

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress**¹

[Date approved: April 10, 2008]²

Bill No. and sponsor: H.R. 4465 (Mr. Sanford D. Bishop, Jr. of Georgia et al.).

Proponent name,³ location: Coats North America, Charlotte, NC.

Other bills on product (110th Congress only): H.R. 4439.⁴

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

Retroactive effect: None.

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

Acrylic filament tow (polyacrylonitrile tow) containing by weight 92 percent or more of polyacrylonitrile, not more than 0.01 percent of zinc and 2 percent or more but not over 8 percent of water, imported in the form of 8 sub-bundles crimped together, each containing 24,000 filaments (plus or minus 10 percent) with an average filament decitex of 4.0 to 5.6 (plus or minus 10 percent) and length greater than 2 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.”⁵ Acrylic tow is made from a polymer containing at least 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 filaments are grouped into tow, which will be 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. 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 Several bills (H.R. 4433, 4434, 4435, 4465 and 4470) cover crimped fiber tow; H.R. 4439 covers acrylic or modacrylic filament tow.

⁵ Product definition from Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990, p. 165.

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 value 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)					
Col. 1-General rate of duty (AVE)	7.5%	7.5%	7.5%	7.5%	7.5%
Estimated value <i>dutiable</i> imports	\$7,804,000	\$7,804,000	\$7,804,000	\$7,804,000	\$7,804,000
Customs revenue loss 1/	\$491,652	\$491,652	\$491,652	\$491,652	\$491,652

1/ The estimated customs revenue loss reflects the difference between the current duty rate and the proposed duty rate of 1.2 percent ad valorem.

Source of estimated dutiable import data: U.S. 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)	
Coats North America (Proponent) Chris Smith, 704-329-5800	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
Culp, Inc., Robert G. Culp, III, 336-889-5161	02/12/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/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
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:⁶

It is suggested that the proposed article description be amended as shown on page one, and that--in lieu of a percent symbol--the word "percent" should be spelled out. In the HTS, the "%" symbol is defined as a matter of law as "percent ad valorem."

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. 4465

To reduce temporarily the duty on certain acrylic synthetic staple fiber.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2007

Mr. BISHOP of Georgia (for himself, Mr. KINGSTON, and Mr. SHULER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reduce temporarily the duty on certain acrylic synthetic staple fiber.

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 ACRYLIC SYNTHETIC STAPLE FIBER.**

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

“	9902.____	Acrylic fiber tow (polyacrylonitrile tow) containing by weight a minimum of 92% polyacrylonitrile, not more than .01 percent zinc and from 2 to 8 percent water, imported in the form of 8 sub-bundles, crimped together, each containing 24,000 filaments (plus or minus 10 percent) and with an average filament decitex of 4.0 to 5.6 decitex (plus or minus 10 percent), and length greater than 2 meters (provided for in subheading 5501.30.00)	1.2%	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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