

SUSPENSION OF DUTY ON MANGANESE ORE

JULY 13, 1973.—Ordered to be printed

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

REPORT

[To accompany H.R. 6676]

The Committee on Finance, to which was referred the bill (H.R. 6676) to continue until July 1, 1976, the existing suspension of duty on manganese ore, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike out all of line 5 and insert the following: "the Appendix to the Tariff Schedules of the United States".

PURPOSE OF THE BILL

The purpose of H.R. 6676, as reported, is to continue for a 3-year period, through June 30, 1976, the existing suspension of duty on certain manganese ores.

PURPOSE OF THE COMMITTEE AMENDMENT

The purpose of the committee amendment is to correct a typographical error which occurred in printing the House bill.

GENERAL STATEMENT

The committee bill, like the House bill, continues for 3 years the existing suspension of duty on certain types of manganese ores.

The principal use of manganese ore is for metallurgical purposes in the production of steel. Much smaller amounts are consumed in the production of dry cell batteries and in the manufacture of manganese chemicals.

Consumers of manganese ore in the United States are principally producers of manganese ferroalloys, primarily ferromanganese, and to a lesser extent silicomanganese.

In recent years, domestic ore has accounted for less than 1 percent of the manganese ore consumed in the United States. Thus, the preponderant share of domestic consumption of manganese ore is supplied by imports principally from Brazil, Gabon, Congo, Ghana, India, and the Union of South Africa. The trade agreement on most-favored-nation rate of duty on imports of manganese ores has been suspended since June 30, 1964, under various public laws, and the existing suspension of duty (Public Law 90-49) will expire on June 30, 1973. The existing suspended rate of duty is 0-12 cents per pound or the equivalent of 5 percent ad valorem (Tariff Schedule item 601.72). H.R. 6676, as reported, would extend the existing duty suspension until July 1, 1976.

The bill does not apply to ore importations from Communist or Communist-controlled or dominated countries specified in general headnote 3(d) of the tariff schedules of the United States. Ore from such countries would still be subject to the full rate of 1 cent per pound on manganese content as provided in item 601.27 of the tariff schedules.

The committee is convinced that the continued suspension of duty on manganese ore provided in H.R. 6676 as reported is fully justified and warranted. In addition to the fact that there is little production of manganese ore in the United States, in many respects the characteristics of the ore that is mined domestically render it noncompetitive with imported ore.

The committee also believes that enactment of H.R. 6676 is desirable from the standpoint of domestic producers of ferromanganese and other manganese alloys. Continued suspension of the duty on the basic raw materials will aid in reducing costs to these processors and in enhancing the competitive position of domestically produced alloys in the market.

No objection to the extension of the duty suspension was received from the interested Federal agencies. An informative report was received from the U.S. Tariff Commission. The committee is unaware of any opposition to the legislation. As originally introduced, H.R. 6676 would have suspended the duty on manganese permanently. At the suggestion of the Department of State, the committee amended the bill to extend the suspension temporarily for a period of 3 years in order that elimination of the duty could be used in the forthcoming trade negotiations.

COSTS OF CARRYING OUT THE BILL AND EFFECT ON THE REVENUES OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill and the effect on the revenues of the bill. The committee estimates that the provisions of this bill will result in no additional revenue loss and will result in no additional administrative costs.

IV. VOTE OF COMMITTEE IN REPORTING THE BILL

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

V. 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 italic, existing law in which no change is proposed is shown in roman) :

TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES

| Item | Articles | Rates of Duty | | Effective Period |
|--------|--|---------------|---------------------------------|--------------------------------------|
| | | 1 | 2 | |
| | PART 1.—TEMPORARY | | | |
| | Subpart B.—Temporary Provisions Amending the Tariff Schedules | | | |
| 911.07 | Manganese ore, including ferruginous manganese ore, and manganiferous iron ore, all the foregoing containing over 10 percent by weight of manganese (provided for in item 601.27, part 1, schedule 6)..... | Free | 1¢ per lb. on manganese content | On or before 【6/30/73】 6/30/76 |

