

The original documents are located in Box 29, folder “8/8/75 HR7728 Temporary Duty Suspension on Certain Catalysts of Platinum and Carbon” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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APPROVED
AUG 8 - 1975

ACTION

THE WHITE HOUSE

Last Day: August 9

WASHINGTON

August 7, 1975

Postal
8/9
J. W. Schmitt
8/12

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J. Cannon*

SUBJECT: H.R. 7728 - Temporary Duty Suspension on Certain Catalysts of Platinum and Carbon

Attached for your consideration is H.R. 7728, sponsored by Representatives Stephens and Landrum, which temporarily suspends until October 31, 1975 the duty on catalysts of platinum and carbon when imported for use in producing caprolactam. In addition, the bill would provide for the retroactive suspension of duty on such catalysts imported after October 1, 1973.

Background

Caprolactam is a chemical used in the production of a form of nylon which is used in the manufacture of fabrics, plastics and tires. In 1973, a new process for producing caprolactam was introduced but at the time the catalysts were not available from domestic sources and the firm using the process had to import them from West Germany. As there was also no domestic capability to recondition the spent catalysts, they were returned to West Germany for recycling and subject to duty on their full value each time which resulted in a considerable expense to the domestic firm.

Additional background information and agency comments are provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Bill Seidman, Counsel's Office (Lazarus), NSC and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 7728 at Tab B.



8/8/8/75

APPROVED
AUG 8 -



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 4 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 7728 - Temporary duty suspension
on certain catalysts of platinum and carbon
Sponsor - Rep. Stephens (D) Georgia and Rep. Landrum
(D) Georgia

Last Day for Action

August 9, 1975 - Saturday

Purpose

Temporarily suspends the duty on platinum - carbon catalysts used in the production of caprolactam until October 31, 1975.

Agency Recommendations

Office of Management and Budget	Approval
Council on International Economic Policy	Approval
Department of the Interior	No objection
Department of Commerce	No objection
Department of State	No objection
Department of Labor	No objection
Office of the Special Representative for Trade Negotiations	No objection
Department of the Treasury	No objection

Discussion

The enrolled bill would suspend, until October 31, 1975, the duty on platinum - carbon catalysts imported for use in the production of caprolactam. In addition, it would provide for the retroactive suspension of duty on such catalysts imported after October 1, 1973. The duty suspension would apply to imports from both column 1 countries (countries accorded most-favored-nation status) and column 2 countries

(those not accorded most-favored-nation treatment).

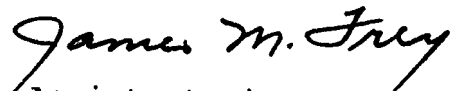
Caprolactam is a chemical used in the production of a form of nylon which, in turn, is used in the manufacture of fabrics, plastics and tires. Until recently, caprolactam has been in short supply.

In 1973, a new process for producing caprolactam was introduced, employing the type of platinum - carbon catalysts which would be affected by H.R. 7728. At the time, such catalysts, or an appropriate substitute, were unavailable from domestic sources and the domestic firm using the new process had to import them from West Germany, subject to a duty of 20% ad valorem.

Generally, the usefulness of these catalysts can be prolonged by periodically restoring their carbon base. Because no domestic capability existed for reconditioning them, the firm had to send the spent catalysts back to the West German manufacturer for recycling. Even though the value added abroad in the reconditioning process was very small compared to the total value of the catalysts, under a Customs ruling the reconditioned catalysts were subject to duty on their full value with each subsequent reimportation, resulting in a considerable expense to the domestic firm.

In its report to the House Ways and Means Committee on this legislation, the Commerce Department did not object to the temporary suspension of duty on such catalysts noting that it "would not have an adverse effect on U.S. industry, or have any significant effect on the U.S. bargaining position in the multilateral trade negotiations." Commerce also did not object to the retroactive provision since the major part of the duty paid on reimportation of reconditioned catalysts was attributable to the value (approximately 97%) of material exported from the United States for improvement in condition abroad.

We understand that the catalysts affected by this bill recently have become available domestically and that the U.S. firm using them is changing from foreign to domestic sources for its supplies. Accordingly, extension of the temporary duty suspension beyond October 31, 1975 (the date provided in the bill) is not necessary.


Assistant Director for
Legislative Reference

Enclosures

To: J. Caron
8-4-75
5:00 PM



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 4 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 7728 - Temporary duty suspension
on certain catalysts of platinum and carbon
Sponsor - Rep. Stephens (D) Georgia and Rep. Landrum
(D) Georgia

Last Day for Action

August 9, 1975 - Saturday

Purpose

Temporarily suspends the duty on platinum - carbon catalysts used in the production of caprolactam until October 31, 1975.

Agency Recommendations

Office of Management and Budget	Approval
Council on International Economic Policy	Approval
Department of the Interior	No objection
Department of Commerce	No objection
Department of State	No objection
Department of Labor	No objection
Office of the Special Representative for Trade Negotiations	No objection
Department of the Treasury	No objection

Discussion

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Generally, the usefulness of these catalysts can be prolonged by periodically restoring their carbon base. Because no domestic capability existed for reconditioning them, the firm had to send the spent catalysts back to the West German manufacturer for recycling. Even though the value added abroad in the reconditioning process was very small compared to the total value of the catalysts, under a Customs ruling the reconditioned catalysts were subject to duty on their full value with each subsequent reimportation, resulting in a considerable expense to the domestic firm.

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We understand that the catalysts affected by this bill recently have become available domestically and that the U.S. firm using them is changing from foreign to domestic sources for its supplies. Accordingly, extension of the temporary duty suspension beyond October 31, 1975 (the date provided in the bill) is not necessary.

(Signed) James M. Frey,

Assistant Director for
Legislative Reference

Enclosures



**GENERAL COUNSEL OF THE
DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

JUL 29 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of this Department concerning H. R. 7728, an enrolled enactment

"To suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam. "

H. R. 7728 would amend the Appendix to the Tariff Schedules of the United States to establish a new item 911.40 to provide duty-free entry for catalysts of platinum and carbon when imported for use in producing caprolactam. The duty-free entry would be provided from the date of enactment through October 31, 1975. In addition, the legislation would provide that, upon request filed with the appropriate customs officer within 120 days after enactment, any entries of the catalysts made between October 1, 1973, and the date of enactment shall be liquidated or reliquidated as though the entry were duty-free.

This Department would have no objection to approval by the President of H. R. 7728.

Enactment of this legislation will not involve the expenditure of any funds by this Department.

Sincerely,

Karl E. Bakke

General Counsel





DEPARTMENT OF STATE

Washington, D.C. 20520

JUL 30 1975

Honorable James T. Lynn
Director Office of
Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

The Secretary has asked me to reply to your communication (Office of Management and Budget Memorandum, dated July 28, signed by Mr. Frey) requesting our views on H.R. 7728, an enrolled bill providing temporary duty free entry for certain materials used in producing caprolactam.

The Department of State has no objection to the enactment of the proposed legislation from the standpoint of United States foreign economic relations. We note that enactment of the bill would result in a reduction in manufacturing costs thereby promoting the competitiveness of a United States industry.

Sincerely,

A handwritten signature in black ink that reads "Robert E. McCloskey".

Robert E. McCloskey
Assistant Secretary
for Congressional Relations



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 30 1975

Dear Mr. Lynn:

Your Office has requested the views of this Department on the enrolled bill H.R. 7728, "To suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam."

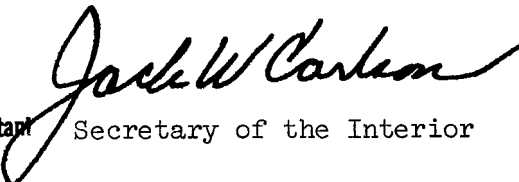
We would have no objection to approval of the bill by the President.

H.R. 7728 would suspend the duty on platinum/carbon catalysts for caprolactam for the period ending October 31, 1975.

Platinum/carbon catalysts are used in one of the newer processes for making caprolactam, the chemical intermediate from which Nylon-6 is derived. The latter is used mainly in carpets and textiles. There are three large manufacturers of caprolactam in the United States, one of which, located in Georgia, uses the platinum-catalyzed process; the others do not.

While catalysts of the required general type are available in the United States, it was indicated that none meets the process specifications. However, it is likely that current research shortly will result in the development of a satisfactory domestically produced catalyst.

Sincerely yours,


Assistant Secretary of the Interior

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503



Save Energy and You Serve America!

MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

July 30, 1975

FOR: James M. Frey
Assistant Director for
Legislative Affairs
O M B

FROM: Skip Hartquist *SH*
General Counsel

SUBJECT: Enrolled Bill request re HR 7731 and HR 7728

CIEP has no objection to either of the subject Enrolled Bills and recommends that the President sign them.

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

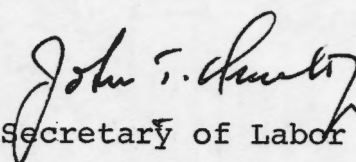
JUL 31 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to the request of your office for our views on the enrolled enactment of H.R. 7728, "To suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam." This Department would have no objection to the President's approval of this measure.

Sincerely,


Secretary of Labor



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

AUG 1 1975

Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 7728, "To suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam."

The proposed legislation would amend the Appendix to the Tariff Schedules of the United States (TSUS) by adding a new item 911.40 which would exempt from duty catalysts of platinum and carbon when imported for use in producing caprolactam until October 31, 1975. The exemption from duty would apply to all catalysts of platinum and carbon entered, or withdrawn from warehouse, for consumption on or after the date of enactment of the Act. The exemption would also apply retroactively, upon proper application made on or before the one hundred and twentieth day after the date of enactment of the Act, to entries or withdrawals made after October 1, 1973. This retroactive provision will require the reliquidation of certain entries.

At the present time, no estimate of administrative and other costs necessitated by the bill is available. However, the U.S. Customs Service anticipates no unusual administrative difficulties.

This Department is not opposed, from a trade policy point of view, to a temporary suspension of the duty on catalysts of platinum and carbon used in producing caprolactam.

In view of the above, this Department would have no objection to a recommendation that the enrolled enactment of H.R. 7728 be approved by the President.

Sincerely yours,



General Counsel

Richard R. Albrecht


OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

August 1, 1975

MEMORANDUM

TO: Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget

FROM: John D. Greenwald 
Assistant General Counsel
Office of the Special Representative
for Trade Negotiations

SUBJECT: H.R. 7728 (the enrolled bill)

This is in response to your request of March 24, 1975, soliciting the views of this Office concerning H.R. 7728, a bill to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactum.

Caprolactum is a chemical which has been in short supply in the United States. An important U.S. producer of the chemical has been using the subject catalysts in its production. It is our understanding that at least until now, those catalysts could only be obtained from abroad and that no domestic industry would be adversely affected by the proposed duty suspension. The suspension proposed in the bill would have no undesirable consequences for the ongoing multilateral trade negotiations.

Under these circumstances, we would not object to the enactment of this bill.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 4, 1975
NSC/S

Time: 7:00pm

FOR ACTION: Bill Seidman
Tod Hullin
Dick Parsons
Max Friedersdorf
Ken Lazarus

cc (for information):

Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 6

Time: noon

SUBJECT:

H.R. 7728 - Temporary duty suspension on certain
catalysts of platinum and carbon

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 8/5/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

1. _____
1. _____

THE WHITE HOUSE
WASHINGTON

Date August 5

For Judy Johnston

From Tod Hullin

I have no objection to the attached.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 4, 1975
NSC/S

Time: 7:00pm

FOR ACTION: Bill Seidman
Tod Hullin
Dick Parsons
Max Friedersdorf
Ken Lazarus

cc (for information):

Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 6

Time: NOON

SUBJECT:

H.R. 7728 - Temporary duty suspension on certain
catalysts of platinum and carbon

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

1. [unclear]
2. [unclear]

THE WHITE HOUSE

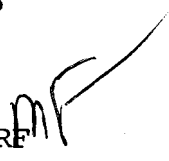
WASHINGTON

August 5, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

MAX L. FRIEDERSDORF 

SUBJECT:

H.R. 7728 - Temporary duty suspension on
certain catalysts of platinum and carbon

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: ~~August~~ 4, 1975
NSC/S *m*

Time: 7popm

FOR ACTION: Bill Seidman *m*
Tod Hullin *m*
Dick Parsons *no obj.*
Max Friedersdorf *m*
Ken Lazans *m*

cc (for information):
Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date:

August 6

Time:

noon

SUBJECT:

H.R. 7728 - Temporary duty suspension on certain catalysts of platinum and carbon

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 4, 1975
NSC/S

Time: 700pm

FOR ACTION: Bill Seidman
Tod Hullin
Dick Parsons
Max Friedersdorf
Ken Lazarus

cc (for information):

Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date:

Time:

SUBJECT:

H.R. 7728 - Temporary duty suspension on certain
catalysts of platinum and carbon

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*No objection
JWS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

I _____
By _____

July 29, 1975

Dear Mr. Director:

The following bills were received at the White House on July 29th:

- H.R. 5327 ✓✓
- H.R. 6219 ✓✓
- H.R. 7731 ✓✓
- H.R. 7728 ✓✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.