CONSOLIDATED
FIBERS

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December 02, 2009

The Honorable Max Baucus
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Charles Grassley
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Grassley:

I am writing to let you know of our company's support of duty suspension legislation for rayon fiber. Legislation to suspend the duty on rayon fiber was introduced by Senator Kay Hagan and the bill number is: S. 2401

Consolidated Fibers is the leader in fiber sourcing for manufacturers across the country. We serve businesses in varied industries, including industrial, home textiles, furniture and consumer/medical. Our company was founded over 60 years ago and we focus on fiber and fiber solutions, including rayon fibers.

Rayon fiber is a manufactured fiber composed of regenerated cellulose. Generally, in the manufacture of rayon, cellulose derived from wood pulp, cotton linters, or other vegetable matter is dissolved into a viscose spinning solution. The solution is extruded into an acid-salt coagulating bath and drawn into continuous filaments. Groups of these filaments may be made in the form of yarns or cut into staple. Rayon is used in apparel, home furnishings and industrial applications.

Rayon fibers are no longer produced in the United States and are unlikely to be produced here in the foreseeable future. Therefore, an extension of the current duty suspension on these fibers is justified and would continue to improve the international competitiveness of the various industries utilizing these fibers, including the U.S. textile industry. Because all U.S. production of rayon fiber has ceased, continued suspension of this duty should have no adverse consequences for domestic firms or workers and should attract no controversy.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on imports from China in January 2009. Since the global economic crisis began, China has increased its textile and apparel export subsidies by $40 billion. If our industry is forced to absorb duties on imported rayon fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on this bill.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Robert P. Kunik
President
Enclosures
cc: file

RAYON FIBERS

S. 2401 **Senator Kay Hagan (D-NC)**

Heading 9902.23.34 – Extension of duty suspension on Artificial Staple Rayon Fibers, carded, combed or otherwise processed for spinning (this would be imported as top). Top is an intermediate stage between raw fiber and yarn. The fibers are aligned but not yet twisted into yarn. Top can be made directly from tow if the yarn manufacturer is making a filament yarn or it can be created from the raw fiber after it is carded (and combed if the spinner desires). Some spinners might buy fiber in top form to a) skip the earlier production processes, b) to avoid contaminating their carding and combing machinery with loose fibers if this is not what they usually run, c) to avoid contaminating machinery with other types or variants of fiber if they are not usually spun in a particular mill, or d) to get a really good blend with some other type of fiber. Sometimes, spinners will order top pre-blended with other fibers rather than doing the blending themselves.

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Rayon fibers have a wide-range of applications including apparel, home furnishings and industrial fabrics.