

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: October 11, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2573 (Mr. J. Gresham Barrett of South Carolina).

**Proponent name, location:** Milliken & Company, Spartanburg, SC

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

**Nature of bill:** Temporary tariff suspension through December 31, 2010.

**Retroactive effect:** None.

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

The following HTS subheading and description would be added to chapter 99 of the HTS:

Multifilament yarn of cuprammonium rayon (other than sewing thread), untwisted, not dyed or finished, not put up for retail sale (provided for in subheading 5403.39.00)

**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:--**

Cuprammonium rayon filament yarn is part of the family of cellulosic filament fibers or yarns which have cellulosic material as a principal raw material—usually wood pulp or cotton linters (the short fibers that grow near the center of the cotton boll). Different synthetic chemicals are applied to the cellulosic material to create a liquid solvent or solution which is then extruded as filaments.

The most prevalent types of cellulosic fibers are rayon and acetate. Within the rayon category are subsets with viscose rayon being the most common type. A much smaller amount of cuprammonium rayon filament yarn (the subject product) is made worldwide. Viscose and cuprammonium rayon filament yarns and acetate filament yarns are made using different chemical solvents, primary cellulosic materials, and production processes. Viscose rayon and acetate are usually made from wood pulp, while cuprammonium rayon is made from cotton linters. This results in filament fibers and yarns which differ in physical characteristics. For example, the cross sections of cuprammonium rayon fibers are smooth and circular, while those of viscose rayon fibers and acetate fibers are highly irregular in shape.<sup>3</sup> This is one reason why fabric made from cuprammonium rayon filament yarn has a silk-like luster and softness. The physical structure of cuprammonium rayon filament fiber is highly porous resulting in a high rate of moisture absorption, allowing for easy dyeability and a breathable fabric making it comfortable to wear.

<sup>1</sup> Industry analyst preparing report: Jackie W. Jones (202-205-3466); 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> Marjory L. Joseph, *Introductory Textile Science*, 2<sup>nd</sup> edition, 1966 and 1972, Holt, Rinehart and Winston, Inc., New York, pp. 73-75 and 82.

There are only two producers of cuprammonium rayon filament yarn worldwide. Most of the world production is accounted for by Asahi Kasei Corp., of Osaka, Japan, and the rest, by Bemberg Cell in Italy. In 2004, all U.S. imports of cuprammonium rayon filament yarn came from Japan.

The price of cuprammonium rayon yarn is higher than other yarns used for similar purposes. According to an analysis of the average unit values of imports of the subject yarn and yarns used for similar purposes in 2004, the price of imports of cuprammonium rayon filament yarn was \$7.68 per kilogram, compared with \$5.35 per kilogram for viscose rayon filament yarn and \$4.36 for acetate filament yarn.

**Estimated effect on customs revenue:**

<b>HTS subheading: <u>5403.39.00</u></b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	8%	8%	8%	8%	8%
Estimated value <i>dutiable</i> imports	2,010,000	2,010,000	2,010,000	2,010,000	2,010,000
Customs revenue loss	\$160,800	\$160,800	\$160,800	\$160,800	\$160,800

Source: Estimated by Commission staff based on U.S. Government statistics and industry sources.

**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?
			(Yes/No)	
Milliken & Company (proponent), Katherine M. Dutilh, 202-775-0084	08/17/2005	No	Yes	No
Eastman Chemical Company, Jorge P. San Pedro, 703-524-7653	08/12/2005	Yes	Yes	Yes
National Textile Association, Karl Spilhaus, President, 617-542-8220	08/24/2005	No	No	No
National Council of Textile Organizations Michael Hubbard, 704-718-0222	08/24/2005	No	No	No
Kaplan-Simon Co. Joseph P. Kaplan, 781-848-6500	08/31/2005	No	Yes	No

**Technical comments:**<sup>4</sup> None.

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<sup>4</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. 2573

To suspend temporarily the duty on cuprammonium rayon yarn.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2005

Mr. BARRETT of South Carolina 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 cuprammonium 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. CUPRAMMONIUM RAYON YARN.**

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:

“	9902.05.70	Multifilament yarn of cuprammonium rayon (other than sewing thread), untwisted, not dyed or finished, not put up for retail sale (provided for in subheading 5403.39.00).. .. .	Free	No change	No change	On or before 12/31/2010	”.
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1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of enactment of this Act.

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