

March 27, 1998

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

MEMORANDUM TO THE COMMITTEE ON WAYS AND MEANS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES ON PROPOSED TARIFF LEGISLATION<sup>1</sup>

Bill no., sponsor, and sponsor's state: H.R. 2148 (105th Congress), Representative Spence (SC) and on behalf of Representative Sisisky (VA).

Companion bill: S. 1479 (105th Congress), Senator D'Amato (NY).<sup>2</sup>

Title as introduced: To suspend temporarily the duty on certain other single viscose rayon yarn.

Summary of bill:<sup>3</sup>

The bill would amend chapter 99 of the Harmonized Tariff Schedule (HTS) of the United States by reducing the current general rate of duty on specified viscose rayon filament yarn from 10 percent ad valorem to 7.5 percent ad valorem through December 31, 1998.<sup>4</sup> The specified rayon filament yarn is classified in HTS subheading 5403.31.00 and is described as single yarn of viscose rayon, untwisted or with a twist not exceeding 120 turns per meter. The bill specifically excludes from the proposed duty reduction medium tenacity rayon filament yarn which is manufactured solely for the purpose of carbonizing and is also classified in this HTS subheading.

Effective date: The 15th day after enactment.

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<sup>1</sup> Industry analyst: Jackie W. Jones (205-3466); attorney: Jan Summers (205-2605).

<sup>2</sup> Related duty suspension bills covering a range of types of rayon filament yarn were previously introduced in the 105th Congress. Section 221 of H.R. 2622, the "Trade and Technical Corrections Act of 1997," provides for a 2-year duty suspension on high tenacity single rayon filament yarn (HTS subheading 5403.10.30) used in the production of industrial hoses and belting. This duty suspension was originally proposed by Representative Jenkins (TN) in H.R. 1954, a bill "To suspend temporarily the duty on certain high tenacity single yarns of viscose rayon." Section 241 of H.R. 2622 provides for a 3-year duty suspension for single rayon filament yarn with a twist exceeding 120 turns per meter (HTS subheading 5403.32.00) used in fabric production for apparel and home furnishings. Representative King (NY) originally introduced this duty suspension as H.R. 1888, a bill "To suspend temporarily the duty on certain twisted yarn of viscose rayon." In addition to the Senate companion bill for H.R. 2148, other Senate bills providing for duty suspensions on rayon filament yarns include S. 1474, "To suspend temporarily the duty on certain high tenacity single yarn of viscose rayon;" S. 1475, "To suspend temporarily the duty on certain twisted yarn of viscose rayon;" and S. 1478, "To suspend temporarily the duty on certain viscose rayon yarn." All three bills were introduced by Senator D'Amato (NY) on Nov. 8, 1997.

<sup>3</sup> See appendix A for definitions of tariff and trade agreement terms.

<sup>4</sup> Submissions received by the Commission indicate that a one-year duty reduction is desired by the proponents.

Retroactive effect:       None

Statement of purpose:

The sponsor made no statement regarding the bill in the *Congressional Record*, and his staff did not supply USITC staff with any information. However, the principal proponent of H.R. 2148, ICF Industries, Inc., stated in its submission to the House Ways and Means Committee that:<sup>5</sup>

a reduction of the ten percent duty on the types of rayon filament yarn affected by H.R. 2148 would lower the cost of these yarns to domestic producers no longer able to buy a U.S.-made, duty-free rayon filament yarn product. Such a duty reduction would thus go a long way toward enhancing the ability of U.S. companies manufacturing fabrics for apparel and home furnishings and embroidery and similar decorative yarns--and of their customers in the apparel and home furnishings industries--to compete more effectively in their U.S. home market against imported products and in the world market generally.

Product description and uses:

Single viscose rayon  
filament yarn:

The bill covers single low-to-medium tenacity yarn of viscose rayon filament, untwisted or with a twist that does not exceed 120 turns per meter, and classifiable in HTS subheading 5403.31.00. The yarn may comprise one (monofilament) or several (multifilament) filaments of viscose rayon, an artificial fiber produced from cellulosic materials, generally wood pulp. This yarn is used to produce such products as embroidery thread and fabrics with a sheen or luster, ranging from linings to velvets. These fabrics are used in the manufacture of apparel products, draperies, upholstery, and other home furnishing products.

The bill specifically excludes from coverage medium tenacity rayon filament yarn manufactured solely for the purpose of carbonizing, which is also classifiable under HTS subheading 5403.31.00. Carbonizing is a process in which a yarn is heated so that at least 90 percent of the fibers are carbonized. This highly specialized yarn is used to produce carbonized fiber for aerospace and defense applications, such as in the booster rockets of the space shuttle and in defense launch vehicles.

In addition, H.R. 2148 does not cover related single yarn of viscose rayon filament, such as high tenacity yarn of viscose rayon, classifiable under HTS subheading 5403.10.30, and single yarn of rayon, with a twist exceeding 120 turns per meter classifiable in HTS subheading 5403.32.00.

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<sup>5</sup> See appendix C for “Comments of ICF Industries, Inc. of New York, New York, to the House Ways and Means Committee in Support of H.R. 2148 (Proposed Duty Suspension Affecting Certain Viscose Rayon Yarn),” Jan. 26, 1998, p. 7.

Tariff treatment:<sup>6</sup>

<u>Product</u>	<u>HTS subheading</u>	<u>Col. 1-general rate of duty</u>
Artificial filament yarn (other than sewing thread), not put up for retail sale: Single yarn of viscose rayon, untwisted or with a twist not exceeding 120 turns per meter.....	5403.31.00	10%

This general rate of duty is not scheduled to be reduced further and represents a “bound” rate of duty under Schedule XX, the U.S. schedule of concessions accorded under the General Agreement on Tariffs and Trade.

Structure of domestic industry (including competing products):

Single viscose

rayon filament yarn:

This yarn is currently not produced in the United States. The one U.S. producer of rayon filament yarn, North American Corp., Elizabethton, TN, stopped making most rayon filament yarn in 1997. However, North American Corp. stated that it retains the capacity to produce carbonizable rayon filament yarn for the aerospace and defense industries and that it is still certified by the U.S. government to produce this yarn for NASA and the U.S. Department of Defense.<sup>7</sup>

Possible competing

product--acetate

filament yarn:

The Hoechst Corp. claims that acetate filament yarn is substitutable for the rayon filament yarn under consideration.<sup>8</sup> The Hoechst Corp.’s subsidiary--Celanese Acetate, the world’s largest producer of acetate filament yarn--is one of two producers of acetate filament yarn in the United States. Celanese Acetate makes this product in two U.S. plants, employing 2,500 people. The other U.S. producer of acetate filament yarn is Eastman Chemical Co., which employs 10,000 people in the manufacture of chemicals, plastics and acetate fibers. Both the Hoechst Corp. and Eastman Chemical Co. claim that rayon filament yarn competes directly with the acetate filament yarn these companies produce domestically. The Hoechst Corp.’s submission states that the two filament fibers are interchangeable in producing four types of fabric used in the manufacture of apparel--linings, circular and tricot knits, and woven fabrics, including satin and velvet. Hoechst cites

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<sup>6</sup> See appendix B for column 1-special and column 2 duty rates.

<sup>7</sup> See appendix C for letter to Mrs. J. Jones, USITC, from North American Corp., Elizabethton, TN, Feb. 13, 1998.

<sup>8</sup> See appendix C for the Hoechst Corp.’s “Statement of Opposition to Pending Legislation to Suspend or Reduce Import Duties on Certain Rayon Filament Yarn,” Jan. 26, 1998; and also, Eastman Chemical Co.’s letter of position to the Committee on Ways and Means, Nov. 17, 1997.

evidence of the two fibers' interchangeability--namely, that both producers' exports to Korea declined in 1997 as low-priced rayon filament yarn exports shipped from China to Korea were purchased as substitutes.

ICF Industries, Inc., an importer of the rayon filament yarn and the main proponent of H.R. 2148, argues that rayon and acetate filament yarns are not substitutable.<sup>9</sup> They state that rayon and acetate are different chemically and are produced by different manufacturing processes. As a result, the two fibers have different properties, such as anti-static properties; strengths; reactions to moisture, heat, and dyes; are priced differently; and are used differently. ICF's submissions state that because of these differences, the Neighborhood Cleaners Association and the Federal Trade Commission make a clear distinction between acetate and rayon fibers. In addition, ICF Industries, Inc. elaborates that acetate fiber is not used to make sewing or embroidery threads and that fabrics made of rayon tend to be more comfortable, less clingy, and longer lasting than fabrics made of acetate filament yarn.

#### Private-sector views:

Single viscose  
rayon filament  
yarn:

The Commission contacted the North American Corp., Elizabethton, TN, which was the last domestic producer of most types of rayon filament yarn.<sup>10</sup> The company ceased production in early 1997, but continues to have the capacity to produce carbonizable rayon filament yarn for the aerospace and defense industries. The Commission also contacted ICG Industries, Inc., New York, NY, a major importer of rayon filament yarn.<sup>11</sup> These companies support the bill and their written comments are set out in appendix C.

The Commission contacted 3 U.S. companies that further process the subject rayon filament yarn and oppose H.R. 2148. The Rayon Yarn Corp., Spartanburgh, SC, is a subsidiary of Celulosa y Derivados de Monterrey (CYDSA), a manufacturer of the subject rayon filament yarn in Mexico.<sup>12</sup> The Rayon Yarn Corp. is the sales, marketing and distribution center for CYDSA in the United States, and CYDSA manufactures all types of rayon yarn for use in apparel, home furnishings, automobile hoses, and other goods, as well as the excluded carbonizable yarn. Hickory Throwing Co., Hickory, NC, processes the rayon filament yarn imported from Mexico. Highland Industries, Inc., Greensboro, NC, weaves carbonizable rayon filament yarn into a specialized fabric used in the aerospace and defense industries.<sup>13</sup> The companies' written comments are set out in appendix C.

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<sup>9</sup> See appendix C for comments submitted by ICF Industries, Inc., to the House Ways and Means Committee, Jan. 26, 1998, and for letters to Mrs. J. Jones, USITC, from ICF Industries, Inc., Feb. 13 and 27, 1998, which refute Hoechst Corp.'s arguments supporting the substitutability of the two fibers.

<sup>10</sup> Conversation with Mr. Charles K. Green, President, North American Corp., Feb. 11, 1998.

<sup>11</sup> Meeting with Mr. David G. Trachtenberg, ICF Industries, Inc. and Mr. Russell L. Smith, Attorney representing ICF Industries, Inc., Jan. 29, 1998.

<sup>12</sup> Conversation with Mr. Stephen Lathan, President., Rayon Yarn Corp., and Mr. Michael R. Cobb, Director of Planning and Development, Hickory Throwing Co., Jan. 29, 1998.

<sup>13</sup> Conversation with Mr. Randy Lippard, Director of Marketing, Highland Industries, Inc., Feb. 11, 1998.

Possible competing  
product--acetate

filament yarn: The Commission has been in contact with the two U.S. producers of acetate filament yarn--  
Celanese Acetate and Eastman Chemical Co., both of which oppose H.R. 2148.<sup>14</sup> Their  
written comments are set out in appendix C.

Issue of future  
availability of  
carbonizable

yarn: As noted earlier, the bill specifically excludes medium-tenacity rayon filament yarn made  
solely for the purpose of carbonizing from the scope of the duty reduction. Interested  
parties' submissions to the House Ways and Means Committee, concerning the duty  
suspension or reduction bills on imports of rayon filament yarn, note that the U.S.  
government could be left without a supplier of carbonizable rayon filament yarn, a necessary  
component in the space shuttle and defense launch vehicles. The following are three  
perspectives on this issue:

Highland Industries, Inc. states that the "only current operating supplier (of carbonizable  
rayon filament yarn) is Rayon Yarn Corp., a subsidiary of CYDSA, Corp., Monterrey,  
Mexico."<sup>15</sup> According to Highland Industries, if the duty on rayon filament yarn is reduced,  
the Rayon Yarn Corp. and CYDSA indicated that they would not be able to compete in the  
U.S. market and would be forced to cease production of all rayon products, including the  
carbonizable rayon filament yarn.

The Rayon Yarn Corp. states that carbonizable rayon filament yarn produced by CYDSA is  
currently being used by the U.S. Department of Defense and that CYDSA is in the process  
of developing a carbonizable rayon filament yarn with extremely low mineral content, which  
will be used in defense launch reentry vehicles. The submission further explains that  
CYDSA/Rayon Yarn Corp. is the only world producer of such a product.<sup>16</sup> The Rayon Yarn  
Corp. also claims that if the U.S. duty on rayon filament yarn from non-NAFTA countries is  
eliminated, ending the NAFTA tariff preference available to goods of Mexico, CYDSA  
would have to cease production of all rayon yarn, including the carbonizable rayon yarn.<sup>17</sup>

North American Corp., which had produced rayon filament yarn in the United States until  
1997, explains that the firm produced carbonizable rayon filament yarn for Department of  
Defense programs and NASA for the past 10 years.<sup>18</sup> The submission states that the firm is  
the only qualified supplier of carbonizable rayon filament yarn in the United States. The  
submission explains that North American Corp. met all requests for carbonizable rayon yarn  
for the Department of Defense and NASA in October 1997, and that it has the product

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<sup>14</sup> Conversation with Mr. W. Anthony Shaw, Government Relations Department, Hoechst Corp.,  
Washington, DC, Jan. 23, 1998.

<sup>15</sup> See appendix C for letter from Highland Industries, Inc. to Mr. C. Ballenger, U.S. House of  
Representatives, Jan. 20, 1998.

<sup>16</sup> Conversation with Mr. Stephen Lathan, President, Rayon Yarn Corp., Spartanburgh, SC, Feb. 18, 1998.

<sup>17</sup> See appendix C for letter from Rayon Yarn Corp. to Representative B. Archer, Chairman, House  
Committee On Ways and Means, Oct. 8, 1997.

<sup>18</sup> See appendix C for letter to Mrs. J. Jones, USITC, from Mr. Charles K. Green, President, North  
American Corp., Feb. 13, 1998.

available in a stockpile located in various warehouses in South Carolina. The submission also states that the firm has all the necessary equipment in place and is ready to restart production of the yarn, if and when the government needs additional quantities of this yarn.

U.S. consumption:

Single viscose rayon filament yarn :

	<u>1995</u>	<u>1996</u>	<u>1997</u>
	----- (Million dollars) -----		
U.S. production.....	37.6 <sup>1</sup>	30.7 <sup>1</sup>	<sup>2</sup>
U.S. imports.....	44.6	34.9	38.1
U.S. exports.....	2.3	2.2	3.1
Apparent U.S. consumption.....	79.9 <sup>1</sup>	63.4 <sup>1</sup>	35.0 <sup>1</sup>

Principal import sources: Germany, Mexico, the Netherlands, and Brazil

Principal export markets: Canada and Japan

<sup>1</sup>Estimated by Commission staff.

<sup>2</sup>Not available, but believed to be minimal since most domestic production of rayon filament yarn ended in early 1997.

Possible competing product--  
acetate filament yarn:

	<u>1995</u>	<u>1996</u>	<u>1997</u>
	----- (Million dollars) -----		
U.S. production.....	362.6 <sup>1</sup>	405.6 <sup>1</sup>	383.7 <sup>1</sup>
U.S. imports.....	26.7	40.9	37.1
U.S. exports.....	64.3	70.0	86.3
Apparent U.S. consumption.....	325.0 <sup>1</sup>	376.5 <sup>1</sup>	334.5 <sup>1</sup>

Principal import sources: Canada, and to a lesser extent, Italy.

Principal export markets: Korea, Mexico, Belgium, and Italy.

<sup>1</sup>Estimated by Commission staff.

Effect on customs revenue:<sup>19</sup>

Future (through the close of 1999) effect:

Based on annual (1997) dutiable imports of the subject rayon filament yarn, valued at \$38.1 million, and taking into account the value of dutiable imports from Mexico with the lower NAFTA rate, and the reduction in the 1998 rate of duty from 10 percent ad valorem to the proposed rate of 7.5 percent ad valorem, the bill would result in an estimated annual customs revenue loss of \$1.1 million.

Annual value of dutiable U.S. imports	38,128.0
- <u>annual value of dutiable U.S. imports from Mexico</u>	<u>-7,548.0</u>
Annual value of dutiable imports affected	30,580.0

Annual value of dutiable U.S. imports	30,580.0
x <u>column 1-general rate of duty</u>	<u>x 0.10</u>
Current annual duty collected	3,058.0

Annual value of dutiable U.S. imports	30,580.0
x <u>proposed column 1-general rate of duty</u>	<u>x 0.075</u>
Proposed annual duty collected	2,293.5

Current duty collected	3,058.0
- <u>proposed annual duty</u>	<u>- 2,293.5</u>
Estimated annual revenue loss from other countries	764.5

Annual value of dutiable U.S. imports from Mexico	7,548.0
x <u>NAFTA rate of duty</u>	<u>x 0.05</u>
Estimated annual revenue loss from Mexico	377.4

Estimated annual revenue loss from other countries	764.5
+ <u>estimated annual revenue loss from Mexico</u>	<u>+ 377.4</u>
Total estimated annual revenue loss	1,141.9

Technical comments:

The proposed new tariff heading has been given only 4 digits. We suggest that it be designated as "9902.54.05". We further recommend that the proposed article description be simplified by deleting "Other yarn, single: Of" and by substituting "Single yarn of" therefor. In addition, in order to provide greater assurance that the duty reduction would exclude the carbonizable yarn used by the aerospace and defense industries from the duty reduction proposed in the bill, the phrase "and certified for use by the U.S. government" could be added to the end of the article description after the word "carbonizing". We would defer to the Customs Service to comment on any administrative aspects of such an addition.

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<sup>19</sup> Actual revenue loss may be understated in the event of a significant increase in imports over the duty reduction period.

The proponents of the bill indicate in written submissions that the duty reduction is intended to be in effect for one year. As drafted, H.R. 2148 would make the duty reduction effective as of the 15th day after the date of enactment but would terminate it, by operation of the proposed tariff provision, at the close of December 31, 1998. Thus, the duty reduction would not be in effect for an entire year. In order to give a full year's benefit of the duty reduction, the effective period of the new tariff provision would need to be amended so that it would expire on "9/30/99" or "12/31/99" or any other specific date (but not general language that would have it end on a date that is one year after enactment, as this would cause confusion).

## APPENDIX A

### TARIFF AND TRADE AGREEMENT TERMS

In the **Harmonized Tariff Schedule of the United States** (HTS), chapters 1 through 97 cover all goods in trade and incorporate in the tariff nomenclature the internationally adopted Harmonized Commodity Description and Coding System through the 6-digit level of product description. Subordinate 8-digit product subdivisions, either enacted by Congress or proclaimed by the President, allow more narrowly applicable duty rates; 10-digit administrative statistical reporting numbers provide data of national interest. Chapters 98 and 99 contain special U.S. classifications and temporary rate provisions, respectively. The HTS replaced the **Tariff Schedules of the United States** (TSUS) effective January 1, 1989.

Duty rates in the **general** subcolumn of HTS column 1 are most-favored-nation (MFN) rates, many of which have been eliminated or are being reduced as concessions resulting from the Uruguay Round of Multilateral Trade Negotiations. Column 1-general duty rates apply to all countries except those enumerated in HTS general note 3(b) (Afghanistan, Cuba, Laos, North Korea, and Vietnam), which are subject to the statutory rates set forth in **column 2**. Specified goods from designated MFN-eligible countries may be eligible for reduced rates of duty or for duty-free entry under one or more preferential tariff programs. Such tariff treatment is set forth in the **special** subcolumn of HTS rate of duty column 1 or in the general notes. If eligibility for special tariff rates is not claimed or established, goods are dutiable at column 1-general rates. The HTS does not enumerate those countries as to which a total or partial embargo has been declared.

The **Generalized System of Preferences** (GSP) affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 for 10 years and extended several times thereafter, applies to merchandise imported on or after January 1, 1976 and before the close of June 30, 1998. Indicated by the symbol "A", "A\*", or "A+" in the special subcolumn, the GSP provides duty-free entry to eligible articles the product of and imported directly from designated beneficiary developing countries, as set forth in general note 4 to the HTS.

The **Caribbean Basin Economic Recovery Act** (CBERA) affords nonreciprocal tariff preferences to developing countries in the Caribbean Basin area to aid their economic development and to diversify and expand their production and exports. The CBERA, enacted in title II of Public Law 98-67, implemented by Presidential Proclamation 5133 of November 30, 1983, and amended by the Customs and Trade Act of 1990, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after January 1, 1984. Indicated by the symbol "E" or "E\*" in the special subcolumn, the CBERA provides duty-free entry to eligible articles, and reduced-duty treatment to certain other articles, which are the product of and imported directly from designated countries, as set forth in general note 7 to the HTS.

Free rates of duty in the special subcolumn followed by the symbol "IL" are applicable to products of Israel under the **United States-Israel Free Trade Area Implementation Act** of 1985 (IFTA), as provided in general note 8 to the HTS.

Preferential nonreciprocal duty-free or reduced-duty treatment in the special subcolumn followed by the symbol "J" or "J\*" in parentheses is afforded to eligible articles the product of designated beneficiary countries under the **Andean Trade Preference Act** (ATPA), enacted as title II of Public Law 102-182 and implemented by Presidential Proclamation 6455 of July 2, 1992 (effective July 22, 1992), as set forth in general note 11 to the HTS.

Preferential or free rates of duty in the special subcolumn followed by the symbol "CA" are applicable to eligible goods of Canada, and rates followed by the symbol "MX" are applicable to eligible goods of Mexico, under the **North American Free Trade Agreement**, as provided in general note 12 to the HTS and implemented effective January 1, 1994 by Presidential Proclamation 6641 of December 15, 1993. Goods must originate in the NAFTA region under rules set forth in general note 12(t) and meet other requirements of the note and applicable regulations.

Other special tariff treatment applies to particular **products of insular possessions** (general note 3(a)(iv)), **products of the West Bank and Gaza Strip** (general note 3(a)(v)), goods covered by the **Automotive Products Trade Act** (APTA) (general note 5) and the **Agreement on Trade in Civil Aircraft** (ATCA) (general note 6), **articles imported from freely associated states** (general note 10), **pharmaceutical products** (general note 13), and **intermediate chemicals for dyes** (general note 14).

The **General Agreement on Tariffs and Trade 1994** (GATT 1994), pursuant to the Agreement Establishing the World Trade Organization, is based upon the earlier GATT 1947 (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786) as the primary multilateral system of disciplines and principles governing international trade. Signatories' obligations under both the 1994 and 1947 agreements focus upon most-favored-nation treatment, the maintenance of scheduled concession rates of duty, and national treatment for imported products; the GATT also provides the legal framework for customs valuation standards, "escape clause" (emergency) actions, antidumping and countervailing duties, dispute settlement, and other measures. The results of the Uruguay Round of multilateral tariff negotiations are set forth by way of separate schedules of concessions for each participating contracting party, with the U.S. schedule designated as Schedule XX.

Pursuant to the **Agreement on Textiles and Clothing** (ATC) of the GATT 1994, member countries are phasing out restrictions on imports under the prior "Arrangement Regarding International Trade in Textiles" (known as the **Multifiber Arrangement** (MFA)). Under the MFA, which was a departure from GATT 1947 provisions, importing and exporting countries negotiated bilateral agreements limiting textile and apparel shipments, and importing countries could take unilateral action in the absence or violation of an agreement. Quantitative limits had been established on imported textiles and apparel of cotton, other vegetable fibers, wool, man-made fibers or silk blends in an effort to prevent or limit market disruption in the importing countries. The ATC establishes notification and safeguard procedures, along with other rules concerning the customs treatment of textile and apparel shipments, and calls for the eventual complete integration of this sector into the GATT 1994 over a ten-year period, or by Jan. 1, 2005.

Rev. 8/12/97

**APPENDIX B**

**SELECTED PORTIONS OF THE  
HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES**

(Appendix not included in the electronic version of this report.)

**APPENDIX C**

**OTHER ATTACHMENTS**

(Appendix not included in the electronic version of this report.)

105TH CONGRESS  
1ST SESSION

# H. R. 2148

To suspend temporarily the duty on certain other single viscose rayon yarn.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1997

Mr. SPENCE (for himself and Mr. SISISKY) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To suspend temporarily the duty on certain other single viscose rayon yarn.

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. TEMPORARY SUSPENSION OF DUTY.**

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. .	Other yarn, single: Of viscose rayon, untwisted or with a twist not exceeding 120 turns/m (provided for in subheading 5403.31.00), except for medium tenacity rayon filament yarn (2.8 to 4.1 grains per denier) manufactured solely for the purpose of carbonizing ..	7.5%	No change	No change	On or before 12/31/1998	”.
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1           (b) **EFFECTIVE DATE.**—The amendment made by  
2 subsection (a) applies with respect to goods entered, or  
3 withdrawn from warehouse for consumption, on or after  
4 the 15th day after the date of enactment of this Act.

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