

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 12, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2096 (Mr. John Linder of Georgia).

**Proponent name, location:** Beaver Manufacturing Co., Inc., Mansfield, GA.

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of temporary duty suspension through December 31, 2008.

**Retroactive effect:** None.

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

High tenacity multiple (folded) or cabled yarn of viscose rayon (provided for in subheading 5403.10.60), and high tenacity single yarn of viscose rayon (provided for in subheading 5403.10.30) with a decitex equal to or greater than 1,000.

**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:**

The bill covers certain high tenacity viscose rayon filament yarns. Viscose rayon is an artificial manmade fiber produced from cellulosic materials such as wood pulp, which is processed into viscose liquid and extruded through perforated metal disks (spinnerets) into an acid bath to produce long fiber strands. Tenacity refers to the "tensile strength" of the yarn or the amount of force needed to break a yarn per unit of length, as measured by centinewtons per tex. According to note 6 to section XI of the HTS, rayon yarn that exceeds 27 centinewtons per tex is considered to be high tenacity yarn. Such yarn is used for industrial purposes because of its strength and ability to withstand high temperatures. Primary end uses include hoses, belts, strapping, tires, and tire cord fabric. Germany is the primary supplier of high tenacity viscose rayon filament yarns, accounting for over 75 percent of total U.S. imports in 2004, followed by India, which accounts for 16 percent.

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

<sup>2</sup> An electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>Total Estimated Revenue Loss for this Bill</b>					
	2005	2006	2007	2008	2009
Customs revenue loss	\$377,300	\$377,300	\$377,300	\$377,300	\$377,300

<b>HTS subheading: <u>5403.10.60</u></b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	9.1%	9.1%	9.1%	9.1%	9.1%
Estimated value <i>dutiable</i> imports	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Customs revenue loss <u>1/</u>	\$27,300	\$27,300	\$27,300	\$27,300	\$27,300

1/ The customs revenue loss data for 2005-2006 reflect the existing temporary duty suspension already in effect through the close of 2006 under heading 9902.03.06. This duty suspension is available for goods classifiable in the above provision upon importer claim.

Source of estimated dutiable import data: Commission estimates.

<b>HTS subheading: <u>5403.10.30</u></b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	10%	10%	10%	10%	10%
Estimated value <i>dutiable</i> imports	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Customs revenue loss <u>1/</u>	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000

1/ The customs revenue loss data for 2005-2006 reflect the existing temporary duty suspension already in effect through the close of 2006 under heading 9902.05.07. This duty suspension is available for goods classifiable in the above provision upon importer claim.

Source of estimated dutiable import data: Commission and industry estimates.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Beaver Manufacturing Co., Inc. (proponent) Barbara Murphy, 202-467-6300	8/24/2005	No	Yes	No
National Council of Textile Organizations Michael Hubbard, 704-824-3522	8/24/2005	No	No	No
National Textile Association Karl Spilhaus, 617-542-8220	8/24/2005	No	No	No
Rayon Yarn Sales Corporation Janet Bagby, 864-342-1735	8/23/2005	No	No	No
Rayonier W. Lee Nutter, 904-357-9100	8/23/2005	No	No	No
Dillon Yarn Corp. Shawn Dougherty, 843-774-7353	8/25/2005	No	No	No

**Technical comments:**<sup>3</sup> None.

<sup>3</sup> 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.

109TH CONGRESS  
1ST SESSION

# H. R. 2096

To extend the temporary suspension of duty on certain high tenacity rayon filament yarn.

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IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2005

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

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## A BILL

To extend the temporary suspension of duty on certain high tenacity rayon filament yarn.

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. EXTENSION OF CERTAIN EXISTING DUTY SUS-**  
4 **PENSIONS.**

5 (a) EXISTING DUTY SUSPENSIONS.—Each of the fol-  
6 lowing headings are amended by striking the date in the  
7 effective period column and inserting “12/31/2008”:

8 (1) Heading 9902.03.06, relating to high tenac-  
9 ity multiple (folded) or cabled yarn of viscose rayon.

1           (2) Heading 9902.05.07, relating to high tenac-  
2           ity single yarn of viscose rayon with a decitex equal  
3           to or greater than 1,000.

4           (b) EFFECTIVE DATE.—The amendments made by  
5           subsection (a) apply to goods entered, or withdrawn from  
6           warehouse for consumption, on or after the 15th day after  
7           the date of enactment of this Act.

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