

SUSPENSION OF DUTIES ON CERTAIN FORMS  
OF COPPER

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JULY 13, 1973.—Ordered to be printed

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

## REPORT

[To accompany H.R. 2323]

The Committee on Finance to which was referred the bill (H.R. 2323) to continue until the close of June 30, 1974, the suspension of duties on certain forms of copper, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

The committee bill, like the House bill, would suspend the duties on copper for 1 year, until June 30, 1974.

The duty of imports of unwrought copper (except nickel copper), copper waste and scrap, copper articles imported to be used in remanufacture by smelting, and on the copper content of certain copper-bearing ores and materials was suspended beginning February 1966, to June 30, 1972. This suspension would have been extended by H.R. 14386, 92d Congress, 2d session; however, no final action was taken on H.R. 14386 prior to adjournment of the 92d Congress.

The previous suspension of duties on copper beginning in 1966 was enacted to relieve the tight supply situation in the United States and world markets. Although for a time, the supply situation facing the consumers of copper both in the United States and abroad improved, the United States will continue to be dependent on imported copper to meet domestic demand.

The supply situation has tightened since mid-December 1972, and both domestic and foreign prices have risen sharply. In February 1973, domestic prices reached 60 cents per pound, where they have remained under the price ceiling, while foreign prices have increased to over 90 cents a pound on July 11, when the committee acted. In contrast, in 1966 the domestic price of copper was 36.2 cents per pound and the foreign price was 69 cents per pound.

The domestic producing interests which opposed the extension of the duty suspension last year have removed their opposition to this bill, H.R. 2323, although they have continued to express concern with increasing foreign capacity and rising domestic costs including cost of meeting air quality control standards for copper smelters. In recognition of this concern and in view of the increases in the prices of copper since 1966, the Departments of Interior and Commerce suggested, and the committee concurred with the House bill, that the proposed suspension of duty on imports of copper be set aside at such times as the domestic price of copper declined to 51 cents per pound. Previous suspensions of duties on copper have been subject to a "peril point" as provided in the Tariff Schedules, under which the suspension of duty becomes inapplicable during any period in which the prices of electrolytic copper in styles, shapes, and sizes delivered Connecticut Valley, is below 36 cents per pound. As indicated above, the committee bill would provide that the "peril point" be established at 51 cents per pound.

The committee is concerned that with the growing spread between domestic and foreign prices, foreign users of copper could purchase large quantities of our domestic supply to the detriment of U.S. consumers. The Commerce Department is expected to exercise its responsibilities under the Export Administration Act should this contingency develop.

#### 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 an additional revenue loss of no more than \$2.5 million per year and will result in no administrative costs.

#### 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.

#### 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	
	<b>PART 1.—TEMPORARY LEGISLATION</b>			
	<p><b>SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES</b></p> <p>Subpart B headnotes:</p> <ol style="list-style-type: none"> <li>1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive.</li> <li>2. Articles exempted under item 915.25 from the payment of duty shall be exempt also from the payment of any internal revenue tax imposed upon or by reason of importation.</li> <li>3. (a) Items 911.10, 911.11, 911.13, 911.14, 911.15, and 911.16 shall not apply when the market price of copper is under [36] 51 cents per pound.</li> <li>(b) For purposes of subparagraph (a), the market price of copper has the meaning assigned to it by headnote 5(b) of the headnotes of schedule 6, part 2, subpart C.</li> </ol>			

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		1	2	
	<p><b>PART I.—TEMPORARY LEGISLATION</b></p>			
	<p><b>SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES</b></p> <p>3. (c) For purposes of subparagraph (a), the market price of copper shall be considered to be under <b>[36] 51</b> cents per pound only on and after the 20th day after the date of a report by the United States Tariff Commission to the Secretary of the Treasury that it has determined that the market price has been under <b>[36] 51</b> cents per pound for one calendar month. After any such report, the market price shall be considered as not being under <b>[36] 51</b> cents per pound only on and after the 20th day after the date of a report by the Commission to the Secretary that it has determined that the market price has been <b>[36] 51</b> cents or more per pound for one calendar month.</p> <p>3. (d) Determinations by the Commission under this headnote shall be made in the manner prescribed by headnote 5(c) of schedule 6, part 2, subpart C.</p>			

Item	Articles	Rates of Duty		Effective Period	
		1	2		
		Rates of Duty			Effective Period
		1-a	1-b	2	
	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:				
911.10	Copper waste and scrap.....	Free.....	No change..	No change..	On or before [6/30/72] 6/30/74
911.11	Articles of copper.....	Free.....	No change..	No change..	On or before [6/30/72] 6/30/74
Item	Articles	Rates of Duty		Effective period	
		1	2		
911.13	Copper bearing ores and materials (provided for in item 602.30 or 603.50, part 1, schedule 6).	Free of duty imposed on copper content under items 602.30 or 603.50.	No change.....		On or before [6/30/72] 6/30/74
		Rates of Duty			Effective Period
		1-a	1-b	2	
911.14	Cement copper and copper precipitates (provided for in item 612.02, part 2C, schedule 6).	Free.....	No change..	No change..	On or before [6/30/72] 6/30/74
911.15	Black copper, blister copper, anode copper (provided for in item 612.03, part 2C, schedule 6).	Free.....	No change..	No change..	On or before [6/30/72] 6/30/74
911.16	Other unwrought copper (provided for in item 612.06, part 2C, schedule 6).	Free.....	No change..	No change..	On or before [6/30/72] 6/30/74