

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: November 29, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2591 (Mr. Barney Frank of Massachusetts).

**Proponent name, location:** Quaker Fabric Corp., Fall River, MA.

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2008.

**Retroactive effect:** None.

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

Single yarn (other than sewing thread) of synthetic staple fibers, not put up for retail sale, containing 85 percent or more by weight of acrylic or modacrylic staple fibers (provided for in subheading 5509.31.00).

**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:**

Yarns classified in HTS subheading 5509.31.00 are spun from acrylic and modacrylic fibers and are available in solution dyed, yarn dyed, or greige form.<sup>3</sup> The yarns for which the petitioner seeks duty suspension are primarily finished acrylic yarns that are spun from dyed acrylic fiber and various blends of dyed acrylic fibers.<sup>4</sup> These yarns are used for upholstery fabrics and novelty yarns. They are typically spun on regular spinning machinery; however, the machines are adjusted for short or long staple fiber.<sup>5</sup>

Acrylic and modacrylic yarns are used in the apparel, home furnishings, industrial, and craft yarn markets.<sup>6</sup> In apparel, these yarns are used predominantly in sweaters and socks, but also in coats, collars, linings, dresses, and shirts.<sup>7</sup> In home furnishings, the yarns are used in upholstery fabrics, blankets, and floor coverings. Industry sources report that acrylic yarns impart colorfastness and resistance to damage from sunlight and the elements in fabrics made for home furnishings.<sup>8</sup> Modacrylic yarns are used in textile products for which flame-retardant properties are required (e.g., draperies and apparel).<sup>9</sup> Acrylic and modacrylic yarns are

<sup>1</sup> Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

<sup>3</sup> Michael Hubbard, Vice President, National Council of Textile Organizations, written submission, Sept. 1, 2005.

<sup>4</sup> U.S. production of acrylic fibers is more limited in recent years as one of the two U.S. producers, Solutia, indicated it had discontinued production of the subject fibers in April 2005. Solutia, "Acrilan (exited business as of 4/15/05) acrylic fiber," found at <http://www.solutia.com>, retrieved June 8, 2005.

<sup>5</sup> James W. Chesnutt, President & CEO, National Spinning, Inc., written submission, Sept. 2, 2005, and Michael Hubbard, Vice President, National Council of Textile Organizations, written submission, Sept. 1, 2005.

<sup>6</sup> Michael S. Hubbard, Vice President, National Council of Textile Organizations, written submission, Sept. 1, 2005.

<sup>7</sup> Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990, p. 3.

<sup>8</sup> James W. Chesnutt, President & CEO, National Spinning, Inc., written submission, Sept. 2, 2005.

<sup>9</sup> Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990, p. 98.

typically sold to apparel and home furnishing fabric producers on cones. Acrylic yarns that are spun for the craft yarn market require machines to wind yarn into skeins.<sup>10</sup>

The acrylic and modacrylic yarns for which the proponent seeks duty suspension are spun from acrylic fibers that are dyed to create over 140 custom colors.<sup>11</sup> The custom-dyed acrylic fibers undergo precise blending and specialized color matching during the yarn spinning process to create hundreds of additional customized hues and tones.<sup>12</sup> Canada was the primary supplier of such yarns in 2004, followed by Spain, Mexico, Turkey, and Indonesia.

**Estimated effect on customs revenue:**

<b>HTS subheading: 5509.3100</b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	9%	9%	9%	9%	9%
Estimated value <i>dutiable</i> imports	\$13,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
Customs revenue loss	\$1,170,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000

Source of estimated dutiable import data: Commission estimates based on data provided by industry.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
Quaker Fabric Corporation, Cynthia Gordan, 508-646-2261	09/2/2005	No	Yes	No
Amital Spinning Corp., Milt E. Gold, 252-636-3435	09/7/2005	Yes	Yes	No
Brodnax Mills, Inc., David Kerr, 424-729-2325	09/2/2005	Yes	Yes	Yes
Carolina Mills, Inc., George Moretz, 828-428-9911	8/30/2005	Yes	Yes	Yes
Coats & Clark, Audie McDearis, 229-888-4201	8/30/2005	No	No	No
Culp Inc., Robert G. Culp, Chairman, 336-889-5161	09/1/2005	Yes	No	No

<sup>10</sup> James W. Chesnutt, President & CEO, National Spinning, Inc., written submission, Sept. 2, 2005. A skein is a continuous strand of yarn or cord in the form of a collapsed coil. It may be of any specified length and is usually obtained by winding a definite number of turns on a reel under prescribed conditions. Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990, p. 141.

<sup>11</sup> Cynthia Gordan, Vice President, Quaker Fabric Corporation, telephone interview with Commission staff, Sept. 7, 2005.

<sup>12</sup> Ibid.

Assn. of Georgia's Textile, Carpet and Consumer Products Manufacturers Sharon Ferguson 404-688-0555	09/2/2005	No	No	No
National Council of Textile Organizations, Michael S. Hubbard, 704-824-3522	09/1/2005	No	Yes	Yes
National Spinning Co., Inc., James W. Chesnutt, 252-975-7218	8/30/2005	Yes	Yes	Yes
Patrick Yarn Mills, Inc., Gilbert Patrick, 704-739-4119	09/2/2005	Yes	Yes	Yes
Richmond Yarns, Inc., Kenneth L. Goodman, Jr., 910-652-5554	09/2/2005	Yes	Yes	Yes

**Technical comments:**<sup>13</sup>

Staff recommends that the article description be clarified slightly as shown on page one, tracking the language of HTS subheading 5503.30.00. Staff also recommends that the article description be narrowed because the proposed heading would cover a broader range of yarns than is desired by the proponent. Discussions have been held with the proponent who suggested more narrow language for the article description. To date, however, the proponent's suggested language proposes criteria that could not be verified readily in a lab and could be burdensome to meet. Staff is still working with U.S. Customs officials and the proponent to resolve this issue.

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<sup>13</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.

109TH CONGRESS  
1ST SESSION

# H. R. 2591

To suspend temporarily the duty on certain yarn (other than sewing thread)  
of synthetic staple fibers, not put up for retail sale.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2005

Mr. FRANK of Massachusetts 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 yarn (other  
than sewing thread) of synthetic staple fibers, not put  
up for retail sale.

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 YARN (OTHER THAN SEWING**  
4 **THREAD) OF SYNTHETIC STAPLE FIBERS,**  
5 **NOT PUT UP FOR RETAIL SALE.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of  
7 the Harmonized Tariff Schedule of the United States is  
8 amended by inserting in numerical sequence the following  
9 new heading:

“	9902.55.01	Yarn (other than sewing thread) of synthetic staple fibers, not put up for retail sale containing 85 percent or more by weight of acrylic or modacrylic staple fibers single yarn (provided for in subheading 5509.31.00) .....	Free	No change	No change	On or before 12/31/2008	”.
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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 the enactment of this Act.

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