



---

## UNITED STATES INTERNATIONAL TRADE COMMISSION

---

Washington, DC 20436

August 13, 2024

### *Fine Denier Polyester Staple Fiber, Inv. No. TA-201-78 (Remedy)*

#### **Statement of Chair Amy A. Karpel on remedy recommendations in the global safeguard investigation *Fine Denier Polyester Staple Fiber, Inv. No. TA-201-78***

Pursuant to Section 202(e) of the Trade Act of 1974, Chair Karpel recommends that the President take the following actions to address the serious injury that she has found to the domestic industry and to be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

Pursuant to Section 202(e)(2)(B) of the Trade Act of 1974, Chair Karpel recommends a tariff-rate quota (TRQ) on all imports of fine denier polyester staple fiber, exclusive of imports from countries with which the United States has entered into a free trade agreement, as detailed below. Specifically, she recommends a tariff-rate quota with an in-quota volume level of 114,820,000 pounds and in-quota tariff rate of 15 percent ad valorem. For U.S. imports of fine denier polyester staple fiber that exceed 114,820,000 pounds, Chair Karpel recommends a tariff rate of 45 percent ad valorem. Chair Karpel recommends that this tariff-rate quota be implemented for four years and that the in-quota volume level remain the same throughout the period of relief. She also recommends that the in-quota tariff rate decrease by 1 percentage point in each subsequent year of the four-year relief period, i.e., to 14 percent in year two, to 13 percent in year three, and to 12 percent in year four. Chair Karpel further recommends that the above-quota tariff rate decrease by 1 percentage point in each subsequent year during the four-year relief period, i.e., to 44 percent in year two, to 43 percent in year 3, and to 42 percent in year four.

	Year 1	Year 2	Year 3	Year 4
In-Quota Volume (thousands of pounds)	114,820	114,820	114,820	114,820
In-Quota Tariff Rate (ad valorem)	15	14	13	12
Out-of-Quota Tariff Rate (ad valorem)	45	44	43	42

Having made findings that U.S. imports from Australia, the CAFTA-DR countries, Colombia, Honduras, Israel, Jordan, Panama, Peru, Singapore, South Korea and the beneficiary countries under

the Caribbean Basin Economic Recovery Act were not a substantial cause of the serious injury experienced by the domestic industry, Chair Karpel recommends to the President that U.S. imports from these countries be excluded from the tariff-rate quota. Having also made negative findings with respect to imports from Canada and Mexico under section 302 of the United States-Mexico-Canada Free Trade Agreement Implementation Act, she recommends that the President exclude such imports from the tariff-rate quota.

Chair Karpel further recommends that, pursuant to section 202(e)(2)(C) of the Trade Act of 1974, a quantitative restriction be imposed on imports of fine denier polyester staple fiber entered as a Temporary Importation under Bond (TIB) in the form of a suspension of imports under HTS subheading 9813.00.05. Specifically, Chair Karpel recommends a quantitative restriction of zero pounds. Chair Karpel recommends that this quantitative restriction be implemented for four years, with an increase of 1 million pounds in each subsequent year, *i.e.*, 1 million pounds in year two, 2 million pounds in year three, and 3 million pounds in year four. Chair Karpel recommends a quantitative restriction of 0 pounds based on her finding that the importation of a different quantity (*i.e.*, different than the average quantity in the most recent three year period that is representative of imports of fine denier polyester staple fiber) is clearly justified in order to prevent or remedy serious injury to the domestic industry, as contemplated by section 203(e)(4) of the Trade Act of 1974. Chair Karpel recommends that the tariff-rate quota with an in-quota volume level specified above (114,820,000 pounds) is inclusive of any imports of fine denier polyester staple fiber under HTS subheading 9813.00.05. Chair Karpel recommends the quantitative restriction apply to imports from all countries for which she recommends application of a tariff-rate quota as well as to imports of fine denier polyester staple fiber from Korea.

Chair Karpel further recommends that the President submit to Congress, pursuant to his authority under section 203(a)(3)(H), a legislative proposal that would permanently preclude the importation of fine denier polyester staple fiber under TIB to avoid payment of cash deposits and assessed antidumping and countervailing duties that would otherwise apply to the product.

Chair Karpel further recommends that the President authorize the establishment of an exclusion process to allow for importation of covered imports without application of the tariff-rate quota in the case of a demonstrated lack of production in the United States for a particularized fine denier polyester staple fiber product or in the case of a critical short supply of a particularized fine denier polyester staple fiber product from domestic sources.

Chair Karpel further recommends that the President consider programs to assist downstream users of fine denier polyester staple fiber and to mitigate the potential impact of the remedy on such users.

**Joint Statement of Commissioners David S. Johanson and Rhonda K. Schmittlein on remedy recommendations in the global safeguard investigation *Fine Denier Polyester Staple Fiber*, Inv. No. TA-201-78**

Pursuant to Section 202(e) of the Trade Act of 1974, we recommend that the President take the following actions to address the serious injury that we have found to the domestic industry and to be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition. We recommend that for a four-year period the President impose, first, a quantitative restriction on imports of fine denier polyester staple fiber imported under HTS statistical reporting number 9813.00.0520 and, second, a tariff-rate quota on imports of all fine denier polyester staple fiber.

For imports of fine denier polyester staple fiber admitted temporarily free of duty under bond under HTS statistical reporting number 9813.00.0520, we recommend a quantitative restriction of zero pounds. In each subsequent year, we recommend that the quantitative restriction increase by one million pounds to 1 million pounds in the second year, to 2 million pounds in the third year, and to 3 million pounds in the fourth year.<sup>1</sup>

For imports of fine denier polyester staple fiber, we recommend a tariff-rate quota with an additional 40 percent ad valorem tariff on annual imports in excess of 145 million pounds (inclusive of any imports of the article under HTS statistical reporting number 9813.00.0520). In each subsequent year, we recommend that the tariff be phased down by two percentage points to 38 percent in the second year, to 36 percent in the third year, and 34 percent in the fourth year. We recommend that the rate of duty on in-quota imports of fine denier polyester staple fiber be fifteen percent ad valorem, to be phased down in each subsequent year by one percentage point to 14 percent in the second year, 13 percent in the third year, and 12 percent in the fourth year.

Having made negative findings with respect to imports from Canada and Mexico, we recommend that imports from Mexico and Canada be excluded from the above quantitative restriction, tariff-rate quota, and increased rates of duty. Further, we recommend that the above quantitative restriction, tariff-rate quota, and increased rates of duty not apply to imports from the following countries with which the United States has free trade agreements: Australia, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea,<sup>2</sup> Nicaragua, Panama, Peru, and Singapore. We also recommend that the quantitative restriction, tariff-rate quota, and increased rates of duty not apply to imports from the beneficiary countries under the Caribbean Basin Economic Recovery Act.

---

<sup>1</sup> An alternative approach to restricting imports under HTS statistical reporting number 9813.00.0520, would be to use authority under Section 203(g)(1) (19 U.S.C. § 2253(g)(1)) (“The President shall by regulation provide for the efficient and fair administration of all actions taken for the purpose of providing import relief under this part.”) to suspend eligibility for imports of fine denier polyester staple fiber to be admitted temporarily free of duty under bond for the duration of the remedy period.

<sup>2</sup> Commissioner Schmittlein does not recommend excluding imports from South Korea from the quantitative restriction on imports admitted under HTS statistical reporting number 9813.00.0520.

	Year 1	Year 2	Year 3	Year 4
HTS statistical reporting number 9813.00.0520 Quantitative Restriction Level (pounds)	zero	1 million	2 million	3 million
In-Quota Tariff Rate	15%	14%	13%	12%
In-Quota Volume Level (pounds)	145 million	145 million	145 million	145 million
Out-of-Quota Tariff Rate	40%	38%	36%	34%

We also recommend that the President consider authorizing the establishment of an exclusion process to allow for importation of covered imports without application of the tariff-rate quota in the case of a demonstrated lack of production in the United States for a particularized fine denier PSF product or in the case of a critical short supply of a particularized fine denier fine denier PSF product from domestic sources.

**Statement of Commissioner Jason E. Kearns on remedy recommendations in the global safeguard investigation *Fine Denier Polyester Staple Fiber, Inv. No. TA-201-78***

I recommend to the President the following actions.

**1. Fine Denier Polyester Staple Fiber (PSF) Imports Entering Under the Temporary Importation Under Bond Program**

I recommend that for a four-year period the President impose a quantitative restriction (QR) in the form of an absolute (zero) quota on fine denier PSF that enter under the Temporary Importation under Bond (TIB) Program. The quota on the TIB entries will be increased by 1 million pounds each year. The absolute quota on the TIB entries will apply to imports from all countries, including South Korea.

I recommend that the President submit to Congress a legislative proposal to permanently preclude the ability to avoid payment of any antidumping or countervailing duty through the TIB provision provided for in HTS subheading 9813.00.0520.

**2. Tariff-Rate Quota on Fine Denier PSF**

I recommend that for a four-year period the President impose a tariff-rate quota (TRQ) on imports of fine denier polyester staple fiber (fine denier PSF) with:

- (a) a quota volume of 110 million pounds per year (calculated using the import market share average for 2019 and 2020, and apparent consumption for 2023);
- (b) an in-tariff quota rate of 22%, reduced to 20% in the second and third years, and reduced to 18% in the fourth year; and
- (c) an out-of quota rate of 50%, reduced by three percentage points in each subsequent year.

Any TIB entries, with the exception of TIB entries from the FTA and trade preference countries identified below, will count towards the quota levels and will be subject to the in-quota and out-of-quota tariffs.

Compensation for Downstream Fine Denier PSF Users Based on TRQ Revenue. I recommend that the President submit to Congress a legislative proposal to distribute TRQ revenue generated by this action to downstream users of the article, to the extent necessary to reduce injury to domestic manufacturers of downstream products.

Product Exclusion Process. I recommend that the President authorize the establishment of an exclusion process to allow for importation of covered imports without application of the tariff-rate quota in the case of a demonstrated lack of production in the United States for a particularized fine denier polyester staple fiber product or in the case of a critical short supply of a particularized fine denier polyester staple fiber product from domestic sources.

FTA and Trade Preference Countries. Having made findings that U.S. imports from Australia, the CAFTA-DR countries, Colombia, Honduras, Israel, Jordan, Panama, Peru, Singapore, South Korea and the beneficiary countries under the Caribbean Basin Economic Recovery Act were not a substantial cause of the serious injury experienced by the domestic industry, I recommend to the President that U.S. imports from these countries be excluded from the tariff-rate quota. Having also made negative findings with respect to imports from Canada and Mexico under section 302 of the United States-Mexico-Canada Free Trade Agreement Implementation Act, I recommend that the President exclude such imports from the tariff-rate quota.

\* \* \*

For ease of reference, I provide the following table concerning both the quantitative restriction and the tariff-rate quota:

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
<b>HTS statistical reporting number 9813.00.0520</b>				
Quantitative Restriction Level (pounds)	zero	1 million	2 million	3 million
<b>Fine Denier Polyester Staple Fiber: Tariff Rate Quota</b>				
In-Quota Tariff Rate	22%	20%	20%	18%
In-Quota Volume Level (pounds)	110 million	110 million	110 million	110 million
Out-of-Quota Tariff Rate	50%	47%	44%	41%