

June 6, 2002

Chairman Philip M. Crane
House Ways and Means Trade Subcommittee
1104 Longworth House Office Building
Washington, D.C. 20515

Dear Phil:

I write to urge you to consider H.R. 4471, H.R. 4472, and H.R. 4473. I introduced these bills in April to temporarily suspend the duties on certain high tenacity rayon filament yarn and tire cord fabric. It is my hope that the Trade Subcommittee will consider including these three bills in any omnibus trade package related to duty and tariff relief.

High tenacity rayon filament yarn is an artificial filament yarn produced by an extrusion process. It is primarily produced by Cordenka GmbH in Obernburg, Germany. This product is used in high performance tires, industrial hoses, and various mechanical rubber goods applications. Tire cord fabric is used for the reinforcement of tires.

Currently, high tenacity rayon filament is subject to a duty of 10 percent for single yarn and 9.1 percent for cabled yarn. Tire cord fabric is subject to a duty of 1.3 percent. While the yarn and cord can receive preferential duty-free treatment if they are imported from certain countries, such as Canada, Mexico, and Israel, there is no producer of these products in any of those countries. Additionally, there is no domestic producer of either high tenacity rayon filament or tire cord fabric.

There has been no duty-free high tenacity rayon filament available since 2000, when the then-only North American source of the product stopped producing it. As such, any company seeking to use this product is forced to pay the duty. Undoubtedly, this has had an impact on the importation of high tenacity rayon filament as imports dwindled throughout 2001 and ceased in August of that year.

Beaver Manufacturing Company, a family oriented business located in my district in Mansfield, Georgia, is the sole importer of high tenacity rayon filament yarn. Beaver uses the fiber primarily in the mechanical rubber goods industry, particularly the hose industry. It seeks duty relief for this product, which will undoubtedly lower producer prices and benefit U.S. consumers, without harming interests within the U.S.

Given that there are no domestic producers of high tenacity rayon filament and tire fabric cord, it is economical and sensible to allow the duty-free import of these products from other nations. The economic impact of the suspension of duties is negligible, namely \$340,100 for high tenacity rayon filament and under \$70,000 for tire cord fabric, yet this will enable Beaver Manufacturing to produce a quality and cost effective product.

I thank you in advance for your consideration of this bill. I hope you will call on me if you have any further questions or require additional information.

Sincerely,

John Linder
Member of Congress