

June 4, 2002

Hon. Philip M. Crane, Chairman  
Subcommittee on Trade  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Re: H.R. 4471, Duty Suspension on High Tenacity Rayon Filament Yarn

Dear Chairman Crane:

Beaver Manufacturing Company, located at 12 Ed Needham Drive, Mansfield, Georgia, supports enactment of H.R. 4471, which will temporarily suspend the duty on high tenacity rayon filament yarn. Currently, the duty on this yarn is 10%. Enactment of H.R. 4471 will eliminate this duty through 2007.

Beaver Manufacturing Company supplies quality industrial yarns primarily for the mechanical rubber goods industry, particularly the hose industry. Beaver supplies polyester, PVA, nylon, rayon and aramid fibers to its customers. Beaver purchases these yarns from foreign and domestic sources and sells them to its customers after performing one or more treatments on the yarn it purchases. Depending on the customer's needs and the ultimate application for the product, Beaver may twist, rewind, repackage and/or treat the yarn with a finish. The premier hose yarn converter in North America, Beaver provides a wide variety of treatments for both adhesion and package integrity.

For several years now, there has been no U.S. producer of high tenacity rayon filament yarn. Beaver purchases 100% of its high tenacity rayon filament yarn needs from Cordenka GmbH, located in Obernburg, Germany. After treating the rayon yarn in one of the manners described above, Beaver sells the rayon yarn to hose producers, such as Parker-Hannifin, Mark IV Automotive, Gates and Goodyear. Beaver also sells other fibers to these same companies, but rayon is the preferred fiber, despite its higher cost, for the particular applications in which rayon is still used by these companies. Rayon is used in situations where a customer needs superior heat resistance and/or dimensional stability, such as in automotive hoses. Because of the limited applications in which rayon remains the preferred fiber, Beaver does not expect to see an increase in its sales of rayon yarn based on the elimination of the duty on rayon. Rather, eliminating the duty on high tenacity rayon yarn will help Beaver to keep costs down, enabling it to continue to provide a quality product at an acceptable price.

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For additional information, the undersigned may be contacted at 770-786-1622.

Sincerely,

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