

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: July 1, 2008]²

Bill No. and sponsor: H.R. 5190 (Mr. Jeff Miller of Florida).

Proponent name,³ location: Sterling Fibers, Pace, FL.

Other bills on product (110th Congress only): H.R. 4439.

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 fiber tow containing a minimum of 85 percent by weight of acrylonitrile units and a minimum of 35 percent water, imported in the form of raw white (undyed) filament, with an average filament measure of between 2 and 5 decitex, 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.”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. For dry spinning, the material is dissolved in a solvent and extruded through a spinneret; the solvent is then evaporated, leaving long continuous filaments. For 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 filament 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 added 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.

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://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

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.

The specific product covered by this bill is imported under HTS subheading 5501.30.00, which covers all acrylic or modacrylic filament tow. Dutiable U.S. imports under 5501.30.00 totaled \$74 million (23.1 million kilograms) in 2007. Japan was the primary supplier of such tow 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)	6.8%	7.5%	7.5%	7.5%	7.5%
Estimated value <i>dutiable</i> imports	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Customs revenue loss 1/	\$204,000	\$225,000	\$225,000	\$225,000	\$225,000

1/There is an existing duty reduction under HTS heading 9902.10.21 that reduces the general duty rate on all goods falling into subheading 5501.30.00 to 6.8 percent ad valorem, which expires on December 31, 2009. The figure shown in the table for 2009 reflects the elimination of this duty rate..

Source of estimated dutiable import data: Official U.S. Government statistics and Commission 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)	
Sterling Fibers, Inc. (Proponent) James Hagerott, 850-994-5311	02/07/2008	No	Yes	No
American Fiber Manufacturers Association Paul O'Day, 703-875-0432	05/10/2008	No	No	No
American Manufacturing Trade Action Coalition Sara Ormand, 202-452-0866	02/07/2008	No	Yes ¹	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
Carbon Fiber Technology, LLC Alex Walk, 307-789-2499	04/14/2008	No	No	No

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 ¹	No
Culp, Inc., Robert G. Culp, III, 336-889-5161	02/12/2008	No	No	No
Glen Raven, Inc. Allen E. Gant, Jr., 336-227-6211	02/07/2008	No	Yes ¹	No
Hexcel Michael Bacal, <i>michael.bacal@hexcel.com</i>	02/07/2008	No	No	No
Milliken & Company Kathi Dutilh, <i>kdutilh@millikendc.com</i>	02/12/2008	No	Yes ¹	No
National Textile Association David Trumbull, 617-542-8220	05/13/2008	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 ¹	No
Patrick Yarn Mills, Inc. Gilbert Patrick, <i>gilbert@patrickyarns.com</i>	02/07/2008	No	No	No
Quaker Fabric Corporation Larry A. Liebenow, <i>lliebenow@quakerfabric.com</i>	02/07/2008	No	No	No
Toho Tenax America, Inc. Marc Verbruggen, 865-354-5505	02/07/2008	No	No	No
Tuscarora Yarns, Inc., Peter Hegarty, <i>phegarty@tuscarorayarns.com</i>	02/07/2008	No	No	No
William Barnet & Son, LLC Ron Vinolo, 864-576-7154	02/07/2008	No	No	No

¹These companies/associations expressed support for duty suspension on all acrylic fiber and tow products, which would include the specific acrylic tow that is the subject of this bill.

Technical comments:⁵

The proposed article description should be amended as shown on page 1, in order to make the language clearer and more consistent with other tariff provisions.

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
2D SESSION

H. R. 5190

To suspend temporarily the duty on certain acrylic fiber tow.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

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

A BILL

To suspend temporarily the duty on certain acrylic fiber
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. CERTAIN ACRYLIC FIBER TOW.**

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 containing at least 85 percent by weight of acrylonitrile units, containing a minimum of 35 percent water, imported in the form of raw white (undyed) filament with an average filament measure between 2 and 5 decitex per filament, and length greater than 2 meters (provided for in subheading 5501.30.00)	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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