

United States International Trade Commission

**Viscose Rayon
Staple Fiber:
Probable Effect of
Modification of U.S.-
Australia FTA Rules of
Origin**

Investigation No. U.S.-Australia FTA-103-021

USITC Publication 4041

October 2008



U.S. International Trade Commission

COMMISSIONERS

Shara L. Aranoff, Chairman
Daniel R. Pearson, Vice Chairman
Deanna Tanner Okun
Charlotte R. Lane
Irving A. Williamson
Dean A. Pinkert

Robert A. Rogowsky
Director of Operations

Karen Laney-Cummings
Director, Office of Industries

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Viscose Rayon Staple Fiber: Probable Effect of Modification of U.S.- Australia FTA Rules of Origin

Investigation No. U.S.-Australia FTA-103-021



This report was prepared principally by the Offices of Industries

Project Leader

Jackie W. Jones

Co-project Leader

Laura V. Rodriguez

Office of Industries' Contributing Author

Donald Sussman

Office of Economics

Kyle Johnson

Primary Reviewers

William Gearhart, Linda Linkins, Heidi Colby-Oizumi, Laura Polly, and Jan Summers

Administrative Support

Brenda Carroll

Special Assistance

Wanda Tolson

Office of Publishing

Under the direction of

Karen Laney-Cummings, Director, Office of Industries
Dennis Rapkins, Chief, Chemicals and Textiles Division

CONTENTS

	<i>Page</i>
Introduction and Summary	1
Product Description	3
Discussion of U.S. and Australian Trade and Industry and Market Conditions for the Subject Products	4
Views of Interested Parties	6
Probable Effect of the Proposed Action on U.S. Trade under the U.S.-Australian Free Trade Agreement, on Total U.S. Trade, and on Domestic Producers of the Affected Products	7
Bibliography	Biblio-1
Appendices	
A. Request letter from the United States Trade Representative	A-1
B. <i>Federal Register</i> notice	B-1
Tables	
1. Summary of advice concerning modification of the U.S.-Australia FTA rules of origin for certain viscose rayon staple fiber blended yarns of the United States and Australia	2

Introduction and Summary

This report provides advice to the United States Trade Representative (USTR) concerning the probable effect of a proposed modification of the U.S.-Australia Free Trade Agreement (USAFTA) rule of origin for certain viscose rayon staple fiber blended yarns classified under subheading 5510.90 of the Harmonized Tariff Schedule of the United States (HTS).¹ The proposed change would allow yarns from Australia classified under HTS subheadings 5510.90.20, 5510.90.40, or 5510.90.60 to be made from nonoriginating viscose rayon staple fiber and still qualify for USAFTA trade preferences.² The Commission's analysis indicates that the proposed rule of origin change for these yarns would likely have no effect on U.S. fiber producers and a negligible effect on yarn producers or their workers (table 1). Also, any increase in U.S. trade in the affected products under the USAFTA would likely be minimal, and thus have a negligible effect on overall U.S. trade in the affected goods.

In the letter requesting the Commission's advice, the USTR stated that U.S. and Australian negotiators reached agreement on modifications to the rules of origin following determinations that U.S. and Australian producers are not able to produce viscose rayon staple fiber in commercial quantities in a timely manner.³ In providing its advice, the Commission conducted a qualitative analysis to assess the effect the change to the rule of origin on the subject yarns might have, if implemented, on trade and production for the subject yarns. The Commission's qualitative assessment is based on the best information available, including data and information on trade and production; information pertaining to market conditions for the subject products (e.g., industry structure, production, product uses, and trade flows); information obtained from interested parties, including producers of the affected articles; and the Commission's own expertise.

The consultations and subsequent agreement in principle with the Government of Australia regarding a modification to the USAFTA rule of origin for blended yarns of viscose rayon staple fiber followed the filing of a request for such action with the Committee for the Implementation of Textile Agreements (CITA). The request, filed by Gentry Mills on February 1, 2008, alleged that certain viscose rayon staple fiber, classified in subheading 5504.10.00 of the HTS, cannot be supplied by the U.S. or Australian industries in commercial quantities in a timely manner, and asked that CITA consider whether the USAFTA rule of origin for 52 percent viscose/48 percent polyester blended yarn, classified under HTS subheading 5510.90.20, should be modified to enable origin to be conferred despite the use of non-U.S. and non-Australian viscose rayon staple fiber. CITA asked for comments by March 27, 2008.⁴ No public comments were received by CITA. Subsequently, the United States requested consultations with Australia on Gentry Mills' request. In those

¹ The Commission received the request letter on August 14, 2008; the letter asked the Commission to provide its advice by October 23, 2008.

² The general or normal trade relations (NTR) tariff rates for HTS subheadings 5510.90.20, 5510.90.40, and 5510.90.60 are 9 percent, 10.6 percent, and 13.2 percent ad valorem, respectively. The tariff rate for these subheadings under the USAFTA is 3 percent. U.S. imports of yarns imported under these 3 subheadings enter duty free under the U.S.-Bahrain Free Trade Agreement Implementation Act, the North American Free Trade Agreement (FTA), the U.S.-Chile FTA, the U.S.-Israel FTA, the U.S.-Jordan Free Trade Agreement Implementation Act, the Dominican Republic-Central America-U.S. Free Trade Agreement Implementation Act, and the U.S.-Singapore FTA.

³ See the USTR letter of request to the Commission in app. A of this report.

⁴ See CITA notice request for public comment, 73 Fed. Reg. 10227 (February 26, 2008).

TABLE 1 Summary of advice concerning modification of the U.S.-Australia FTA rules of origin for certain viscose rayon staple fiber blended yarns of the United States and Australia

HTS No.	Existing rule ^a	Proposed rule	Probable effect advice	Nature of modification and effect explanation
5510.90	A change to headings 5501 through 5511 from any other chapter, except from headings 5201 through 5203 or 5401 through 5405.	<p>A change to subheadings 5501.00 through 5510.30 from any other chapter, except from headings 5201 through 5203 or 5401 through 5405.</p> <p>A change to subheading 5510.90 from subheading 5504.10, or from any other chapter, except from headings 5201 through 5203 or 5401 through 5405.</p> <p>A change to heading 5511 from any other chapter, except from headings 5201 through 5203 or 5401 through 5405.</p>	<p>U.S. total trade in affected products: Imports: Negligible Exports: None</p> <p>U.S. trade in affected products under USAFTA: Imports: Negligible Exports: Negligible</p> <p>U.S. production of affected products: Negligible</p>	<p><i>Modification:</i> The proposed rule change would allow yarns incorporating nonoriginating viscose rayon staple fibers formed outside the United States and Australia to qualify as originating goods. Currently, no manmade staple fibers classified in chapter 55 and produced outside Australia or the United States can be included in such yarns, unless considered to be de minimis under HTS general note 28 (d)(i), (e.g., not more than 7 percent of the total weight of the good).</p> <p><i>Probable Effect:</i> The change would likely have no effect on domestic production of the specified viscose rayon staple fibers, as there is no known U.S. production of these fibers. There would likely be a negligible effect on U.S. producers of the subject rayon yarns, because U.S. imports of these yarns from Australia account for a small share of the U.S. market and are expected to increase marginally, if at all. To the extent that the imported subject yarns from Australia may increase, it is unlikely that these yarns would displace U.S.-made yarns. The U.S.-made subject yarns are generally used in different markets (military apparel, industrial and protective apparel, and, to a lesser extent, fashion apparel) than the subject yarns imported from Australia. There is likely to be a negligible effect on U.S. exports of the subject yarns to Australia as the Australian market for these yarns is believed to be small.</p>
<p>^a The current USAFTA rules of origin applicable to U.S. imports of goods of the United States and Australia were taken from general note 28 of the 2008 HTS. General note 28 reflects the rules of origin as specified in annex 4-A of the USAFTA. If incorporated in general note 28, the proposed rule would result in slight, nonsubstantive modifications and formatting changes; the existing rule covers a group of headings, and in all other cases the rules would not be substantively changed.</p>				

consultations, Australia proposed expanding the scope of the U.S. proposal for a modification to the rule of origin to all yarns in HTS subheading 5510.90; CITA requested public comments regarding Australia's proposal to expand the scope of the rule of origin modification to all yarns in HTS subheading 5510.90, with any comments due by September 5, 2008.⁵ No public comments were received by CITA.

Product Description

Although HTS subheading 5510.90 covers all yarn (other than sewing thread and yarn put up for retail sale) containing 50 percent or more but less than 85 percent by weight of artificial fibers,⁶ the proposed rule would apply only to yarn containing viscose rayon staple fiber of subheading 5504.10.00, and not to yarn containing other artificial staple fibers of chapter 55. Accordingly, the subject articles consist of yarns containing 50 percent or more but less than 85 percent by weight of viscose rayon staple fiber,⁷ when such fibers are not mixed mainly or solely with cotton, wool, or fine animal hair. These yarns include those mixed mainly or solely with synthetic staple fibers (such as polyester or nylon),⁸ those mixed mainly or solely with other textile fibers (such as silk, linen, or ramie), and those containing small quantities of cotton, wool, or fine animal hair. Thus, yarns made with more than two different types of fibers in varying proportions,⁹ such as a yarn made from 60 percent rayon, 30 percent polyester, and 10 percent cashmere, also would be included.

The subject yarns of viscose rayon staple fiber blended with synthetic fibers are classified in HTS subheadings 5510.90.20 and 5510.90.40, with NTR duty rates of 9 percent and 10.6 percent ad valorem, respectively. Subheading 5510.90.20 consists of single yarns, consisting of one strand of fibers spun together, while subheading 5510.90.40 covers multiple (folded) or cabled yarns comprised of two or more single yarns that have been twisted together. The subject yarns of viscose rayon staple fiber blended with all other fibers and/or fibers in varying proportions are classified in HTS subheading 5510.90.60 and have an NTR duty rate of 13.2 percent ad valorem. Australia's NTR rate of duty for the yarns classified in subheading 5510.90 is 5 percent ad valorem. The USAFTA rate of duty for these yarns is currently 3 percent and will become zero on January 1, 2010.

Reportedly, the yarns imported under HTS subheading 5510.90 are used to produce a variety of specialty apparel, such as fashion apparel (especially women's sweaters and other knit garments), military apparel, and industrial and protective apparel (especially flame-resistant garments).¹⁰ Some of the characteristics of these yarns include wrinkle resistance, flame resistance, and comfort factors such as wickability.

Because the rule of origin modification states specifically that the subject yarns must contain viscose rayon staple fiber, only those yarns produced with artificial fibers that are made

⁵ See CITA notice request for public comment, 73 Fed. Reg. 45747 (August 6, 2008).

⁶ Artificial fibers are cellulosic or plant-based products.

⁷ Viscose rayon staple fiber are made by cutting large bundles of long lengths of strands of rayon fiber (often referred to as filaments) into shorter lengths (e.g., a few inches in length).

⁸ Synthetic fibers such as polyester and nylon are petroleum-based products.

⁹ National Import Specialist, U.S. Customs and Border Protection, telephone interview by Commission staff, September 19, 2008.

¹⁰ Telephone interviews by or e-mail messages to Commission staff from representatives of ***, September 2008.

using the viscose process¹¹ are subject to the modification or rule change. Artificial fibers produced using the viscose process, and therefore considered to be viscose rayon fibers, include traditional rayon, modal (also known as micro modal), certain bamboo fibers, and flame-resistant rayon.¹² Each of these fibers is produced using varying types of cellulosic material.¹³ For example, modal is made from beechwood, which results in a softer, finer yarn than yarns made from the traditional wood pulp. Although produced using the same basic viscose process, the various fibers often have different physical and chemical characteristics. For example, traditional rayon weakens when wet, and garments made of traditional rayon usually must be dry cleaned. However, micro modal remains strong when wet, and therefore can be subjected to a variety of dyeing and finishing processes requiring water. It can also be laundered frequently without fading.¹⁴

Discussion of U.S. and Australian Trade and Industry and Market Conditions for the Subject Products

U.S. production data for the subject blended rayon yarns are not available because they are grouped with other artificial fiber yarns. U.S. production of artificial fiber yarns is limited, accounting for less than 0.05 percent of all U.S.-produced manmade fiber yarns in 2007. U.S. production of artificial fiber yarns has declined steadily in recent years, falling by 76 percent from 43.0 million pounds in 2004 to 10.4 million pounds in 2007.¹⁵ Industry sources attribute much of the decline to the steady increase in imported apparel and fabrics in recent years, which has reduced demand for all yarns produced in the United States.¹⁶ There are no producers currently manufacturing viscose rayon staple fiber in the United States. Liberty Fibers Corp. (Lowland, TN), the last North American producer of these rayon fibers, terminated all manufacturing operations in September 2005.¹⁷

Only a few U.S. yarn spinners, National Spinning (Washington, NC), Pharr Yarns (McAdenville, NC), Invista (Wilmington, DE), and Buhler Yarns (Jefferson, GA), were identified as currently manufacturing yarns made from rayon staple fibers blended with other

¹¹ The basic viscose process involves chemically changing a cellulosic material, primarily wood pulp, into a soluble compound. This solution is then passed through a spinnerette (a device that resembles a shower head) to form soft continuous strands or filaments as they pass through a sulfuric acid bath. In this process, the filaments are converted into almost pure cellulose. Fiber Source, "Rayon Fiber (Viscose)," undated (accessed August 8, 2005). The viscose process has traditionally been an environmentally polluting process as noxious or toxic gases are released into the environment. According to industry sources, a primary producer of all types of viscose rayon, Lenzing Group of Austria, has developed an environmentally friendly process. ***, telephone interviews by Commission staff, September 2, 2008.

¹² Artificial fibers that are considered not to be viscose rayon are lyocell (also known as Tencel), cuprammonium rayon, and acetate. Yarns made of these artificial fibers would not be included in the rule of origin modification, because these fibers are classified in HTS subheading 5504.90.00.

¹³ ***, telephone interview by Commission staff, September 15, 2008.

¹⁴ USITC, *Commercial Availability of Apparel Inputs (2003)*, March 2004, 006-2.

¹⁵ Based on data in USDOC, "Yarn Production: 2004 Summary," May 2005; USDOC, "Textiles: 2005 Summary," July 2006; USDOC, "Textiles: 2006 Summary," June 2007; USDOC, "Textiles: Second Quarter 2007," September 2007; and USDOC, "Textiles: Fourth Quarter 2007," March 2008.

¹⁶ Representatives of U.S. yarn spinning companies, telephone interviews by Commission staff, September 2–12, 2008.

¹⁷ Tom Montgomery (company representative, Liberty Fibers), telephone interview by Commission staff, May 4, 2007.

fibers.¹⁸ ***¹⁹ These yarns are used primarily to knit sweaters. This firm also makes yarns that have flame-retardant qualities for flight suits.²⁰ *** stated that it spins yarns of flame-resistant rayon blended with 15 other flame-resistant fibers, such as Kevlar®, into fabric for firemen's turnout gear and industrial workwear.²¹

A few U.S. yarn spinners indicated that they had produced the subject rayon blended yarns in the past and still have the capacity to make them, but cannot manufacture them at costs competitive with Asian yarns.²² An industry source reported that demand for apparel made from the subject rayon fibers has rebounded, although from relatively low levels, during the past couple of years because of fashion changes and U.S. military apparel requirements.²³

Australia has a small yarn-spinning industry. Industry sources reported that only one firm, Leading Spinning, manufactures rayon-polyester blended yarns.²⁴ ***²⁵

Australia's textile and yarn industry has a cost structure similar to that of the U.S. industry, and like the U.S. industry, the Australian industry has been contracting, with production declining in recent years.²⁶ Competition from China, Vietnam, Indonesia, and other Asian countries that export price-competitive apparel and fabrics has led to reduced demand for Australia's domestically produced yarns.²⁷ Despite efforts by Australia's government and textile associations to support innovation in yarn spinning and product development, Australia's yarn spinners struggle to remain competitive.²⁸ Australia, like the United States, produces no viscose rayon staple fiber; it sources most of these fibers from Indonesia.²⁹

No information is available on U.S. imports of the subject yarns. Data on imports of these yarns are included with data on U.S. imports of all artificial fiber blended yarns classified under HTS subheadings 5510.90.20, 5510.90.40, and 5510.90.60.³⁰ U.S. imports from all countries classified under the three HTS subheadings totaled \$5.9 million in 2007, a decline of approximately 43 percent from 2006.³¹ ***

¹⁸ Michael Hubbard (vice president, NCTO), telephone interview by Commission staff, September 2, 2008.

¹⁹ ***, telephone interview by Commission staff, September 12, 2008.

²⁰ ***, telephone interview by Commission staff, September 12, 2008.

²¹ ***, telephone interview by Commission staff, September 10, 2008.

²² ***, telephone interview by Commission staff, September 5, 2008; ***, telephone interview by Commission staff, September 10, 2008; and ***, telephone interview by Commission staff, September 15, 2008.

²³ Michael Hubbard (vice president, NCTO), telephone interview by Commission staff, September 2, 2008.

²⁴ ***, e-mail message to Commission staff, September 17, 2008.

²⁵ ***, e-mail message to Commission staff, September 17, 2008.

²⁶ IBISWorld, "Textile Fibre, Yarn and Woven Fabric Manufacturing in Australia," February 28, 2008.

²⁷ Ibid.

²⁸ ***, e-mail message to Commission staff, September 16, 2008.

²⁹ Kerryn Caulfield (executive manager, Technical Textiles and Nonwoven Association), e-mail message to Commission staff, September 12, 2008. PT Indo-Bharat Rayon (established by the Aditya Birla Group of India, the world's largest manufacturer of viscose rayon staple fiber) states that it has become the leading manufacturer of viscose rayon staple fiber in Indonesia. PT Indo-Bharat Rayon produces viscose rayon staple fiber from rayon-grade wood pulp imported from South Africa and Canada. PT Indo-Bharat Rayon, "From Pioneer to Market Leader," undated (accessed August 29, 2008).

³⁰ These subheadings include yarns of any artificial fiber blended with synthetic fibers and other miscellaneous fibers such as silk.

³¹ There were zero to minimal imports of the subject rayon yarns from Australia under HTS subheadings 5510.90.40 and 5510.90.60 during the 2006 through July 2008 period.

Australia was a relatively small supplier of the yarns imported under the three HTS subheadings, accounting for about 8 percent of the total value in 2007. Indonesia was the largest supplier in 2007, accounting for about 36 percent of the total value. The value of total U.S. imports of these artificial fiber blended yarns declined by slightly more than 50 percent between 2006 and 2007 and continued to decline in the January through July 2008 period compared to the same period in 2007. Industry sources attribute the overall decline in these yarns to the reduced number of U.S. customers, specifically, U.S. apparel producers who prefer the newer yarns that create new looks and facilitate the care of garments made from these yarns.³²

U.S. exports of yarns exported under Schedule B number 5510.90 are very small and have been declining in recent years, falling by 93 percent from 2004 to 2007, with 2007 exports amounting to less than \$500,000. Almost one-half of these U.S. exports were shipped to CAFTA countries. U.S. exports of these yarns to Australia were just under \$10,000 in 2006 and there were no exports in 2007. No information is available concerning the share of these U.S. exports that were viscose rayon staple fiber yarns blended with synthetic fibers.

Views of Interested Parties

The Commission received three written submissions concerning the proposed rule change, from the National Council of Textiles Organizations (NCTO), the Association of the Nonwoven Fabrics Industry (INDA), and Pharr Yarns, LLC.³³ The NCTO reported that it represents U.S. mills that manufacture yarns incorporating viscose rayon staple fiber, including blends with natural and manufactured fibers; INDA reported that its members manufacture and export several types of nonwoven products that incorporate viscose rayon staple fiber to promote absorption; and Pharr Yarns expressed concern over the proposed rule change.

The NCTO stated that viscose rayon staple fiber classified under HTS subheading 5504.10.00 has not been produced in the United States for many years and that it does not object to a modification of the rules of origin for the subject yarns made with these fibers. The NCTO indicated that altering the rules for viscose rayon staple fiber yarns will offer U.S. yarn spinners the opportunity to sell qualifying yarns into Australia. The NCTO asserted, however, that any modification to the rules of origin for viscose rayon staple fiber should preserve the original rules for other fibers blended with the rayon to prevent any injury to U.S. yarn spinners and U.S. fiber manufacturers.

INDA reported that it supports any modification to the rules of origins or any program (short supply) that may facilitate the trade and eliminate or reduce duties on intermediate and end-use products made of rayon staple fibers. INDA stated that because there is no production of rayon staple fibers in Australia, the United States, or other NAFTA countries, rayon staple fibers should qualify for duty-free treatment and be considered an originating input in the products its members produce.

³² Apparel made from yarns blended with traditional viscose rayon staple fiber must be dry cleaned, whereas apparel made from other yarn blends (including modal, a relatively newer type of rayon fiber) is machine washable. Machine-washable clothing is now in greater demand. ***, e-mail message to Commission staff, September 16, 2008.

³³ NCTO, written submission to the USITC, September 15, 2008; INDA, written submission to the USITC, September 17, 2008; Pharr Yarns, written submission sent via e-mail message to Commission staff, October 10, 2008.

Pharr Yarns' submission stated that the proposed rule change would impact its business in the subject yarns. Its submission also expressed concern that because Australia's textile industry is limited, the possibility exists for the transshipment of the subject yarns through Australia.

Probable Effect of the Proposed Action on U.S. Trade under the U.S.- Australian Free Trade Agreement, on Total U.S. Trade, and on Domestic Producers of the Affected Products³⁴

The Commission's analysis indicates that the proposed modification of the USAFTA rule of origin for viscose rayon staple fiber blended yarns classified in HTS subheading 5510.90 would likely have a minimal effect on U.S. trade of the subject yarn under USAFTA and a negligible effect on total U.S. trade in the subject yarn. There likely would be no effect on U.S. fiber producers since there is currently no known domestic production of viscose rayon staple fiber. The slight decrease in price of the Australian yarn that could result from the 6 percentage point decrease³⁵ in the U.S. duty may affect those U.S. yarn spinners that produce specialty yarns for the apparel market that are similar to those imported from Australia. However, this effect would be negligible. U.S. imports of the subject yarns from Australia account for a small share of the U.S. market for these yarns and are expected to increase only marginally, if at all. Moreover, U.S.-made subject rayon yarns are increasingly used in the production of military and industrial and protective apparel rather than fashion apparel. In addition, ***, *** Likewise, the impact on U.S. exports of viscose rayon staple fiber blended yarns classified in schedule B subheading 5510.90 to Australia would be negligible. To date, the Australian market for the subject U.S. yarns is believed to be small.

³⁴ The Commission's advice is based on information currently available to the Commission.

³⁵ This 6 percentage point decrease is the difference between the 3 percent ad valorem duty afforded by the USAFTA and the 9 percent ad valorem NTR rate of duty for HTS subheading 5510.90.20, which accounted for most of the imports.

Bibliography

- Association of the Nonwoven Fabrics Industry (INDA). Written submission to the U.S. International Trade Commission in connection with inv. no. Australia FTA-103-021, *Viscose Rayon Staple Fiber: Probable Effect of Modification of the U.S.-Australia FTA Rules of Origin*, September 17, 2008.
- Fiber Source. "Rayon Fiber (Viscose)," undated. <http://www.fibersource.com/f-tutor/rayon.htm> (accessed August 8, 2008).
- IBISWorld. "Textile Fibre, Yarn and Woven Fabric Manufacturing in Australia," February 28, 2008.
- National Council of Textiles Organizations (NCTO). Written submission to the U.S. International Trade Commission in connection with inv. no. Australia FTA-103-021, *Viscose Rayon Staple Fiber: Probable Effect of Modification of the U.S.-Australia FTA Rules of Origin*, September 15, 2008.
- Pharr Yarns, LLC. Written submission to the U.S. International Trade Commission in connection with inv. no. Australia FTA-103-021: *Viscose Rayon Staple Fiber: Probable Effect of Modification of the U.S.-Australia FTA Rules of Origin*, letter e-mailed to Commission staff, U.S. Department of Commerce staff, and USTR staff, October 10, 2008.
- PT Indo-Bharat Rayon. "From Pioneer to Market Leader," undated. <http://www.indobharatrayon.com/companypreswithcov.swf> (accessed August 29, 2008).
- U.S. Department of Commerce (USDOC). Census Bureau. "Textiles: 2005 Summary." *Current Industrial Reports*, July 2006.
- . "Textiles: 2006 Summary." *Current Industrial Reports*, June 2007.
- . "Textiles: Fourth Quarter 2007." *Current Industrial Reports*, March 2008.
- . "Textiles: Second Quarter 2007." *Current Industrial Reports*, September 2007.
- . "Yarn Production: 2004 Summary." *Current Industrial Reports*, May 2005.
- U.S. International Trade Commission (USITC). *Commercial Availability of Apparel Inputs (2003)*. USITC Publication 3677. Washington, DC: USITC, 2004.

APPENDIX A
REQUEST LETTER FROM THE UNITED
STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

DOCKET NUMBER 2628
Office of the Secretary Int'l Trade Commission

AUG 13 2008

AUG 14 PM 2:33

RECEIVED
OFFICE OF THE SECRETARY
OF THE UNITED STATES TRADE REPRESENTATIVE

The Honorable Shara L. Aranoff
Chairman
U.S. International Trade Commission
500 E St., SW
Washington, DC 20436

Dear Chairman Aranoff:

Chapter Four and Annex 4-A of the U.S. – Australia Trade Agreement (USAFTA) set out rules of origin for textiles and apparel for applying the tariff provisions of the USAFTA. These rules are reflected in General Note 28 of the Harmonized Tariff Schedule of the United States (HTS).

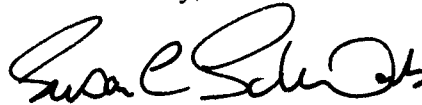
Section 203(o) of the United States – Australia Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement with Australia pursuant to Article 4.2.5 of the Agreement. One of the requirements set out in section 104 is that the President obtain advice regarding the proposed action from the U.S. International Trade Commission.

Our negotiators have recently reached agreement in principle with representatives of the government of Australia on modifications to the USAFTA rules of origin. These modifications are reflected in the attached document. They are the result of determinations that U.S. and Australian producers are not able to produce viscose rayon staple fiber in commercial quantities in a timely manner.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable effect of the modifications reflected in the enclosed proposals on U.S. trade under the USAFTA, total U.S. trade, and on domestic producers of the affected articles. I request that the Commission provide this advice at the earliest possible date, but not later than ten weeks of receipt of this request. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,



Susan C. Schwab

Enclosure

Enclosure
August 13, 2008

UNITED STATES – AUSTRALIA FREE TRADE AGREEMENT
Textiles and Apparel Goods - Availability of Supply
Proposed Amendments to Annex 4-A

Certain Yarns

Delete the current rule of origin for headings 5501 through 5511 and replace with the following:

5501.00 – 5510.30 A change to subheading 5501.00 through 5510.30 from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.

5510.90 A change to subheading 5510.90 from subheading 5504.10, or from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.

5511 A change to heading 5511 from any other chapter, except from heading 5201 through 5203 or 5401 through 5405.

APPENDIX B
***FEDERAL REGISTER* NOTICE**

business days prior to the date of the hearing.

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is December 29, 2008. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is January 13, 2009; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation, including statements of support or opposition to the petition, on or before January 13, 2009. On January 29, 2009, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before February 2, 2009, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II(C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified

by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: August 29, 2008.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8-20496 Filed 9-3-08; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. Australia FTA-103-021]

Viscose Rayon Staple Fiber: Probable Effect of Modification of U.S.-Australia Free Trade Agreement Rules of Origin

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation.

SUMMARY: Following a request received August 14, 2008, from the Office of the United States Trade Representative (USTR) under authority delegated by the President and pursuant to section 104 of the United States-Australia Free Trade Agreement (USAFTA) Implementation Act, the U.S. International Trade Commission (Commission) instituted Investigation No. Australia FTA-103-021, Viscose Rayon Staple Fiber: Probable Effect of Modification of U.S.-Australia Free Trade Agreement Rules of Origin.

DATES: September 17, 2008: Deadline for filing all written statements. October 23, 2008: Transmittal of Commission report to the Office of the United States Trade Representative.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street, SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT: Project Leaders Jackie Jones (202-205-3466 or jackie.jones@usitc.gov) or Don Sussman (202-205-3331 or donald.sussman@usitc.gov) for

information specific to this investigation. For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or margaret.oloughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

Background: Chapter 4 and Annex 4-A of the USAFTA contain the rules of origin for textiles and apparel for application of the tariff provisions of the USAFTA. These rules are set forth for the United States in general note 28 to the Harmonized Tariff Schedule (HTS). According to the request letter, U.S. negotiators have recently reached agreement in principle with representatives of the Government of Australia to modify the USAFTA rules of origin for certain yarns because it has been determined that U.S. and Australian producers are not able to produce viscose rayon staple fiber in commercial quantities in a timely manner. Information supplied to the Commission indicates that the yarns affected include blends of viscose rayon staple fibers with synthetic fibers, e.g., polyester, and with other artificial fibers, e.g., acetate. Section 203(o) of the United States-Australia Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement with Australia pursuant to Article 4.2.5 of the Agreement. One of the requirements set out in section 104 of the Act is that the President obtains advice regarding the proposed action from the United States International Trade Commission.

The request letter asks that the Commission provide advice on the probable effect of the proposed modification of the USAFTA rules of origin noted above on U.S. trade under the USAFTA, on total U.S. trade, and on domestic producers of the affected articles. As requested, the Commission will submit its advice to USTR by

October 23, 2008, and shortly thereafter will issue a public version of the report with any confidential business information deleted. Additional information concerning the articles and the proposed modifications can be obtained by accessing the electronic version of this investigation and the USTR request letter at the Commission Internet site (<http://www.usitc.gov>). The current USAFTA rules of origin applicable to U.S. imports can be found in general note 28 of the 2008 HTS (see General Notes link at <http://www.usitc.gov/tata/hts/bychapter/index.htm>). The HTS subheading affected is 5510.90. All other subheadings covered by the current rules of origin would experience no change.

Written Submissions: No public hearing is planned. However, interested parties are invited to submit written statements concerning this investigation. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., September 17, 2008. All written submissions must conform to the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information must also conform to the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the confidential or non-confidential version, and that the confidential business information is clearly identified by means of brackets. All written submissions, except for confidential business information, will be made

available for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of this investigation in the report it sends to the USTR and the President. As requested by the USTR, the Commission will publish a public version of the report. However, in the public version, the Commission will not publish confidential business information in a manner that would reveal the operations of the firm supplying the information.

Issued: August 28, 2008.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8-20495 Filed 9-3-08; 8:45 am]

BILLING CODE 7020-02-P

NUCLEAR REGULATORY COMMISSION

Advisory Committee on the Medical Uses of Isotopes: Call for Nominations

AGENCY: U.S. Nuclear Regulatory Commission.

ACTION: Call for Nominations.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is advertising for nominations for three upcoming vacancies on NRC's Advisory Committee on the Medical Uses of Isotopes (ACMUI): radiation oncologist with experience in gamma stereotactic radiosurgery, nuclear medicine physicist, and radiation safety officer.

DATES: Nominations are due on or before November 3, 2008.

Nomination Process: Submit an electronic copy of resume or curriculum vitae to Ms. Ashley Tull, ashley.tull@nrc.gov. Please ensure that resume or curriculum vitae includes the following information, if applicable: Education; certification; professional association membership and committee membership activities; duties and responsibilities in current and previous clinical, research, and/or academic position(s).

FOR FURTHER INFORMATION CONTACT: Ms. Ashley Tull, U.S. Nuclear Regulatory Commission, Office of Federal and State Materials and Environmental Management Programs; (240) 888-7129; ashley.tull@nrc.gov.

SUPPLEMENTARY INFORMATION: The ACMUI advises NRC on policy and technical issues that arise in the regulation of the medical use of byproduct material. Responsibilities include providing comments on changes to NRC rules, regulations, and guidance

documents; evaluating certain non-routine uses of byproduct material; providing technical assistance in licensing and inspections; and bringing key issues to the attention of NRC, for appropriate action.

ACMUI members possess the medical and technical skills needed to address evolving issues. The current membership is comprised of the following professionals: (a) Nuclear medicine physician; (b) nuclear cardiologist; (c) nuclear medicine physicist; (d) therapy medical physicist; (e) radiation safety officer; (f) nuclear pharmacist; (g) two radiation oncologists; (h) patients' rights advocate; (i) Food and Drug Administration representative; (j) Agreement State representative; and (k) health care administrator.

NRC is inviting nominations for the nuclear medicine physicist, radiation oncologist, and radiation safety officer appointments to the ACMUI. The term of the individuals currently occupying these positions will end May 19, 2009, September 30, 2009 and September 30, 2009, respectively. Committee members currently serve a four-year term and may be considered for reappointment to an additional term.

Nominees must be U.S. citizens and be able to devote approximately 160 hours per year to Committee business. Members who are not Federal employees are compensated for their service. In addition, members are reimbursed travel (including per-diem in lieu of subsistence) and are reimbursed secretarial and correspondence expenses. Full-time Federal employees are reimbursed travel expenses only.

Security Background Check: The selected nominee will undergo a thorough security background check. Security paperwork may take the nominee several weeks to complete. Nominees will also be required to complete a financial disclosure statement to avoid conflicts of interest.

Dated at Rockville, Maryland this 28th day of August 2008.

For the U.S. Nuclear Regulatory Commission.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. E8-20477 Filed 9-3-08; 8:45 am]

BILLING CODE 7590-01-P