that the status of an imported product could not be changed from noncompetitive to competitive without 30 or 60 days' advance notice published in the Federal Register or the Treasury Decisions. In this way, importers could rely on the competitive status of a product that existed at the time the decision was made to import the product.

2. *Complaint.*—Another complaint by importers is that "competitive" status for some imports is sometimes based upon information filed by domestic manufacturers which has been obsolete as a result of discontinuance of production or withdrawal of the product from sale in the open market.

Solution.—We have recommended that this problem can be easily remedied by simply considering any information as to competitive status of a product filed by domestic manufacturers to be obsolete unless received every six months.

3. *Complaint.*—A similar objection has been that in some instances information requiring "competitive" status has been filed by domestic manufacturers who have not in fact freely offered the product for sale in the United States. Under Section 402(e) of the Tariff Act of 1930, as amended, the appraiser is to apply American Selling Price valuation (1) where sales are actually made, and (2) based upon "the price . . . a domestic manufacturer would have received or was willing to receive for such merchandise when sold for domestic consumption" in the United States. Importers complained that for some products Customs applies American Selling Price valuation even though a domestic manufacturer did not actually sell or freely offer a product by publication of price lists or sales literature but instead used the price a domestic manufacturer would have been "willing to receive" from a prospective purchaser.

Solution.—We feel that this problem could be readily cured if Customs will make "competitive" status contingent upon a domestic manufacturer's either actually participating in the market or clearly informing the trade that the product is available for sale—or can be delivered to a prospective purchaser within a reasonable time after receipt of an order.

4. *Complaint.*—Finally, on occasions there have been disputes as to whether an imported product; i.e., a dye or pigment, is sufficiently "similar" to a domestic product to be accorded "competitive" status, and, if so, on what basis. In such instances, either the importer or the domestic manufacturer has disagreed with the findings of the Customs Laboratry concerning strength, brightness or application of a product.

Solution.—We have recommended that this problem be remedied by the appointment of an arbitration panel of experts from domestic industry, importer and consumer interests to be used to assist the Customs Laboratory and appraisers in determining the similarity of the domestic and imported product. This panel of experts should be chosen from representatives not involved in the importation in question and their views should be conveyed directly to the Customs Laboratory with neither of the affected parties being aware of the position taken by the industry's arbitrators.

We believe that for the most part the foregoing recommendations are fully responsive to the criticisms of American Selling Price and can be implemented by revising the existing Customs Regulations. We would support such revisions and, indeed, would support legislation implementing these proposals to the extent legislation is necessary.

Sincerely yours,

C. S. OLDACH,
President, SOCMA.

CLEARY, GOTTLIEB, STEEN & HAMILTON,
Washington, D.C, November 17, 1966.

Re SOCMA's Recommendations for Improvement of the Administration of the American Selling Price Method of Valuation.

Mr. RAYMOND MARRA,
Director of Appraisement,
Bureau of Customs,
Treasury Department,
Washington, D.C.

DEAR MR. MARRA:

On September 26, 1966, representatives of the Synthetic Organic Chemical Manufacturer's Association (SOCMA) met with you, members of your staff and Mr. Robert A. Burt, Assistant General Counsel, Office of the Special Represent-