–1–1–09107.

The proposed Consent Decree may be examined at the Office of the United States Attorney for the Southern District of Florida, 99 N.E. 4th Street, Miami, Florida. During the public comment period, the Consent Decree may also be examined on the following Department of Justice Web site, *http://www.usdoj.gov/enrd/Consent_Decrees.html.* A copy of the proposed Consent Decree may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044–7611 or by faxing or e-mailing a request to Tonia Fleetwood (*tonia.fleetwood@usdoj.gov*), fax no. (202) 514–0097, phone confirmation no. (202) 514–1547. In requesting a copy from the Consent Decree Library, please enclose a check payable to the ''U.S. Treasury'' or, if by e-mail or fax, forward a check in that amount to the Consent Decree Library at the stated address, in the amount of $2.75 (25 cents per page reproduction cost).

Henry S. Friedman,

Assistant Section Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 07–5937 Filed 12–4–07; 8:45 am]

BILLING CODE 4410–15–M

DEPARTMENT OF LABOR

Office of the Secretary

Submission for OMB Review: Comment Request

November 29, 2007.

The Department of Labor (DOL) hereby announces the submission the following public information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 44 U.S.C. chapter 35). A copy of this ICR, with applicable supporting documentation; including among other things a description of the likely respondents, proposed frequency of response, and estimated total burden may be obtained from the *RegInfo.gov* Web site at *http://www.reginfo.gov/public/do/PRAMain* or by contacting Darrin King on 202–693–4129 (this is not a toll-free number) / e-mail: *king.darrin@dol.gov*.

Interested parties are encouraged to send comments to the Office of Information and Regulatory Affairs, Attn: Brian A. Harris-Kojetin, OMB Desk Officer for the Bureau of Labor Statistics (BLS), Office of Management and Budget, Room 10235, Washington, DC 20503, Telephone: 202–395–7316 / Fax: 202–395–6974 (these are not a toll-free numbers), e-mail: *OIRA_submission@omb.eop.gov* within 30 days from the date of this publication in the **Federal Register**. In order to ensure the appropriate consideration, comments should reference the OMB Control Number (see below).

The OMB is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and

APPENDIX C

Calendar of Witnesses for the October 16, 2007 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, 2007 Review of Additions and Removals

Inv. No.: 332-493

Date and Time: October 16, 2007 - 9:30 a.m.

Sessions were 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:**

PANEL 1

Manganese Metal Powder

Vinson & Elkins
Washington, D.C.
on behalf of

Manganese Metal Company (Pty) Ltd. ("MMC")

Cellierus (Blikkies) Blignaut, Marketing Manager, MMC

Victor S. Mroczka) – OF COUNSEL

DLA Piper US LLP
Washington, D.C.
on behalf of

Eramet Marietta Inc. ("Eramet")

John W. Vorberger, Sales & Marketing Manager, Special Products, Eramet

Clifford E. Stevens, Jr.) – OF COUNSEL

ORGANIZATION AND WITNESS: **PRODUCT:**

PANEL 1 (continued)

Adipic Acid

Williams Mullen
Washington, D.C.
on behalf of

Rhodia Poliamida e Especialidades Ltda.
Rhodia, Inc.

Steven R. Powis, Business Director, Polyamide Intermediates - North America, Rhodia, Inc.

James R. Cannon, Jr.) – OF COUNSEL

Hogan & Hartson LLP
Washington, D.C.
on behalf of

INVISTA S.à r.l. ("INVISTA")

Kevin Kenaley, Business Manager, Nylon Intermediates North America, INVISTA

Mary Vane, Director, Trade and Business Development, INVISTA

Richard A. Kisiel, General Manager, Nylon Intermediates, Solutia Inc.

Craig A. Lewis) – OF COUNSEL

ORGANIZATION AND WITNESS: **PRODUCT:**

PANEL 2

Molybdenum Ores

Arent Fox LLP
Washington, D.C.
on behalf of

Climax Molybdenum Company (a subsidiary of
Freeport McMoRan Copper & Gold Inc.)

John M. Gurley) – OF COUNSEL

Certain Synthetic Organic Pigments

Color Pigments Manufacturers Association, Inc. ("CPMA")
Alexandria, VA

J. Lawrence Robinson, President, CPMA

David Klebine, President, Apollo Colors Inc.

Daniel Van Kampen, Director, Specialty Colorants
and Distributor Sales, Flint Group Pigments

Certain Unwrought Aluminum Products

Arenft Fox LLP
Washington, D.C.
on behalf of

Companhia Brasileira de Alumínio ("CBA")

Myles Getlan) – OF COUNSEL

ORGANIZATION AND WITNESS: **PRODUCT:**

PANEL 2 (continued)

Organo-Tin Compounds

deKieffer & Horgan
Washington, D.C.
on behalf of

Gulbrandsen Chemicals, Inc. (“Gulbrandsen”)

Donald E. Gulbrandsen, Chief Executive Officer,
Gulbrandsen

Merritt R. Blakeslee) – OF COUNSEL

-END-

APPENDIX D

Model for Evaluating Probable Economic Effects of Changes in GSP Status

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

This appendix presents the method used to analyze the effects of immediate tariff elimination for selected products on total U.S. imports of affected products, competing U.S. industries, and U.S. consumers. First, the method is introduced. Then the derivation of the model for estimating changes in imports, U.S. domestic production, and consumer effects is presented.

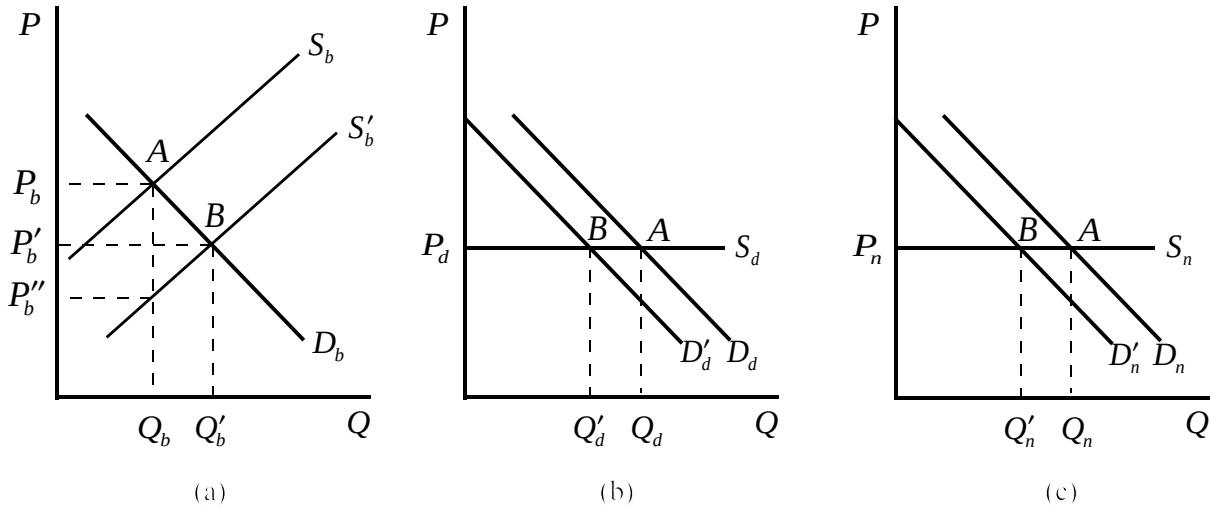
Introduction

Commission staff used partial equilibrium modeling to estimate probable economic effects (PE) of immediate tariff elimination and tariff addition on total U.S. imports, competing U.S. industries, and U.S. consumers. The model used in this study is a nonlinear, imperfect substitutes model.[1] Trade data were taken from official statistics of the U.S. Department of Commerce. U.S. production data were estimated by USITC industry analysts. Elasticities were estimated by industry analysts in consultation with the assigned economist based on relevant product and market characteristics. Trade and production data used were for 2006, and tariff rates used were for 2006.

The following model illustrates the case of granting a product GSP duty-free status. The illustration is for a product for which domestic production, GSP imports, and non-GSP imports are imperfect substitutes, and shows the basic results of a tariff removal on a portion of imports.

[1] For derivations, see Paul S. Armington, "A Theory of Demand for Products Distinguished by Place of Production," *IMF Staff Papers*, vol. 16 (1969), pp. 159-176, and J. Francois and K. Hall, "Partial Equilibrium Modeling," in J. Francois and K. Reinert, eds., *Applied Methods for Trade Policy Analysis, A Handbook* (Cambridge: Cambridge University Press, 1997).

Figure D-1
U.S. markets for GSP beneficiary imports (panel a), domestic production (panel b), and nonbeneficiary imports (panel c)



Consider the market for imports from GSP beneficiary countries illustrated in fig. D-1, panel (a). The line labeled D_b is the U.S. demand for imports from GSP beneficiary countries, the line labeled S_b is the supply of imports from GSP beneficiary countries with the tariff in place, and the line labeled S'_b is the supply of imports from GSP beneficiary countries without the tariff (i.e., the product is receiving duty-free treatment under GSP). Point A is the equilibrium with the tariff in place, and point B is the equilibrium without the tariff. Q_b and Q'_b are equilibrium quantities at A and B, respectively. P_b and P'_b are equilibrium prices at A and B, and P''_b is the price received by GSP-beneficiary producers when the tariff is in place. The difference between P_b and P''_b denotes the tariff, t.

In the model, a tariff reduction leads to a decrease in the price of the imported good and an increase in sales of the good in the United States. The lower price paid for the import in the United States leads to a reduction in the demand for U.S. production of the good, as well as for imports from non-GSP

countries. These demand shifts, along with supply responses to the lower demand, determine the reduction in U.S. output and non-GSP imports.

The changes that take place in panel (a) lead to the changes seen in panels (b) and (c), where the demand curves shift from D_d and D_n to D_d' and D_n', respectively. Equilibrium quantity in the market for domestic production moves from Q_d to Q_d', and in a similar manner for the market for nonbeneficiary imports, equilibrium quantity falls from Q_n to Q_n'.

Derivation of Import, U.S. Production, and Consumer Effects

The basic building blocks of the model are shown below. Armington shows that if consumers have well-behaved constant elasticity of substitution (CES) utility functions, demand for a good in a product grouping can be expressed as follows:

$$q_i = b_i^{\sigma} q \left(\frac{p_i}{p} \right)^{-\sigma} \tag{1}$$

where q_i denotes quantity demanded for good i in the U.S. market;[2] p_i is the price of good i in the U.S. market; σ is the elasticity of substitution for the product grouping; q is the demand for the aggregate product (that is, all goods in the product grouping); p is a price index for the aggregate product (defined below); and b_i^{σ} is a constant.[3] As Armington states, the above equation "... can be written in a variety of useful ways."[4] One of these useful ways can be derived as follows. The aggregate price index p is defined as

[2] The product grouping consists of similar goods from different sources. For example, goods *i*, *j*, and *k* would indicate three similar goods from three different sources. See Armington (1969) for further discussion of the concept.

[3] Armington (1969), p. 167.

[4] Ibid., p. 168.

$$p = \left(\sum_i b_i^{\sigma} p_i^{1-\sigma} \right)^{\frac{1}{1-\sigma}} \quad . \tag{2}$$

In addition the aggregate quantity index q can be defined as

$$q = k_A p^{\eta_A} \tag{3}$$

where k_A is a constant and η_A is the aggregate demand elasticity for the product grouping (natural sign).

Substituting equation (3) into equation (1) yields

$$q_i = b_i^{\sigma} k_A p^{\eta_A} \left(\frac{p_i}{p} \right)^{-\sigma} \quad .$$

Further manipulation and simplification yields

$$q_i = b_i^{\sigma} \, k_A \frac{p^{(\sigma+\eta_A)}}{p_i^{\sigma}} \, ,$$

which establishes the demand for q_i in terms of prices, elasticities, and constants.

The supply of each good in the product grouping is represented in constant supply elasticity form:

$$q_i = K_{si} \, p_i^{\varepsilon_{si}} \, ,$$

where K_{si} is a constant and ε_{si} is the price elasticity of supply for good i.

Excess supply functions are set up for each good in the product grouping with the following general form:

$$K_{si} \, p_i^{\varepsilon_{si}} - b_i^{\sigma} \, k_A \frac{p^{\sigma+\eta_A}}{p^{\sigma}} = 0. \tag{4}$$

The model is calibrated using initial trade and production data and setting all internal prices to unity in the benchmark calibration. It can be shown that calibration yields $K_{si} = b_i^{\sigma} k_A$ for the i^{th} good so that

equation (4) can be rendered as

$$p_i^{\varepsilon_{si}} - \frac{p^{\sigma+\eta_A}}{p_i^{\sigma}} = 0 \ . \qquad (4')$$

If there are n goods, the model consists of n equations like (4′) plus an equation for the price aggregator p, which are solved simultaneously in prices by an iterative technique.

For the case of adding a product to the list of products eligible for GSP duty-free treatment, the equations are as follows:

$$\left[p_b(1+t)\right]^{\varepsilon_{sb}} - \frac{p^{\sigma+\eta_A}}{p_b^{\sigma}} = 0 \quad \text{for imports from GSP beneficiary countries,}$$

$$p_n^{\varepsilon_{sn}} - \frac{p^{\sigma+\eta_A}}{p_n^{\sigma}} = 0 \quad \text{for imports from nonbeneficiary countries,}$$

$$p_d^{\varepsilon_{sd}} - \frac{p^{\sigma+\eta_A}}{p_d^{\sigma}} = 0 \quad \text{for U.S. domestic production, and}$$

$$p = \left(\sum_{i=b,n,d} b_i^{\sigma} p_i^{1-\sigma} \right)^{\frac{1}{1-\sigma}} \quad \text{for the price aggregator.}$$

The prices obtained in the solution to these equations are used to calculate trade and production values, and resulting percentage changes in total imports and domestic production are computed relative to the original (benchmark) import and production values.

Consumer effects

Consumer effects are estimated in terms of the portion of the duty reduction that is passed on to U.S. consumers on the basis of the import demand and supply elasticity estimates. The formula for determining the division of the duty savings between U.S. consumers and foreign exporters is approximated by $SV = \frac{\eta_{ii}}{(\eta_{ii} - \varepsilon_{si})}$, where SV is the percentage of duty savings retained by exporters

from source i, η_{ii} is the own price elasticity of demand,[5] and ε_{si} is the price elasticity of supply from source i. An "A" code indicates that more than 75 percent of the duty savings are retained by foreign exporters $\left(\frac{\eta_{ii}}{\eta_{ii}-\varepsilon_{si}} > 0.75\right)$, and less than 25 percent passed through to U.S. consumers. A "B" code covers the range between 75 percent and 25 percent $\left(0.75 > \frac{\eta_{ii}}{\eta_{ii}-\varepsilon_{si}} > 0.25\right)$. A "C" code covers the case where less than 25 percent of the duty savings are retained by foreign exporters and more than 75 percent of the savings are passed through to U.S. consumers $\left(\frac{\eta_{ii}}{\eta_{ii}-\varepsilon_{si}} < 0.25\right)$.

The default assumption for the probable effect on consumers is a "B" code. This assumption reflects the possibility that short-run supply elasticities may be less than perfectly elastic and the world supply price may rise in the short run in the face of increased demand when U.S. duties are reduced. In the long run, unless there are extraordinary market structure circumstances, supply elasticities are likely to be perfectly elastic for any one product considered in isolation, implying that a "C" code for the consumer effects is probably more appropriate in the long run in most cases. "A" and "C" codes for consumer effects are assigned when analysts have information indicating that they are appropriate.

[5] At any given vector of prices, such as at the benchmark equilibrium, $\eta_{ii} = S_i\eta_A - (1-S_i)\sigma$ is the own price elasticity of demand from imports from source i, where S_i is the share of total expenditures on the product grouping spent on good i at that vector of prices. See Armington, p. 175.