

Calendar No. 210

91ST CONGRESS }
1st Session }

SENATE

{ REPORT
No. 91-221

TEMPORARY SUSPENSION OF DUTIES ON METAL SCRAP

MAY 29, 1969.—Ordered to be printed

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

REPORT

[To accompany H.R. 10016]

The Committee on Finance, to which was referred the bill (H.R. 10016) to continue until the close of June 30, 1971, 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. 10016, as passed by the House and approved by the committee, is to continue to the close of June 30, 1971, the existing suspension of duties on metal waste scrap, etc., 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 Cong., act of March 13, 1942, 56 Stat. 171). With various changes the suspensions 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, 1971) 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 scarp as iron and steel, aluminium, 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 pt. 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 remanufacture by melting (except articles of lead, zinc, or tungsten, and not including metal-bearing materials provided for in schedule 4 or in pt. 1 of schedule 6 of the schedules, and not including unwrought metal provided for in pt. 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 No.	Rate of duty
Iron and steel.....	607.11 or 607.12.....	22 or 30 cents per long ton plus additional duties on alloy content.
Aluminum.....	618.10.....	1.2 cents per pound.
Nickel and nickel alloy.....	620.02.....	Free.
Tin and tinplate.....	607.10 or 622.10.....	Do.
Magnesium.....	638.55.....	32 percent ad valorem.

Relaying and rerolling rails would, in the absence of this legislation, be dutiable at the rate of one-twentieth of 1 cent per pound plus additional duties on alloy content under items 610.20 to 610.21 of the Tariff Schedules of the United States. 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 under items 911.10 to 911.12 of these schedules. Such article would be dutiable, in the absence of special legislation, at various rates too numerous to mention in this report.

CONCLUSION

The Committee on Finance has received no information which would indicate any opposition to the legislation. Interested departments and agencies have indicated that they have no objection to the legislation. The U.S. Tariff Commission has indicated 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.

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

Item	Articles	Rates of duty			Effective period
		1-a	1-b	2	
	<p align="center">PART 1.—TEMPO- RARY LEGISLATION</p> <p align="center">* * * * *</p> <p align="center">Subpart B.—Temporary Provisions Amending the Tariff Schedules</p> <p align="center">* * * * *</p> <p>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:</p>				
911. 10	Copper waste and scrap.....	Free.....	No change..	No change..	On or before 6/30/70.
911. 11	Articles of copper.....	Free.....	No change..	No change..	On or before 6/30/70.
911. 12	Other.....	Free.....	Free.....	Free.....	On or before 【6/30/69】 6/30/71.

