

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: March 24, 2008]²

Bill No. and sponsor: H.R. 4438 (Mr. Howard Coble of North Carolina).

Proponent name,³ location: Glen Raven, Inc., Glen Raven, NC.

Other bills on product (110th Congress only): H.R. 4440.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Acrylic staple fibers (polyacrylonitrile staple) containing 85 percent or more by weight of acrylonitrile units and 2 percent or more but not over 3 percent of water, colored, crimped, with an average filament decitex of 2.2 (plus or minus 10 percent) and fiber length of 50 mm (plus or minus 10 percent) (provided for in subheading 5503.30.00).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Acrylic staple fibers are synthetic fibers made from a polymer containing at least 85 percent by weight of acrylonitrile units. The fibers are produced by dry or wet spinning. In dry spinning, the material is dissolved in a solvent and extruded through a spinneret; the solvent is then evaporated, leaving long continuous filaments. In wet spinning, the solution is extruded through the spinneret into a liquid coagulating bath to form filaments. The filaments are then drawn, dried, and processed. Staple fibers are made either by cutting the filaments into uniform lengths, which is done on the same production line on which the filaments are produced, or by grouping the filaments into "tow," which is then stretched to break the filaments into fibers of varying lengths. Fibers may be sold in a natural state (no color added), pigment-dyed (color added when the fiber is still in a molten form), or dyed (color added after the fibers are formed). Various other additives may be used during the production process, depending on the end-use characteristics desired. The acrylic staple fibers covered by this bill are colored staple crimped product, with an average filament decitex⁴ of 2.2 and fiber length of 50 mm. Acrylic fibers are used to produce a variety of products, including craft yarns, apparel, pile fabrics, upholstery fabrics, home furnishings, and industrial products. Such fibers may also be used in non-textile applications.

¹ Industry analyst preparing report: Heidi Colby-Oizumi (202-205-3391); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Decitex is a measure of linear density; the number refers to the weight in grams of 10,000 meters of yarn.

Acrylic staple fibers are imported under HTS subheading 5503.30.00, which covers all acrylic or modacrylic staple fibers, not carded, combed or otherwise processed for spinning. Dutiable U.S. imports under HTS subheading 5503.30.00 totaled \$83.8 million in 2007. Turkey was the primary supplier of such fibers in 2007, followed by Italy, Mexico,⁵ and Germany.

Estimated effect on customs revenue:

| HTS subheading: 5503.30.00 | | | | | |
|---|-----------------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty (AVE) | 4.3% | 4.3% | 4.3% | 4.3% | 4.3% |
| Estimated value <i>dutiable</i> imports | \$2,598,750 | \$1,980,000 | \$2,565,698 | \$2,598,750 | \$2,702,700 |
| Customs revenue loss | \$96,154 ⁶ | \$85,140 | \$110,325 | \$111,746 | \$116,216 |

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
| | | | (Yes/No) | |
| Glen Raven, Inc. (Proponent) Allen E. Gant, Jr., 336-227-6211 | 02/07/2008 | No | Yes | No |
| American Fiber Manufacturers Association Paul O'Day, 703-875-0432 | 02/07/2008 | No | No | No |
| American Manufacturing Trade Action Coalition Sara Ormand, 202-452-0866 | 02/07/2008 | No | Yes | No |
| Amital Spinning Corp. Milt E. Gold, <i>mgold@amital.net</i> | 02/07/2008 | No | No | No |
| The Association of Georgia's Textile, Carpet and Consumer Products Manufacturers G.L. Bowen III, 404-688-0555 | 02/07/2008 | No | No | No |
| Coats & Clark North America Chris Smith, 704-329-5800 | 02/07/2008 | No | Yes | No |

⁵ Shipments from Mexico are eligible to enter free of duty under the North American Free Trade Agreement.

⁶ The general duty rate on all goods falling into subheading 5503.30.00 is reduced to 3.7% through the close of 2009 under heading 9902.25.62. The figure shown in the table for 2009 reflects the elimination of this reduced duty rate.

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|----------------|--|----------------------|-------------------|
| | | (Yes/No) | | |
| Culp, Inc., Robert G. Culp, III, 336-889-5161 | 02/12/2008 | No | No | No |
| Hexcel Michael Bacal, michael.bacal@hexcel.com | 02/07/2008 | No | No | No |
| Milliken & Company Kathi Dutilh, kdutilh@millikendc.com | 02/12/2008 | No | Yes | No |
| National Council of Textile Organizations Missy Branson, 202-822-8026 | 01/31/2008 | No | No | No |
| National Spinning Co., Inc. James W. Chesnutt, 252-975-7218 | 02/07/2008 | No | Yes | No |
| Patrick Yarn Mills, Inc. Gilbert Patrick, gilbert@patrickyarns.com | 02/07/2008 | No | No | No |
| Quaker Fabric Corporation Larry A. Liebenow, lliebenow@quakerfabric.com | 02/07/2008 | No | No | No |
| Sterling Fibers, Inc. James Hagerott, 850-994-5311 | 02/07/2008 | No | Yes | No |
| Toho Tenax America, Inc. Marc Verbruggen, 865-354-5505 | 02/07/2008 | No | No | No |
| Tuscarora Yarns, Inc., Peter Hegarty, phegarty@tuscarorayarns.com | 02/07/2008 | No | No | No |
| William Barnet & Son, LLC Ron Vinolo, 864-576-7154 | 02/07/2008 | No | No | No |

Technical comments:⁷

The entire product coverage of subheading 5503.30.00 is eligible for a reduced general duty rate through the close of 2009. If the new duty suspension is enacted with an effective date prior to December 31, 2009, it is suggested that existing heading 9902.25.62 be deleted from the HTS or be amended to reflect the narrower product coverage. Second, the article description should be reworded slightly to make the language more consistent with other tariff provisions and the symbol for “%” should always be spelled out in the article description. We defer to Customs and Border Protection concerning any administrative

⁷ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

difficulties that may arise from the need to compute average measures over a shipment or entry and the variance provided in the description. The provision would cover staple fibers but specifies a criterion pertaining to the filaments used to make the fibers; it would be difficult if not impossible for Customs to know with certainty the average decitex of filaments used to make any entry of fibers, because the fibers made from any particular filaments might not be shipped in a single entry and may be co-mingled with fibers made from various filaments.

110TH CONGRESS
1ST SESSION

H. R. 4438

To suspend temporarily the duty on certain synthetic staple fibers that are not carded, combed, or otherwise processed for spinning.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

Mr. COBLE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain synthetic staple fibers that are not carded, combed, or otherwise processed for spinning.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN SYNTHETIC STAPLE FIBERS THAT**
4 **ARE NOT CARDED, COMBED, OR OTHERWISE**
5 **PROCESSED FOR SPINNING.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

| | | | | | | | |
|---|------------|---|------|-----------|-----------|-------------------------|----|
| “ | 9902.01.00 | Acrylic staple fiber (polyacrylonitrile staple) containing at least 85% by weight of acrylonitrile units, not more than 2 to 3% water, imported in the form of colored staple crimped product with an average filament decitex of 2.2 (plus or minus 10%), and fiber staple length of 50 mm (plus or minus 10%) (provided for in subheading 5503.30.00). | Free | No change | No change | On or before 12/31/2011 | ”. |
|---|------------|---|------|-----------|-----------|-------------------------|----|

1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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