MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

[Date approved: December 20, 2005]

Bill No. and sponsor: H.R. 3105 (Mr. Robert Beauprez, Colorado).

Proponent name, location: Gates Corporation, Denver, Colorado.

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


Retroactive effect: None.

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

Chopped synthetic staple fibers, containing 50 percent or more by weight of aramid fibers (provided for in subheading 5503.10.90), the foregoing impregnated with adhesives for bonding such fibers to rubber.

Check one: X 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 products are used predominantly in tire and mechanical rubber goods reinforcement, ropes and cables, flame-resistant clothing, protective vests and helmets, and hot air filtration fabrics. The proponent uses the subject aramid fibers to produce automotive V-belts.

In general, aramid fibers are produced by spinning a solid fiber from a liquid chemical blend and creating a multifilament by a proprietary process developed by the DuPont Corporation. The proponent’s imported fibers, known as Technora®, are produced from two polymers instead of one, and then twisted and plied into a larger yarn by combining more than one yarn. The Technora® yarns occupy the warp direction in the fabric and are woven into a tire cord fabric type construction. As the tariff description suggests, the filaments are chopped to create fibers of desired lengths.

Japan is the leading supplier of these products.

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1 Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).
3 Howard Hurwitz, Corporate Counsel, and Paul Knutson, Supply Chain Manager, Gates Corporation, telephone interview with Commission staff, Oct. 27, 2005.
4 Howard Hurwitz, Corporate Counsel, Gates Corporation, email to Commission staff, Oct. 31, 2005.
The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that U.S. Customs and Border Protection should be consulted prior to enactment of the bill.


Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 5503.10.90</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Estimated value of dutiable imports 1/</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$154,800</td>
<td>$154,800</td>
<td>$154,800</td>
<td>$154,800</td>
<td>$154,800</td>
</tr>
</tbody>
</table>

1/ The estimated dutiable imports presented here include a significantly larger grouping than the imports that are the subject of the petition to avoid divulging business confidential information. The petitioner states that it is the sole importer of the subject aramid fibers, which it sources from Japan.

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

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>US production of same or competitive product claimed?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gates Corporation (Proponent) Howard Hurwitz, 303-744-5653</td>
<td>10/26/2005</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>American Fiber Manufacturers Association Paul O’Day, 703-875-0432</td>
<td>10/27/2005</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DuPont Corporation Dushanka Keane, 302-695-1285</td>
<td>10/27/2005</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Technical comments:

No changes in the language of the legislation or product description are recommended. An official of U.S. Customs and Border Protection noted that the subject imported fibers would require only straight-forward laboratory certification to distinguish them from other imported fibers entering under HTS subheading 5503.10.90.

The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that U.S. Customs and Border Protection should be consulted prior to enactment of the bill.

A BILL

To suspend temporarily the duty on certain aramid chopped fiber.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTAIN ARAMID CHOPPED FIBER.

(a) In general.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

| 9902.90.30 | Chopped synthetic staple fibers, containing 50 percent or more by weight of aramid fibers (provided for in subheading 5503.10.90), the foregoing impregnated with adhesives for bonding such fibers to rubber | Free | No change | No change | On or before 12/31/2008 |
(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.