

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 5, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2191 (Ms. Susan Collins of Maine).

**Proponent name,<sup>3</sup> location:** The Procter & Gamble Company, Cincinnati, OH.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of temporary duty reduction through December 31, 2011.

**Retroactive effect:** None

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

Viscose rayon staple fibers having a decitex of less than 5.0 and a multi-limbed cross-section, the limbs having a length-to-width aspect ratio of at least 2:1 (provided for in subheading 5504.10.00)

**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:**

The subject fibers are tri-lobal rayon staple fibers with multi-limbed cross-sections, some of which are termed "Galaxy VY," produced by Kelheim Fibres of Germany. These fibers are used as the primary absorbent material in the manufacture of tampons. The fibers were specifically engineered for absorption performance in a joint effort by Tamabrand, a wholly owned subsidiary of Procter & Gamble, and Accordis, now Kelheim Fibres, a German rayon fiber manufacturer. Industry sources report that there may be similar fibers produced by some of the global rayon fiber producers, such as Lenzing AG of Austria. However, because Kelheim still holds the patent for this rayon staple fiber, Lenzing cannot export the similar fiber to the United States.

Other rayon staple fibers included in heading 9902.55.04 are used in the production of industrial and household products such as baby wipes, rayon mops, and other household cleaning products.

Currently, there is no U.S. production of the subject rayon staple fiber.

<sup>1</sup> Industry analyst preparing report: Jackie W. Jones (202-205-3466); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports](http://www.usitc.gov/tariff_affairs/congress_reports).

<sup>3</sup> The sponsor/proponent identified 2 additional beneficiaries of this bill. USITC staff contacted the additional beneficiaries but received no written verifications.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 5504.10.00:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4.3%	4.3%	4.3%	4.3%	4.3%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$13,790,000	\$17,980,000	\$20,470,000	\$19,800,000	\$19,800,000
Customs revenue loss <sup>b c</sup>	\$344,750	\$449,500	\$511,750	\$495,000	\$495,000

a/ Dutiable import estimates were based on industry information and official U.S. Government statistics.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 4.3 percent ad valorem to 1.8 percent ad valorem, a reduction of 2.5 percentage points. HTS heading 9902.55.04 provided a temporary duty suspension for the subject product which expired on December 31, 2009.

**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)		
The Proctor & Gamble Company Matt Mattingley, President, MC Group, 202-841-5601	10/19/2009	No	No	No
Assoc. of Nonwoven Fabrics Ind. (INDA) Jessica Franken, 703-521-0545	11/05/2009	No	No	No
First Quality Enterprise, Inc. First Quality Nonwovens, Inc. Mosa Oppenheimer, 516-498-3692	11/05/2009	No	No	No
Kelheim Fibres Richard Reid, 251-656-2786	11/16/2009	No	No	No
Lenzing Fibers, Inc. Kevin Allen, 251-679-2200	11/09/2009	No	No	No
Playtex Products Keith Edgett, 302-678-6880 Joseph W. Huk, 302-382-0422	11/30/2009	No	No	No
Wonalancet Co. Jerry Dunn, 770-774-2821	11/13/2009	No	No	No

**Technical comments:<sup>4</sup>**

None.

<sup>4</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.

111TH CONGRESS  
1ST SESSION

# S. 2191

To extend the temporary suspension of duty on certain rayon staple fibers.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Ms. COLLINS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To extend the temporary suspension of duty on certain rayon staple fibers.

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 RAYON STAPLE FIBERS.**

4 (a) IN GENERAL.—Heading 9902.55.04 of the Har-  
5 monized Tariff Schedule of the United States is amend-  
6 ed—

7 (1) in the article description, by striking “fila-  
8 ments” and inserting “staple fibers”;

9 (2) by striking the date in the effective period  
10 column and inserting “12/31/2011”; and

1           (3) by striking “Free” in the column 1 general  
2           rate of duty column and inserting “1.8%”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4           this section apply with respect to goods entered, or with-  
5           drawn from warehouse for consumption, on or after the  
6           15th day after the date of the enactment of this Act.

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