

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 11, 2005]²

Bill No. and sponsor: H.R. 2589 (Mr. Barney Frank of Massachusetts).

Proponent name, location: Harodite Industries, Inc., Taunton, MA, and Danville, VA.

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

Nature of bill: Extension of existing temporary duty suspension through December 31, 2008.³

Retroactive effect: None.

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

No change in the article description of existing heading 9902.01.90 is suggested.

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:

The subject yarns⁴ are synthetic filament single yarns of nylon or other polyamides, containing 10 percent or more by weight of nylon 12, of decitex sizes 23 to 850, made with between 4 and 68 filaments, and with a twist of 100 to 300 turns per meter. These yarns are unique in that they do not become an integral part of a yarn or fabric, but instead are used in the manufacturing process for that yarn or fabric and ultimately disappear. The subject yarns have two primary applications. First, they may be used as a separation yarn in the knitting industry. As a fabric is formed, the yarn is knitted into the fabric at certain points to separate the fabric into desired lengths or panels. Heat is applied and the continuous roll of fabric separates into the desired pieces as the subject yarns melt and shrink, because they have a low melting point. Second, the yarns may be used as a fusing or bonding agent, binding the edges or selvages of a fabric so the edges do not fray or serving as a glue to add strength to a material. The subject product is made in Switzerland.

¹ Industry analyst preparing report: Brian Allen (202-708-4728); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The subject yarn can currently enter free of duty under HTS heading 9902.01.90 through Dec. 31, 2006, upon importer claim.

⁴ The yarns covered by H.R. 2589 are essentially the same product covered by H.R. 2590, except that the yarns in H.R. 2589 are twisted after they are extruded from the spinnerets.

Estimated effect on customs revenue:

HTS subheading: <u>5402.51.00</u>					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty	8.8%	8.8%	8.8%	8.8%	8.8%
Estimated value <i>dutiable</i> imports	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377
Customs revenue loss ^{1/}	\$22,000	\$22,660	\$23,340	\$24,040	\$24,761

^{1/} The estimated customs revenue losses for 2005-2006 reflect the existing duty suspension in effect through the end of 2006.

Source: Commission estimates, based on information supplied by the proponent.

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)		
Harodite Industries (Proponent) Dewey M. Rutledge Jr., 434-799-1771	8/23/2005	No	Yes	No
National Council of Textile Organizations Mike Hubbard, 704-824-3522	8/25/2005	No	No	No
Invista Mary Vane, 302-683-3230	8/25/2005	No	No	No
Unifi Jane L. Johnson, 336-316-5278	8/26/2005	No	No	No

Technical comments:⁵

The Commission notes that the word “Free” in the special subcolumn of HTS heading 9902.01.90 should be deleted.

⁵ 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. 2589

To extend the temporary suspension of duty on certain filament yarns.

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

A BILL

To extend the temporary suspension of duty on certain filament yarns.

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 FILAMENT YARNS.**

4 (a) IN GENERAL.—Heading 9902.01.90 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain filament yarns) is amended by striking “12/31/
7 2006” and inserting “12/31/2008”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

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