

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. 4439 (Mr. Howard Coble of North Carolina)

Proponent name,³ location: National Spinning Co., Inc., Washington, NC; and Glen Raven, Inc., Glen Raven, NC

Other bills on product (110th Congress only): H.R. 2456, H.R. 4433, H.R. 4434, H.R. 4435, H.R. 4465, and H.R. 4470.

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 or modacrylic filament tow (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. Modacrylic tow is made from a polymer containing more than 35 percent but less than 85 percent by weight of acrylonitrile units. The fiber 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 filament fibers are grouped into tow, which is then stretched to break the filaments into fibers of varying lengths. Acrylic and modacrylic 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. Acrylic and modacrylic filament tow are used to produce staple fibers typically used in goods such as craft yarn, apparel, pile fabrics, upholstery fabrics, and home furnishings. Such tow may also be used in non-textile applications.

U.S. imports of acrylic or modacrylic filament tow 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.

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.

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	\$17,891,200	\$17,436,880	\$17,027,992	\$16,659,993	\$16,328,794
Customs revenue loss	\$1,216,602 ⁵	\$1,307,766	\$1,277,099	\$1,249,499	\$1,224,660

Source of estimated dutiable import data: Industry estimates based on predicted shipments of three firms; given recent import levels, the figures in the table for imports and revenue loss may actually be higher, but it is not possible to predict total imports.

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?
Glen Raven, Inc. (Proponent) Allen E. Gant, Jr., 336-227-6211	02/07/2008	No	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
Coats & Clark North America Chris Smith, 704-329-5800	02/07/2008	No	Yes	No

⁵ 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. 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)		
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
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:⁶

The general duty rate on the subject products is already suspended 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. Thus, rather than creating a new tariff heading, it is suggested that the bill be amended to do the following: delete existing headings 9902.01.69, 9902.11.11 and 9902.11.12 from the HTS, 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”.

⁶ 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.

110TH CONGRESS
1ST SESSION

H. R. 4439

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:

“	9902.01.00	Synthetic filament tow: acrylic or modacrylic (pro- vided 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.

○