

CONTINUED SUSPENSION OF DUTY ON ELECTRODES IMPORTED FOR USE IN PRODUCING ALUMINUM

MAY 18, 1966.—Filed under authority of the order of the Senate of May 17, 1966,
and ordered to be printed

Mr. LONG of Louisiana, from the Committee on Finance, submitted
the following

R E P O R T

[To accompany H.R. 12997]

The Committee on Finance, to which was referred the bill (H.R. 12997) to extend until July 15, 1968, the suspension of duty on electrodes imported for use in producing aluminum, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 12997 is to continue, until the close of July 15, 1968, the suspension of duty on electrodes imported for use in producing aluminum.

GENERAL STATEMENT

Under the permanent provisions of the Tariff Schedules of the United States, electrodes of the kind covered by the bill are dutiable under item 517.61 at 12.5 percent ad valorem. However, this duty was suspended from October 7, 1965, through July 15, 1966, by item 909.25, which was added to the Tariff Schedules of the United States by section 87 of the Tariff Schedules Technical Amendments Act of 1965, Public Law 89-241. In commenting on its reason for proposing the suspension of the duty on such electrodes in that legislation, the Senate Finance Committee stated (S. Rept. 530, 89th Cong., 1st sess., p. 23):

Under the present tariff schedules electrodes used in the production of aluminum are dutiable at 12.5 percent. Typically they are not imported but are manufactured by the

aluminum companies themselves at the site where they are to be used in the electrolysis of alumina into aluminum. These electrodes, generally of carbon or graphite, are consumed in great quantities in electrolysis process.

The committee's attention was called to the fact that some small new aluminum plants do not yet have sufficient volume of production to permit efficient production on the site of the electrodes they need. In order to provide a source for reasonably priced electrodes for these companies your committee has added a provision to the bill to permit electrodes to be imported duty free for use in the production of aluminum. Under the bill, free entry for these electrodes (and no other) will be available until July 15, 1966. This date coincides with the provision already in the law which permits temporary free entry for alumina used in the production of aluminum.

H. R. 12657 has been favorably reported today to continue the present suspension of duty on certain alumina and bauxite for an additional 2-year period, to the close of July 15, 1968. In view of this and advice from the U.S. Tariff Commission that "the consideration which led Congress to suspend the duty on these electrodes still exists," the Committee on Finance, like the Committee on Ways and Means of the House believes that an extension of the suspension on electrodes imported for use in processing aluminum for a like 2-year period, as provided in H. R. 12997, is warranted.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

APPENDIX TO THE TARIFF SCHEDULES

| Item | Articles | Rates of duty | | Effective period |
|--------|--|---------------|------|----------------------------------|
| | | 1 | 2 | |
| . | PART I.—TEMPORARY LEGISLATION | . | . | . |
| . | SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES | . | . | . |
| 909.25 | Electrodes (provided for in Item 517.61, part 1E, schedule 5) when imported for use in produc- ing aluminum..... | Free | Free | On or before [7/15/66]7/15/68 |
| . | . | . | . | . |