

SUSPENSION OF DUTIES FOR METAL SCRAP

JUNE 29 (legislative day, JUNE 28), 1971.—Ordered to be printed

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

REPORT

[To accompany H.R. 7767]

The Committee on Finance, to which was referred the bill (H.R. 7767) to continue until the close of June 30, 1973, the existing suspension of duties for metal scrap having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 7767 is to continue to the close of June 30, 1973, the existing suspension of duties on certain metal waste scrap, provided by item 911.12 of the Tariff Schedules of the United States.

GENERAL STATEMENT

Legislation for the temporary suspension of the duties on various metal scrap was first enacted in 1942 (Public Law 497, 77th Congress, act of March 13, 1942, 56 Stat. 171). With various changes the suspension was continued from time to time depending upon the scarcity of the particular metals at the time.

This bill would continue for 2 years (until July 1, 1973) the temporary suspension of the duties on certain metal waste and scrap, etc., provided by item 911.12 of the Tariff Schedules of the United States, principally such metal scrap as iron and steel, aluminum, magnesium, nickel, and nickel alloys. As before, the bill would not suspend the duties applicable to waste and scrap of lead, lead alloy, zinc, zinc alloy, tungsten, or tungsten alloy, nor would it suspend the duties applicable to articles of lead, lead alloy, zinc, zinc alloy, tungsten or tungsten alloy.

ARTICLES TO WHICH BILL APPLIES

Item 911.12 of the Tariff Schedules of the United States applies to—

(1) Metal waste and scrap (provided for in part 2 of schedule 6 of the schedules), except copper, lead, zinc, and tungsten waste and scrap;

(2) Unwrought metal (except copper, lead, zinc, and tungsten) in the form of pigs, ingots, or billets (a) which are defective or damaged, or have been produced from melted-down metal waste and scrap for convenience in handling and transportation without sweetening, alloying, fluxing, or deliberate purifying; and (b) which cannot be commercially used without remanufacture;

(3) Relaying or rerolling rails; and

(4) Articles of metal to be used in remanufactured by melting (except articles of lead, zinc, or tungsten, and not including metal-bearing materials provided for in schedule 4 or in part 1 of schedule 6 of the schedules, and not including unwrought metal provided for in part 2 of schedule 6 of the schedules).

BACKGROUND INFORMATION

Scrap of various nonferrous metals, whether imported or of domestic origin, may be considered for most purposes simply as relatively small components in the total U.S. supplies of the respective metals, although some manufacturers depend wholly on metal scrap as a source of raw material. The relation of iron and steel scrap to the total supplies of iron and steel is somewhat different from that existing with respect to nonferrous metals. This is because the economical production of steel by the open-hearth process requires that part of the iron-bearing materials used consist of heavy melting scrap. Thus, much iron and steel scrap constitutes a material important to the domestic production of steel. Despite the fact that imports of scrap metals have not in the past few years constituted important components of the total supplies of the various metals, the imports in some cases have represented important sources of the metals for limited numbers of consumers of such metals in some sections of the country.

The rates of duty on the principal types of ferrous and nonferrous metal scrap the suspension of which would be continued by the bill, are shown in the following table:

Type of scrap	Item number	Rate of duty
Iron and steel.....	607.11 or 607.12.....	7 or 22 cents per long ton plus additional duties on alloy content.
Aluminum.....	618.10.....	0.9 cents per pound.
Nickel and nickel alloy.....	620.02.....	Free.
Tin and tinplate.....	607.10 or 622.10.....	Do.
Magnesium.....	628.55.....	24 percent ad valorem.

Other metal articles not considered scrap within the meaning of the tariff classifications but imported to be used in remanufacture by melting are also exempt from duty items 911.10 to 911.12 of these schedules. Such articles would be dutiable, in the absence of special legislation, at various rates too numerous to mention in this report.

EFFECT ON THE REVENUES OF THE BILL AND VOTE OF THE COMMITTEE
IN REPORTING THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the effect on the revenues of this bill. The committee estimates that the extension of the existing suspension of duties on metal waste scrap, et cetera, provided by the bill will not result in any additional revenue loss, or administrative costs.

In compliance with section 133 of the Legislative Reorganization Act of 1946, as amended, the following statement is made relative to the vote by the committee on reporting the bill. This bill was ordered favorably reported by the committee, without objection.

The committee has received no information which would indicate any opposition to the legislation. Moreover, the committee is informed that the conditions which prompted the initial suspension of duty on metal scrap and the continuations thereof to the present time have not materially changed.

The committee urges the enactment of H.R. 7767.

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, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES
APPENDIX TO THE TARIFF SCHEDULES
PART 1.—TEMPORARY LEGISLATION

Item	Articles	Rates of duty			Effective period
		1-a	1-b	2	
	* * * * *				
911.10	Metal waste and scrap (provided for in part 2, schedule 6), except lead, zinc, and tungsten waste and scrap; unwrought metal (except copper, lead, zinc, and tungsten) in the form of pigs, ingots, or billets (a) which are defective or damaged, or have been produced from melted down metal waste and scrap for convenience in handling and transportation without sweetening, alloying, fluxing, or deliberate purifying, and (b) which cannot be commercially used without remanufacture; relaying or rerolling rails; and articles of metal (except articles of lead, of zinc, or of tungsten, and not including metal-bearing materials provided for in schedule 4 or in part 1 of schedule 6 and not including unwrought metal provided for in part 2 of schedule 6) to be used in remanufacture by melting; Copper waste and scrap.....	Free.....	No change.	No change.	On or before June 30, 1972.
911.11	Articles of copper.....	Free.....	No change.	No change.	On or before June 30, 1972.
911.12	Other.....	Free.....	Free.....	Free.....	On or before [June 30, 1971] <i>June 30, 1973.</i>
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