



December 2, 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 acrylic fiber. Legislation to suspend the duty on acrylic fiber was introduced by Senator Lindsay Graham and the bill number is S.2518.

As you know, Pharr Yarns, LLC is one of the largest U.S. consumers of acrylic fiber, and currently we must import these fibers, the average duty is six percent even though there is no domestic supplier for this product. Because acrylic fiber production has ceased in the United States and is unlikely to be manufactured domestically in the foreseeable future, the imposition of a tariff on these products can no longer be justified, especially when such a tariff puts Pharr at a competitive disadvantage.

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 and the Congress on this extension request and the entire Miscellaneous Tariff 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,

Pharr Yarns, LLC

A handwritten signature in black ink that reads "Bill".

William P. Carstarphen  
President