

Mr. R. Matthew Priest, Chairman  
Committee for the Implementation of  
Textile Agreements  
U.S. Department of Commerce  
14<sup>th</sup> Street & Constitution Avenue, N.W.  
Room H3100A  
Washington, D.C. 20230

**Re: Rebuttal Comments to DR CAFTA Short Supply Request Response by ACG  
File Number:116.2009.05.13.Fabric.AmericanDesignIndustries**

Dear Mr. Priest:

The following rebuttal comments are being submitted in response to Comments made by ACG American Cotton Growers regarding our request to add a certain fabric to Annex 3.25 of the DR-Cafta under file 116.2009.05.13.Fabric.AmericanDesignIndustries.

ACG has failed to demonstrate that it is capable of producing the subject fabric in commercial quantities in a timely manner as required under the Commercial Availability provision of the DR-Cafta and CITA's Procedures. Rather, ACG makes general comments and fails to substantiate its claims to provide the subject fabric in a timely manner.

"Due diligence" as stated in commercial availability procedures modified on September 12, 2008 says "for the requestor means it has made reasonable efforts to obtain the subject fabric in cafta dr countries".

ADI contacted since April 3, 2009 over 31 institutions, including 22 mills and 9 official Associations. In the US alone we contacted the 3 largest and most aggressive textile associations. The National Textile Association published publicly to the whole world the list of fabrics needed by ADI. As well, ADI contacted ALL denim companies listed under the official Otexa database.

Due diligence included American Cotton Growers twice with full specifications, including yarn count in Metric Count (MC). The purpose of due diligence is to allow producers to demonstrate their capabilities to meet the requirement under normal business conditions. American Cotton Growers was given this opportunity by ADI, and American Cotton Growers responded clearly it cannot supply. We thanked them, and never heard back from them. CITA has made clear that it intends for the commercial availability procedures to mirror normal business practices. If American Cotton Growers was interested in supplying fabrics it would have done so, rather than "wait" to object to ADI's request for findings of commercial non availability.

Paragraph 6(a) of the Procedures require an interested party to provide "an offer to supply the

## AMERICAN DESIGN INDUSTRIES

Mr. R. Matthew Priest, Chairman  
Committee for the Implementation of Textile Agreements  
May 31, 2009  
Page 2

subject product as described in the request.” American Cotton Growers does not do so. It merely states its ability to make the subject fabrics and/or substitutable product and objects to the fabrics at issue being added to Annex 3.25. Paragraph 7 of the Procedures also states that “general comments in support or opposition to a Request...do not meet the requirements of a Rebuttal Comment”. Since American Cotton Growers does not make an offer as required under the Procedures, its comments should be viewed as mere “general comments in opposition” and should be rejected by the Committee.

### **A mere statement of a claim substantially is legally insufficient.**

Furthermore, American Cotton Growers does not have the core spun yarn capability to produce indigo stretch denim, nor does it mention any details about its machinery. The subject fabric has never been produced by ACG.

Therefore, the fabric in question, as required by ADI and its customers, is not available as specified, or in the form of a substitutable fabric, in commercial quantities in a timely manner in the DR\_CAFTA region. CITA should therefore approve ADI’s petition.

Sincerely,

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Luis Carlos Mantica  
Managing Partner

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