

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. 4440 (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. 4413, H.R. 4414, H.R. 4415, H.R. 4416, H.R. 4417, H.R. 4418, H.R. 4419, H.R. 4425, H.R. 4426, H.R. 4427, H.R. 4428, H.R. 4436, H.R. 4437, H.R. 4438, H.R. 4471, H.R. 4472, H.R. 4473, H.R. 4578, and H.R. 4579.

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 staple fibers, not carded, combed or otherwise processed for spinning (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. Acrylic fibers are used to produce a variety of products, including craft yarns, apparel, pile fabrics, upholstery fabrics, home furnishings, and industrial products. Modacrylic fibers have superior chemical and combustion resistance compared with acrylic fibers. 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.

Acrylic or modacrylic 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, 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	\$63,796,753	\$59,715,317	\$59,711,090	\$60,096,077	\$60,926,142
Customs revenue loss	\$2,360,480 ⁴	\$2,567,759	\$2,567,577	\$2,584,131	\$2,619,824

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
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, Ph: 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, Ph: 404-688-0555	02/07/2008	No	No	No

⁴ The general duty rate on all goods falling into subheading 5503.30.00 is reduced to 3.7% through the close of 2009. 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)		
Coats & Clark 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
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:⁵

The entire product coverage of subheading 5503.30.00 is eligible for a reduced general duty rate through the close of 2009 under existing heading 9902.25.62. The bill should be amended so that, instead of creating a new tariff heading in chapter 99 of the HTS, the expiration date of "12/31/2009" is deleted from the existing heading and replaced by "12/31/2011". In addition, the general duty rate of "3.7%" in heading 9902.25.62 should be deleted and a "Free" rate inserted in lieu thereof.

⁵ 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. 4440

To suspend temporarily the duty on synthetic staple fibers 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 synthetic staple fibers
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. SYNTHETIC STAPLE FIBERS NOT CARDED,**
4 **COMBED, OR OTHERWISE PROCESSED FOR**
5 **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	Synthetic staple fibers not carded, combed, or otherwise processed for spinning: acrylic or modacrylic (provided for in subheading 5503.30.00).	Free	No change	No change	On or before 12/31/2011	”.
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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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