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5/10/2/176

APPROVED
OCT 2 - 1976

THE WHITE HOUSE

ACTION

WASHINGTON
October 1, 1976

Last Day: October 9

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *J. Cannon*

SUBJECT:

H.R. 11321 - Temporary Duty
Suspension on Certain Elbow
Prostheses

Attached for your consideration is H.R. 11321, sponsored by Representative Vander Veen.

The enrolled bill would suspend, until July 1, 1978, the duty on externally-powered electric elbow prosthetic devices for juvenile amputees if imported for free distribution or charitable therapeutic use by certain non-profit institutions.

Additional information is provided in OMB's enrolled bill report at Tab A.

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

RECOMMENDATION

That you sign H.R. 11321 at Tab B.

*Posted
10/4/76
archives
10/4/76*





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

SEP 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11321 - Temporary
duty suspension on certain elbow
prostheses
Sponsor - Rep. Vander Veen (D) Michigan

Last Day for Action

October 9, 1976 - Saturday

Purpose

Temporarily suspends the duty on certain elbow prosthetic devices if imported for free distribution or charitable therapeutic use by certain non-profit institutions.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	No objection
Department of the Treasury	No objection
Department of Labor	No objection
Department of State	No objection
Special Representative for Trade Negotiations	No objection

Discussion

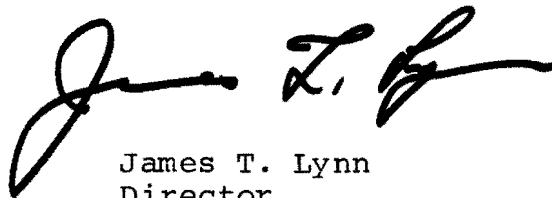
This enrolled bill would suspend, until July 1, 1978, the duty on externally-powered electric elbow prosthetic devices for juvenile amputees. This suspension would only apply to the 10 percent ad valorem duty on imports from countries afforded most favored nation tariff treatment. Further, the bill would stipulate that duty suspension only applies to elbow prostheses, or parts thereof, imported solely

for charitable therapeutic use or free distribution by any non-profit institution established for educational, scientific, or therapeutic purposes.

As the Senate Committee on Finance stated in its report on H.R. 11321:

"There is no domestic manufacturer currently producing prosthetic devices for juvenile applications. The short-run impact of the temporary duty-free entry of the devices, therefore, would appear to be the reduction of the cost of complete limbs for the non-profit institutions which are distributing the devices free of charge or using them for charitable therapeutic purposes."

Finally, we note that staff members of a New York university are developing a new prototype child-size electric elbow which may be commercially available in the near future. However, the Department of Commerce has been advised that the developers of the new U.S. device are so convinced of its clear technical superiority over the foreign article that this duty suspension is of little or no concern to them.

A handwritten signature in black ink, appearing to read "James T. Lynn". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James T. Lynn
Director

Enclosure

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1

Time: 130pm

FOR ACTION: Bill Seidman *ms* cc (for information): Jack Marsh
 Max Friedersdorf *ms* Jim Connor
 Bobbie Kilberg *ms* Ed Schmults
 PRul Leach *ms* *John H. ...*
 CIED

FROM THE STAFF SECRETARY

DUE: Date: October 2

Time: noon

SUBJECT:

H.R. 11321-Temporary duty suspensinn on certain elbow prostheses

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 johnstonngground 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



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

SEP 27 1976

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. 11321, an enrolled enactment

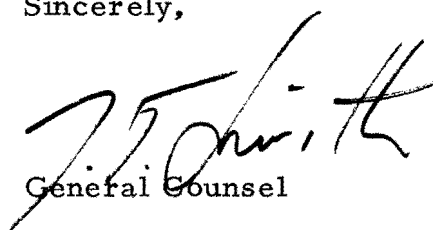
"To suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions."

H. R. 11321 would amend the Tariff Schedules of the United States to suspend for the period beginning on the date of enactment and ending on July 1, 1978, the column-1 duties applicable to imports from countries afforded most-favored-nation tariff treatment of externally-powered electric elbow prosthetic devices for juvenile amputees, and parts thereof, if imported solely for charitable therapeutic use, or distribution free of charge, by any public or private nonprofit institution established for educational, scientific or therapeutic purposes. The column-2 duties applicable to imports of electric elbow prosthetic devices from other countries would not be affected.

This Department would have no objection to approval by the President of H. R. 11321.

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

Sincerely,


General Counsel





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

SEP 28 1976

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. 11321, "To suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions."

The enrolled enactment would amend subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) by inserting proposed item 912.07 after item 912.05. Proposed item 912.07 would suspend until July 1, 1978 the duty on externally-powered electric elbow prostheses for juvenile amputees (provided for in item 709.57, part 2B, schedule 7) if imported solely for charitable therapeutic use, or for distribution free of charge, by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes.

The primary purpose of the bill is to permit the duty-free importation of juvenile elbow prostheses of which there is no domestic production.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,

General Counsel

Richard E. Albrecht

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

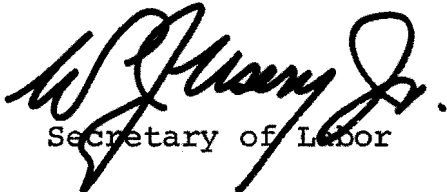
SEP 29 1976

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 your request for the views of the Department of Labor on the enrolled enactment of H.R. 11321, "To suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions." The Department of Labor would have no objection to the President's approval of this measure.

Sincerely,


Secretary of Labor



DEPARTMENT OF STATE

Washington, D.C. 20520

SEP 28 1976

Dear Mr. Lynn:

The Secretary has asked me to reply to your communication (Office of Management and Budget Memorandum dated September 24, signed by Mr. Frey) requesting our views on H.R. 11321, a bill providing for the duty free entry of certain prosthetic equipment.

The Department of State has no objection to the enactment of the proposed legislation from the standpoint of United States foreign economic relations.

Sincerely,

A handwritten signature in cursive script that reads "Kempton B. Jenkins".

Kempton B. Jenkins
Acting Assistant Secretary
for Congressional Relations

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

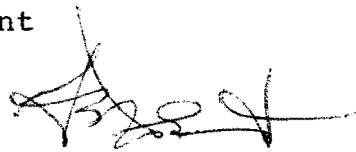
THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

27 SEP 1976

MEMORANDUM

TO: The Honorable James T. Lynn
Director, Office of Management
& Budget

FROM: Ambassador Frederick B. Dent



SUBJECT: H.R. 11321 (Enrolled Bill)

This Office has no objection to enactment of the
above captioned enrolled bill.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1

Time: 130pm

FOR ACTION: Bill Seidman
Max Friedersdorf
Bobbie Kilberg
Paul Leach

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 2

Time: noon

SUBJECT:

H.R. 11321-Temporary duty suspension on certain elbow
prostheses

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 Kelley 10/1/76

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.

James M. Cannon
For the President

Date: October 1

Time: 130pm

FOR ACTION: Bill Seidman
Max Friedersdorf
Bobbie Kilberg
Paul Leach

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

OK RKW

FROM THE STAFF SECRETARY

DUE: Date: October 2

Time: noon

SUBJECT:

H.R. 11321-Temporary duty suspension on certain elbow
prostheses

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

x

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.

James M. Cannon
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1

Time: 130pm

FOR ACTION: Bill Seidman
Max Friedersdorf
Bobbie Kilberg
Paul Leach

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 2

Time: noon

SUBJECT:

H.R. 11321-Temporary duty suspension on certain elbow
prostheses

ACTION REQUESTED:

___ For Necessary Action

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

X
___ For Your Comments

___ Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

No OBJECTION
Roger B. Porter

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.

James M. Cannon
For the President

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

SEP 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11321 - Temporary
duty suspension on certain elbow
prostheses
Sponsor - Rep. Vander Veen (D) Michigan

Last Day for Action

October 9, 1976 - Saturday

Purpose

Temporarily suspends the duty on certain elbow
prosthetic devices if imported for free distribu-
tion or charitable therapeutic use by certain
non-profit institutions.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	No objection
Department of the Treasury	No objection
Department of Labor	No objection
Department of State	No objection
Special Representative for Trade Negotiations	No objection

Discussion

This enrolled bill would suspend, until July 1, 1978,
the duty on externally-powered electric elbow
prosthetic devices for juvenile amputees. This
suspension would only apply to the 10 percent ad
valorem duty on imports from countries afforded most
favored nation tariff treatment. Further, the bill
would stipulate that duty suspension only applies to
elbow prostheses, or parts thereof, imported solely



To:-
J. Johnston
10-1-76
12:15 P.M.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN ELBOW PROSTHESES

APRIL 29, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ULLMAN, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 11321]

The Committee on Ways and Means, to whom was referred the bill (H.R. 11321) to suspend until July 1, 1977, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 5, strike out "immediately before item 912.10" and insert "after item 912.05".

Page 2, in the matter immediately preceding line 1, strike out "912.80" and insert "912.07"; and strike out "June 30, 1977." and insert "6/30/78."

Amend the title so as to read:

A bill to suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions.

DESCRIPTION OF PROVISIONS

Section 1 of H.R. 11321 as reported amends subpart B of part 1 of the Appendix to the TSUS (19 U.S.C. 1202) by providing a suspension of the column 1 rate of duty, beginning on the date of enactment and ending on June 30, 1978, on imports of externally-powered, electric elbow prosthetic devices for juvenile amputees and parts thereof if imported solely for charitable, therapeutic use, or for free distribution by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes.

Section 2 applies the duty suspension to articles entered or withdrawn from warehouse on or after the date of enactment.

GENERAL STATEMENT

Externally-powered, electric elbow prosthetic devices (provided for in TSUS item 709.57) are currently assessed at 10 percent ad valorem (column 1 rate of duty) and 40 percent ad valorem (column 2 rate of duty).

The proposed legislation would suspend the duty on this article with respect to the column 1 rate of duty only until June 30, 1978. Because the proposed legislation limits its applicability only to juvenile devices and parts imported solely for charitable, therapeutic use, it does not overlap with the scope of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (P.L. 89-651, 80 Stat. 897).

There is no domestic manufacturer currently producing prosthetic devices for juvenile applications. The short-run impact of the temporary duty-free entry of the subject devices, therefore, would appear to be the reduction of the cost of complete limbs for the nonprofit institutions which are distributing the devices free of charge or using them for charitable therapeutic purposes.

The Departments of Commerce and Labor submitted favorable reports on H.R. 11321. The Department of the Treasury submitted a report with no objections. The Special Trade Representative for Trade Negotiations and the Department of State deferred to other agencies. The International Trade Commission submitted an information report.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on February 19 and 20, 1976 on duty free entry and temporary duty suspension bills. During these hearings favorable testimony was received on H.R. 11321. No objections to this legislation was received by the Committee from any source.

Your committee believes H.R. 11321 to be meritorious and unanimously urges its approval.

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

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the following statement is made relative to the effect on the revenues of this bill. It is estimated that the temporary suspension of duty on the articles provided for in H.R. 11321 would result in a loss of customs revenue of no more than \$75,000 during the first full calendar year of the duty suspension.

In compliance with clause 2(1)(2)(B) of Rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote by the committee in reporting the bill. This bill, as amended, was unanimously ordered favorably reported by the committee.

OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of Rule XI of the Rules of the House of Representatives, the following statements are made.

With regard to subdivision (A) of clause 3 relating to oversight findings, your committee advises that in its review of the circumstances with respect to the particular elbow prostheses involved, it concluded it would be desirable to enact legislation changing the present law to suspend the duties temporarily on imports of certain elbow prostheses, by reason of the considerations outlined above in the General Statement.

In compliance with subdivision (B) of clause 3, the committee states that the changes made by H.R. 11321 involve no new budgetary authority or new or increased tax expenditures.

In compliance with subdivision (C) of clause 3, the committee advises that the revenue estimate prepared by the committee is acceptable to the Director of the Congressional Budget Office. With respect to subdivision (D) of clause 3, no oversight findings or recommendations have been submitted to the committee by the Committee on Government Operations concerning this subject matter.

In compliance with clause (2)(1)(4) of Rule XI, the committee states that the temporary suspension of duties on imports under this bill would not have an inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (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 LEGISLATION						
Subpart B.—Temporary Provisions Amending the Tariff Schedules						
912.05	Generator lighting sets for bicycles (provided for in item 653.38, part 3F, schedule 6)	Free	No change	On or before 12/31/76.		
912.07	<i>Externally-powered electric elbow prosthetic devices for juvenile amputees (provided for in item 709.57, part 2B, schedule 7), and parts thereof, if imported solely for charitable therapeutic use, or distribution free of charge, by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes.</i>	<i>Free</i>	<i>No change</i>	<i>On or before 6/30/78.</i>		



Calendar No. 1107

94TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 94-1174

SUSPENSION OF DUTIES ON CERTAIN ELBOW PROSTHESES IF IMPORTED FOR CHARITABLE THERAPEUTIC USE, OR FOR FREE DISTRIBUTION, BY CERTAIN PUBLIC OR PRIVATE NONPROFIT INSTITUTIONS

August 26, 1976.—Ordered to be printed

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

REPORT

[To accompany H.R. 11321]

The Committee on Finance to which was referred the bill (H.R. 11321) to suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. GENERAL STATEMENT

Imports of externally powered, electric elbow prosthetic devices (provided for in TSUS item 709.57) are currently dutiable at 10 percent *ad volorem* (column 1 rate of duty) and 40 percent *ad volorem* (column 2 rate of duty).

The proposed legislation would suspend the duty on this article with respect to the column 1 rate of duty only until June 30, 1978. Because the proposed legislation is limited to juvenile devices, and parts thereof, imported solely for charitable, therapeutic use, it does not overlap with the scope of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897).

There is no domestic manufacturer currently producing prosthetic devices for juvenile applications. The short-run impact of the temporary duty-free entry of the devices, therefore, would appear to be the reduction of the cost of complete limbs for the nonprofit institutions which are distributing the devices free of charge or using them for charitable therapeutic purposes.

The Department of Commerce submitted a report with no objections.

Public hearings were held by the Committee on Finance on August 24, 1976, on tax and tariff bills. No objection to this legislation was received by the Committee from any source.

Your committee believes H.R. 11321 to be meritorious and unani-
mously urges its approval.

II. DESCRIPTION OF THE BILL

Section 1 of H.R. 11321 as reported amends subparts B of part 1 of the Appendix to the TSUS (19 U.S.C. 1202) by providing a suspension of the column 1 rate of duty, beginning on the date of enactment and ending on June 30, 1978, on imports of externally-powered, electric elbow prosthetic devices for juvenile amputees and parts thereof if imported solely for charitable, therapeutic use, or for free distribution by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes. The Committee states that it intends to term "juvenile" to mean individuals who are less than 18 years of age.

Section 2 applies the duty suspension to articles entered or withdrawn from warehouse on or after the date of enactment.

III. COST OF CARRYING OUT 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 enactment of H.R. 11321 would result in a loss of customs revenues of no more than \$75,000 during the first full year of the duty suspension.

IV. VOTE OF COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1946, the following statement is made relative to the vote of the Committee on reporting this bill. This bill was ordered favorably reported by the Committee by voice vote.

V. CHANGES IN EXISTING LAW MADE BY THE LAW

In compliance with paragraph 4 of Rule XXIX of the 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 LEGISLATION				
Subpart B.—Temporary Provisions Amending the Tariff Schedules				
912.05	Generator lighting sets for bicycles (provided for in item 653.39, part 3F, schedule 6)	Free	No change	On or before 12/31/76.
912.07	<i>Externally-powered electric elbow prosthetic devices for juvenile amputees (provided for in item 709.57, part 2B, schedule 7), and parts thereof, if imported solely for charitable therapeutic use, or distribution free of charge, by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes</i>	Free	No change	On or before 6/30/78.



Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To suspend until July 1, 1978, the duty on certain elbow prostheses if imported for charitable therapeutic use, or for free distribution, by certain public or private nonprofit institutions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting after item 912.05 the following new item:

“ 912.07	Externally-powered electric elbow prosthetic devices for juvenile amputees (provided for in item 709.57, part 2B, schedule 7), and parts thereof, if imported solely for charitable therapeutic use, or distribution free of charge, by any public or private nonprofit institution established for educational, scientific, or therapeutic purposes.....	Free	No change	On or before 6/30/78.	”.
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SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*