

# Calendar No. 1030

88TH CONGRESS }  
2d Session }

SENATE }

REPORT  
No. 1087

## CERTAIN PARTICLEBOARD

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JUNE 16 (legislative day, MARCH 30), 1964.—Ordered to be printed

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Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

### R E P O R T

[To accompany H.R. 8975]

The Committee on Finance, to whom was referred the bill (H.R. 8975) to provide for the tariff classification of certain particleboard, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

This bill would provide for the tariff classification of certain particleboard imported during the period beginning July 11, 1957, and ending August 31, 1963.

#### GENERAL STATEMENT

The committee understands that the practice of the Bureau of Customs under the tariff schedules in effect prior to August 31, 1963, the effective date of the new tariff schedules of the United States, was to classify particleboard imported in standard wallboard sizes, as wallboard under paragraph 1402 of the Tariff Act of 1930, as modified, at the rate of 5 percent ad valorem, provided such particleboard had not been treated, processed, or finished in any manner described in such paragraph so as to preclude classification thereunder.

Several instances have been called to the committee's attention, however, where classification under paragraph 1402 was denied because standard wallboard dimensions had been exceeded by up to, and including, 1 inch. In one such case the importer concerned acted upon advice that the addition of 1 inch to the length and width of the particleboard would not affect classification under paragraph 1402. However, the collector of customs who classified this merchandise deemed such excess to preclude classification under paragraph 1402. The result is that the importer in question must pay duty under another paragraph, 1539(b), relating to laminated products, at a rate,

in terms of ad valorem equivalence, of approximately 400 percent. There were also other entries of particleboard where the question of classification centered about the effect of an excess of up to 1 inch in the 4- and 8-foot dimensions.

Court decisions under the old schedules left the proper classification of particleboard unresolved, and as a consequence, as indicated above, substantial diversity of tariff treatment of particleboard has occurred. This bill would provide a uniform treatment for such entries by providing that wood particleboard, which was entered or withdrawn from warehouse for consumption after July 11, 1957, and before August 31, 1963, is dutiable under the provision for wallboard in paragraph 1402 of the Tariff Act of 1930 at the rate of 5 percent ad valorem if not excluded from classification thereunder by reason of any processing specified therein. Authority is also given in the bill to reliquidate entries when necessary to accord such tariff treatment even though the liquidation of an entry may have become final by reason of section 514 of the Tariff Act of 1930 or any other provision of law, except that no refunds shall be allowed unless a claim therefor is filed with the collector of customs and within 120 days after enactment.

The committee understands that the addition of up to 1 inch in the particleboard in question is for purposes of protecting the true wallboard size. If, as often happens, during handling and shipping the edges of the boards are damaged, the extra margin can be trimmed without affecting, for example, the basic 4 by 8 foot size. The mere addition of such a small amount of board for such purpose should not affect its classification, and such boards should be treated, as provided in the bill, as wallboard under paragraph 1402 of the old schedules.

In this connection, the inequity sought to be rectified by the bill for entries before August 31, 1963, will not be encountered under the new tariff schedules of the United States since item 245.50 of the new schedules provides specifically for "wood particleboard, whether or not face finished" at a specified rate of 12 percent ad valorem.

#### DEPARTMENTAL REPORT

The favorable report from the Department of Treasury follows:

THE GENERAL COUNSEL OF THE TREASURY,  
*Washington, D.C., May 27, 1964.*

HON. HARRY F. BYRD,  
*Chairman, Committee on Finance,*  
*U.S. Senate,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 8975, to provide for the tariff classification of certain particleboard.

The proposed legislation would provide for the tariff classification of wood particleboard entered or withdrawn from warehouse, for consumption after July 11, 1957, and before August 31, 1963, as wallboard under paragraph 1402 of the Tariff Act of 1930, provided that the board is not precluded from classification under paragraph 1402 by reason of finish. The reduced rate of duty applicable to wallboard classifiable under paragraph 1402 is 5 percent ad valorem.

The provisions of the bill would extend to wood particleboard

entered during the period even if the merchandise is covered by a liquidated entry, the liquidation of which has become final under the provisions of section 514 of the Tariff Act. However, no refund would be allowed unless claim is made therefor within 120 days after the date of the enactment of the bill.

Enactment of the proposed legislation is administratively desirable inasmuch as it would provide for uniform treatment of pending entries covering wood particleboard entered, or withdrawn from warehouse, for consumption before August 31, 1963, the effective date of the tariff schedules of the United States, which otherwise would be subject to a diversity of tariff treatments depending upon the time of importation.

Wood particleboard, whether or not finished, entered or withdrawn from warehouse, for consumption on or after August 31, 1963, is classifiable under item 245.50 of the tariff schedules at the rate of 12 percent ad valorem.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

G. D'ANDELOT BELIN, *General Counsel.*

