MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress ¹

[Date approved: October 11, 2006]²

Bill No. and sponsor:  S. 3252 (Mr. Bill Frist of Tennessee on behalf of Mrs. Elizabeth Dole of North Carolina).

Proponent name, location:  National Council of Textile Organizations, Washington, DC.

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


Retroactive effect:  None.

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

Filament tow of rayon (provided for in heading 5502.00.00).

Check one  
Same as that in bill as introduced.  
X Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

According to the proponent, the subject product, filament fiber tow of rayon, is used in a variety of textile and nonwoven applications, including mattresses, baby wipes, upholstery, medical products, and arts and crafts.  This tow is not produced domestically but is imported from various countries, including Spain and China.

Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 5502.00.00</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>7.5%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Estimated value dutiable imports</td>
<td>$579,900</td>
<td>$579,900</td>
<td>$579,900</td>
<td>$579,900</td>
<td>$579,900</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$43,493</td>
<td>$43,493</td>
<td>$43,493</td>
<td>$43,493</td>
<td>$43,493</td>
</tr>
</tbody>
</table>

Source of estimated dutiable import data:  Industry estimates.

¹ Industry analyst preparing report: Elizabeth Nesbitt (202-205-3355); 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/reldoc/bill_reports/index.htm.
Contacts with domestic firms/organizations (including the proponent):

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>Claim US makes same or competing product(s)?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Council of Textile Organizations (Proponent)</td>
<td>08/10/2006 08/17/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>National Textiles Association</td>
<td>07/28/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>David Trumball, 617-542-8220</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Technical comments:

Because heading 5502.00.00 is not subdivided into narrower 6- or 8-digit categories, the proposed article description should be modified to correct the HTS reference. We suggest tracking the language of the heading as closely as possible; inclusion of the word “fiber” might cause confusion and suggest an overlap with heading 5504.

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3 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.
A BILL

To suspend temporarily the duty on filament fiber tow of rayon.

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

SECTION 1. FILAMENT FIBER TOW OF RAYON.

(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:

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9902.55.02 Filament fiber tow of rayon (provided for in
subheading 5502.00.90) ...................... Free No change No change On or before
12/31/2009 .
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(b) Effective Date.—The amendment made by
subsection (a) applies to goods entered, or withdrawn from
warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.