

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. 4433 (Mr. Howard Coble of North Carolina).

Proponent name,³ location: National Spinning Co., Inc., Washington, NC

Other bills on product (110th Congress only): H.R. 4439.

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 filament tow containing 85 percent or more by weight of acrylonitrile units and 2 percent or more but not over 3 percent of water, raw white (undyed), crimped, with an average filament decitex of 4.1 (plus or minus 10 percent) and an aggregate filament measure in the tow bundle from 660,000 to 1,200,000 decitex, with a length greater than two meters (provided for in subheading 5501.30.00).

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:

Filament tow is “a large strand of continuous manufactured fiber filaments . . . collected in a loose, rope-like form.”⁴ Acrylic tow is made from a polymer containing at least 85 percent by weight of acrylonitrile units. The filaments 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 grouped into tow, which is then stretched to break the filaments into fibers of varying lengths. Acrylic tow 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 tow covered by this bill is a raw white crimped product, with an average filament decitex⁵ of 4.1 (plus or minus 10 percent) and an aggregate filament measure in the tow bundle of 660,000 to 1,200,000 decitex, with a length greater than two meters. Acrylic filament tow is used to produce staple fibers typically used in goods such as craft yarn, apparel, pile fabrics, upholstery fabrics, and home furnishings. 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 Product definition from Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990, p. 165.

⁵ Decitex is a measure of linear density, the number refers to the weight in grams of 10,000 meters of yarn.

Acrylic tow is imported under HTS subheading 5501.30.00, which covers all acrylic or modacrylic filament tow. U.S. imports under HTS subheading 5501.30.00 totaled \$74 million (23.1 million kilograms) in 2007, with dutiable imports of about \$60.9 million. Japan was the primary supplier of such fibers in 2007, followed by the United Kingdom, Portugal, and Turkey.

Estimated effect on customs revenue:

HTS subheading: 5501.30.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	7.5%	7.5%	7.5%	7.5%	7.5%
Estimated value <i>dutiable</i> imports	\$918,000	\$826,000	\$743,580	\$669,222	\$602,300
Customs revenue loss	\$62,424 ⁶	\$61,950	\$55,769	\$50,192	\$45,173

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)		
National Spinning Co., Inc. (Proponent) James W. Chesnutt, 252-975-7218	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

⁶ The general duty rate on all goods falling into subheading 5501.30.00 is reduced to 6.8% through the close of 2009 under heading 9902.10.21. The figure shown in the table for 2009 reflects the elimination of this duty rate. It is likely that the actual revenue loss in 2009 would be somewhat lower because the proposed new provision would cover a narrower product class, but separate data on the latter are not available. Existing heading 9902.01.69 has expired; headings 9902.11.11 and 9902.11.12 were not included in this computation because it is not possible to determine the import volumes of goods eligible for entry under these very detailed descriptions.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Coats & Clark North America Chris Smith, 704-329-5800	02/07/2008	No	Yes	No
Culp, Inc., Robert G. Culp, III, 336-889-5161	02/12/2008	No	No	No
Glen Raven, Inc. Allen E. Gant, Jr., 336-227-6211	02/07/2008	No	Yes	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
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 general duty rate on the all products falling in subheading 5501.30.00 is already reduced through the close of 2009 under heading 9902.10.21 of the HTS; in addition, headings 9902.01.69, 9902.11.11 and 9902.11.12 cover or have covered subsets of the product coverage of subheading 5501.30.00. The

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.

proposed provision would cover a subset of the goods covered by existing heading 9902.10.21. Thus, rather than creating a new tariff heading in this bill, it would be possible to amend the existing article description shown in heading 9902.10.21 to match the language shown on page 1, above, delete the general duty rate “6.8%” from existing heading 9902.10.21 and replace it with “Free”, and delete the expiration date of “12/31/2009” now shown in heading 9902.10.21 and replace it with “12/31/2011”. It is suggested that if this approach is utilized, existing headings 9902.01.69, 9902.11.11 and 9902.11.12 should be deleted from the HTS. If a separate chapter 99 heading covering this narrower group of goods is desired, it is suggested that the article description of a new heading match the language shown on page 1.

110TH CONGRESS
1ST SESSION

H. R. 4433

To suspend temporarily the duty on acrylic or modacrylic synthetic filament tow.

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 acrylic or modacrylic synthetic filament tow.

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. ACRYLIC OR MODACRYLIC SYNTHETIC FILA-**
4 **MENT TOW.**

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

“	9902.55.23	Acrylic fiber tow containing at least 85 per cent by weight of acrylonitrile units, not more than 2 to 3 per cent water, imported in the form of raw white (undyed) crimped filament tow with average fiber measure being 4.1decitex per filament +/- 10% with an aggregate filament measure in the tow bundle being between 660,000 and 1,200,000 decitex, and length greater than two meters (provided for in subheading 5501.30.00)	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.

