

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 30, 2006]²

Bill No. and sponsor: S. 3053 (Mr. Tom Carper of Delaware).

Proponent name, location: INVISTA, Wilmington, Delaware.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Staple bi-component fibers of polyethylene terephthalate and elasterell-p, measuring less than 3.5 decitex (provided for in subheading 5503.20.00).

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 synthetic staple fibers contain polyethylene terephthalate and the newly approved stretchable material elasterell-p.³ The fibers measure less than 3.5 decitex with the majority being between 1.0 and 1.8 decitex. The fibers will be used in the construction of a fabric that has a natural springiness, less synthetic feel, and is certified for performance. The sourcing of the fibers has not yet been determined by the proponent; they will most likely be imported from Korea or Taiwan.

¹ Industry analyst preparing report: Erin McLaughlin (202-205-2334); 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 Defined as a new subclass of the generic material polyester; according to the Federal Trade Commission the material is chemically described as being 'formed by the interaction of two or more chemically distinct polymers (of which none exceeds 85 percent by weight), and contains ester groups as the dominant functional unit (at least 85 percent by weight of the total polymer content of the fiber), and which, if stretched at least 100 percent, durably and rapidly reverts substantially to its unstretched length when the tension is removed.' See 16 CFR part 303.

Estimated effect on customs revenue:

HTS subheading: 5503.20.00					
 	2006	2007	2008	2009	2010
Col. 1-General rate of duty	4.3%	4.3%	4.3%	4.3%	4.3%
Estimated value <i>dutiable</i> imports	\$4,600,000	\$4,600,000	\$4,600,000	\$4,600,000	\$4,600,000
Customs revenue loss	\$197,800	\$197,800	\$197,800	\$197,800	\$197,800

Source of estimated dutiable import data: Estimates provided by the proponent; no other importer has been identified.

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)		
INVISTA, Inc. (Proponent) Mary Vane, 302-683-3230	06/21/2006	No	Yes	No
American Fiber Manufacturers Association Paul O'Day, President: 703-875-0432	06/26/2006	No	No	No
DAK Americas Jonathan McNaull, 704-940-7590	06/29/2006	No	No	No
Nanya J.C. Hsio, 843-389-6971	06/26/2006	No	No	No
National Council of Textile Organizations Michael Hubbard, 704-824-3522	07/30/2006	No	Yes	No
Unifi Jane Johnson, 336-316-5278	06/29/2006	No	No	No
Wellman, Inc. Gisela Katz, 718-269-4193	06/28/2006	No	No	No

Technical comments:⁴

It is suggested that the product description be modified as shown on page 1. The HTS does not generally use the word “elastic”; the subject fibers do not seem to be “elastomeric” in the usual sense, because the stretch would likely be the result of the inclusion of the elasterell-p.

⁴ 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.

INVISTA Inc.
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Wilmington, DE 19808



July 17, 2006

The Honorable Charles Grassley
Chairman, Senate Finance Committee
Senate Finance Committee
SD-219
U.S. Senate
Washington, DC 20510

Re: S. 3053 to temporarily suspend the duty on synthetic elastic staple fiber

Dear Mr. Chairman:

INVISTA is the proponent of S. 3053 and strongly supports suspending the duty on this unique, synthetic elastic staple fiber which is used in apparel. The generic name for the product is "elasterell-p". The product is currently classified under HTS 5503.20.00

INVISTA is one of the world's largest integrated fibers, polymer, and intermediates companies, producing and marketing to the apparel, performance fibers, interiors, intermediates, and resins industries. It is recognized across the globe through its well-known brands and trademarks including: LYCRA®, STAINMASTER®, ANTRON®, and COOLMAX®. INVISTA is a wholly owned, but independently managed, subsidiary of Koch Industries, Inc. We are committed to meeting the needs of our customers through technology innovations.

The subject product is a melt-spun, bicomponent, elastomeric fiber of polyethylene terephthalate and polytrimethylene terephthalate. INVISTA has pending patent applications for this new staple fiber under US 2005-0227069, US 2006-0040101, and US 2006-024496. INVISTA was also granted a patent for spun yarn from cotton and this staple fiber under US Patent No. 7,036,299. The product is branded as Lycra®. When it is blended with natural staple fibers (e.g. cotton, wool) or synthetics, it produces a spun yarn which imparts elastic properties in the final use. The fiber uniquely generates permanent stretch and recovery when it self-crimps under dyeing and finishing conditions, due to its bicomponent structure. It exhibits excellent dyeability and chemical resistance. There are no domestic offerings of any elastic staple fiber. Commercialization of this product is a response to U.S. textile mills' demands for innovative, technologically sophisticated offerings. Availability of advanced products such as this is what is needed to sustain the U.S. textile industry. U.S. import duties on this product are considered an unnecessary burden.

We urge Congressional passage of S.3053.

Sincerely,

Mary Vane
Director, International Trade & Business Development
INVISTA
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109TH CONGRESS
2D SESSION

S. 3053

To suspend temporarily the duty on synthetic elastic staple fiber.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

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

A BILL

To suspend temporarily the duty on synthetic elastic 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. SYNTHETIC ELASTIC 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:

“	9902.55.03	Synthetic elastic staple fiber of poly-ethylene terephthalate and polytrimethylene terephthalate, patented bi-component melt-spun elasterell-p (provided for in subheading 5503.20.00)	Free	No change	No change	On or before 12/31/2009	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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