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March 31, 2017

**PUBLIC VERSION**

Janet Heinzen, Acting Chair  
Committee for the Implementation of Textile Agreements  
U.S. Department of Commerce  
Room H30002  
14th Street & Constitution Avenue, N.W.  
Washington, D.C. 20230

**Re: Petition Regarding the Commercial Availability of Certain Two-way Stretch Polyester, Rayon, Spandex Twill Weave Fabric**

Dear Ms. Heinzen:

On behalf of our client, Medline Industries, Inc. ("Medline") we hereby submit this request for a finding of commercial non-availability pursuant to the provisions of Section 203(o)(4) of the Dominican Republic-Central America-United States Free Trade Agreement ("the Agreement") Implementation Act and CITA Final Procedures for implementing Section 203(o)(4) contained in CITA's Federal Register notices of March 15, 2007 and the Modifications to Procedures of September 12, 2008 (hereinafter "Procedures") with respect to certain fabric, described in the Annex attached to this request, to be used in the manufacture of apparel in a CAFTA-DR country. We respectfully request that the subject fabric described in the Annex be added to the list in Annex 3.25 of the Agreement in unrestricted quantity because the fabric is not available in commercial quantities in a timely manner from a supplier in the CAFTA-DR countries.

**(1) Detailed Product Information**

The Annex provides in detail: fiber content, construction, yarn size, and finishing processes; and the classification of the product under the HTSUS. The fabric in question is a two-way stretch polyester, rayon, spandex twill weave fabric classifiable under HTSUS subheading 5515.11.00.

The product specifications, including, fiber content, construction, yarn size, and finishing processes and performance characteristics are reasonable and stated in terms of accepted terminology and standards.

These standards and specifications were explained to all potential suppliers.

Timing was expressed as the annual quantity being supplied.

**(2) Quantity**

Medline requires approximately [\*\*\*] yards ([\*\*\*] meters) per year in order increments of [\*\*\*] yards ([\*\*\*] meters) with a delivery lead time of 4 weeks.

**(3) Due Diligence**

*(i) Generally*

The following is a summary of Medline's contacts and due diligence that demonstrates its legitimate intent, good faith and reasonable efforts to obtain the subject fabrics from CAFTA-DR suppliers. We note that despite our best efforts to provide contact names, titles and addresses for each company, in some circumstances we were unable to find or verify some of this information since the contacts were made entirely via email based on the best information available.

Medline directly contacted all potential suppliers to locate sources for the subject fabrics, as well as the industry associations in all CAFTA-DR countries. No company indicated that they could supply CAFTA-DR subject fabric.

Details of the salient points of Medline's communications with the various companies and trade associations in the region with regard to whether they or their members could supply the subject fabric within the specifications described in the Annex to this submission are described below.<sup>1</sup> Copies of the contacts are provided in the attachment of the confidential version of this submission.

**INDUSTRY ASSOCIATIONS**

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<b>Association:</b>	<b>Adozona</b>
<b>Contact(s):</b>	José M. Torres, Executive Director ( <a href="mailto:adozona@codetel.net.do">adozona@codetel.net.do</a> )
<b>Address:</b>	AV. Sarasota #20, 4to. Piso, Torre Empresarial AIRD, Apartado Postal 3184, Santo Domingo, R.D.
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {A1} 11/9/2016: Second request. {A2} No response received.

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<sup>1</sup> Titles of the individuals contacted are listed in all cases where they are known. Contact information for some of the companies was provided by other companies or the relevant industry association. However, titles were not always provided with that contact information. Medline contacted the individuals recommended and/or the contact person with whom they typically correspond with for business purposes.

**Association:** *Costa Rican Chamber of Textiles*  
**Contact(s):** Hannia Sequra, Director ([asegura@textilescr.com](mailto:asegura@textilescr.com))  
**Address:** Apartado 1512 1002 Pase de Estudiantes  
San Jose, Costa Rica

**Reply and Date:** 11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {B1}  
11/2/2016: Association advised that no companies in Costa Rica produce the subject fabric. {B2}

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**Association:** *El Salvador's Chamber of Textiles and Apparel (CAMTEX)*  
**Contact(s):** Mauricio Rodriguez, Director ([mrodriguez@camtex.com.sv](mailto:mrodriguez@camtex.com.sv))  
**Address:** Calle Liverpool y Roma, edificio ASI  
San Salvador, El Salvador

**Reply and Date:** 11/9/2016: Initial inquiry regarding members' ability to produce subject fabric. {C1}  
11/10/2016: Association advised that it received the request and asked for physical samples of the fabric. {C2}  
11/10/2016: Medline advised that they were seeking another supply chain option to their current vendor and that the fabric must meet the requested specifications and available in the quantities requested. {C3}  
11/10/2016: Association provided shipping address for the samples. {C4}  
11/21/2016: Association indicated that UNIFI could potentially supply the requested fabric and copied UNIFI Central America contact, Francisco Mendieta, to establish direct contact. See separate due diligence with UNIFI below. {C5}  
12/2/2016: Medline follow up with association requesting confirmation that fabric was received on 11/22/2016 and status of review. {C6}  
12/2/2016: Association follow up with UNIFI contact requesting direct communication with Medline. {C7}  
12/21/2016: Association indicated that they provided sample fabric to association members, Pettenati, INSINCA, and Unifi and requested that the companies contact Medline directly after fabric analysis. {C8}

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**Association:** *Guatemala Apparel and Textile Association (VESTEX)*  
**Contact(s):** Luis Oscar Estrada, Manager ([lestrada@apparel.com.gt](mailto:lestrada@apparel.com.gt))  
**Address:** 15 Avenida 14-72 zona 13 2ndo. Nivel  
Guatemala, Guatemala C. A 01013

**Reply and Date:** 11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {D1}  
11/9/2016: Second request. {D2}  
No response received.

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<b>Association:</b>	<b><i>Honduran Manufacturers Association</i></b>
<b>Contact(s):</b>	Astrid Vanessa Barnica Ajuria ( <a href="mailto:servicioalcliente@ahm-honduras.com">servicioalcliente@ahm-honduras.com</a> )
<b>Address:</b>	Edificio Yude Canahuati 3 y 4 Piso, Avenida Circunvalacion S. O. Apartado Postal 2658, San Pedro Sula, Honduras
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {E1} 11/2/2016: Association forwarded request to members. {E2} 11/21/2016: Medline followed up with association due to lack of response. {E3} 11/21/2016: Association provided list of textile mills. {E4} As described below, Medline contacted these potential suppliers.

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<b>Association:</b>	<b><i>National Council of Textile Organizations</i></b>
<b>Contact(s):</b>	Sara Beatty, Senior Vice President ( <a href="mailto:sbeatty@ncto.org">sbeatty@ncto.org</a> )
<b>Address:</b>	910 17 <sup>th</sup> Street, NW, Suite 1020, Washington, D.C. 20006
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {F1} 11/9/2016: Second request. {F2} 11/10/2016: Association forwarded request to its members. {F3} 11/21/2016: Medline follow up. {F4} 12/21/2016: Medline follow up. {F5} No further response received.

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<b>Association:</b>	<b><i>Nicaraguan Textile Association (Anitec)</i></b>
<b>Contact(s):</b>	Dean Garcia, Executive Director ( <a href="mailto:director@anitec.net">director@anitec.net</a> )
<b>Address:</b>	Zona Franca "Las Mercedes" km 12 ½ Carretera Norte, Building #29 Managua, Nicaragua
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {G1} 11/9/2016: Second request. {G2} No response received.

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<b>Association:</b>	<b><i>Central American Association of Textile Companies</i></b>
<b>Contact(s):</b>	Karin de Leon, Executive Director ( <a href="mailto:kdeleon@cecatecrd.com">kdeleon@cecatecrd.com</a> ; <a href="mailto:kdeleon@apparel.com.gt">kdeleon@apparel.com.gt</a> )
<b>Address:</b>	15 Avenida 14-72 Zona 13, 2nd Neval, Guatemala, Guatemala 01013
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding members' ability to produce subject fabric. {H1} 11/2/2016: Association forwarded information to its members. {H2} 11/3/2016: Association provided two companies that may be able to produce the fabric: Industrias Sinteticas de Centro America, S.A. and Industrias Unidas S.A. Details of the correspondence with these companies is detailed below.{H3}

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**COMPANIES:**

**El Salvador:**

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<b>Company:</b>	<b><i>Industrias de Hilos, S.A. de C.V.</i></b>
<b>Contact(s):</b>	Fredi Lazio, Sales Coordinators ( <a href="mailto:sales@industriasdehilos.com">sales@industriasdehilos.com</a> )
<b>Address:</b>	Km 11.5 Carr Panamericana, Final 4ta Av Norte Ilopango, San Salvador, El Salvador
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding company's ability to produce subject fabric. {I1} 11/21/2016: Second request. {I2} No response received.

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<b>Company:</b>	<b><i>Industrias Unidas S.A. (IUSA)</i></b>
<b>Contact(s):</b>	Guillermo Enrique Vila, Sales Manager ( <a href="mailto:ventas@iusa.com.sv">ventas@iusa.com.sv</a> ; <a href="mailto:guillermo.vila@iusa.com.sv">guillermo.vila@iusa.com.sv</a> )
<b>Address:</b>	Km 11.5 Carretera Panamericana Frente Aduana San Bartolo San Salvador, El Salvador
<b>Reply and Date:</b>	11/2/2016: Initial inquiry regarding company's ability to produce subject fabric. {J1} 11/9/2016: Second request. {J2} 11/10/2016: Third request. {J3} No response received.

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<b>Company:</b>	<b><i>Poliester y Filamentos de CA, SV de CV</i></b>
<b>Contact(s):</b>	Julio Nasri Miguel, GM ( <a href="mailto:generacia@polyfil.com.sv">generacia@polyfil.com.sv</a> ; <a href="mailto:ventas@polyfil.com.sv">ventas@polyfil.com.sv</a> ; <a href="mailto:polyfilsa@gmail.com">polyfilsa@gmail.com</a> )
<b>Address:</b>	Km 10.5 Carr al Puerto de la Libertad La Libertad, El Salvador
<b>Reply and Date:</b>	11/9/2016: Initial inquiry regarding company's ability to produce subject fabric. {K1} 11/21/2016: Second request. {K2} No response received.

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<b>Company:</b>	<b><i>Industrias Sinteticas De Centro America, S.A.</i></b>
<b>Contact(s):</b>	Juan Carlos Ancalmo, Manager ( <a href="mailto:ventas@insinca.com">ventas@insinca.com</a> )
<b>Address:</b>	Henry Campos, Sales ( <a href="mailto:servicioalcliente@insinca.com">servicioalcliente@insinca.com</a> ) Carretera Troncal De Norte, K. 12 ½, Apopa, San Salvador, El Salvador
<b>Reply and Date:</b>	11/10/2016: Initial inquiry regarding company's ability to produce subject fabric. {L1} 11/16/2016: Company requested fabric sample. {L2} 11/21/2016: Medline sent fabric sample, which was delivered on 12/1/2016. {L3} 12/2/2016: Medline follow up regarding review of fabric. {L4} 12/2/2016: Company indicated that the fabric is in the development

process and that the company would contact Medline once the development process is complete. {L5}

03/16/2017: Medline follow up regarding development process. {L6}

03/18/2017: Medline follow up requesting response. {L7}

03/22/2017: Medline follow up. {L8}

03/22/2017: Industrias Sinteticas indicated that they still did not have any lab work and could not give a sample in a timely manner. They also stated that they "are capable but not now." {L9}

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**Company:** *Unifi Central America, Ltda. de C.V.*  
**Contact(s):** Francisco Mendieta, Sales Manager ([fmendieta@unifi.com](mailto:fmendieta@unifi.com))  
**Address:** Edificio Block F, Zona Franca American Industrial Park  
Calle Panamericana, Km.36.5 Ciudad Arce, La Libertad. El Salvador

**Reply and Date:** 11/10/2016: Request forwarded by Mauricio Ernesto Rodriguez Duron (CAMTEX) to Unifi Central America ("UCA") requesting that UCA contact Medline directly. {M1}

12/2/2016: Medline follow up with CAMTEX because Medline failed to receive a response from UCA. {M2}

12/2/2016: UCA requested sample of the fabric. {M3}

12/21/2016: Medline requested address to send sample fabric. {M4}

12/21/2016: UCA provided address and contact for sample request {M5}

12/28/2016: Medline requested UCA's NDA and indicated that Medline needed a response by Jan. 6, 2017. {M6}

1/9/2017: Medline follow up indicating fabric sample was received on Dec. 29, 2016. {M7}

1/9/2017: UCA indicated that they could only produce the yarns for the fabric. {M8}

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**Guatemala:**

**Company:** *Monte Textil S.A./Textiles del Sur Internacional, S.A.*  
**Contact(s):** Abigail Pineda, Export Account Manager ([ventas\\_1@testisur.com](mailto:ventas_1@testisur.com))  
Guillermo Zimeri Massis ([gzimeri@textisur.com](mailto:gzimeri@textisur.com))  
**Address:** Kn 18.5 Carr al Mayan Golf,  
Villa Nueva, Guatemala

**Reply and Date:** 11/2/2016: Initial inquiry regarding company's ability to produce subject fabric. {N1}

11/7/2016: Company advised that it is not able to produce the requested fabric. {N2}

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**Honduras:**

**Company:** *AKH, S de R.L.*  
**Contact(s):** Rodolfo López González, Manager ([rlopez@gildan.com](mailto:rlopez@gildan.com))  
**Address:** Zona Libre El Caracol, Aldea El Caracol,  
Potrerillos, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {O1}  
12/22/2016: Company advised that they have turned the request over to their production team. {O2}  
1/17/2017: Medline follow-up requesting sample by Jan. 25, 2017. {O3}  
1/17/2017: Company requested fabric sample. {O4}  
1/17/2017: Medline requested contact name and address to send sample fabric. {O5}  
1/20/2017: Company provided name and address for fabric sample. {O6 and O7}  
1/20/2017: Medline sent fabric sample via express courier and requested sample fabric by 2/3/2017. {O8}  
1/24/2017: Fabric sample delivered to Company. {O9}  
No response received. Additional research revealed that AKH is a producer of knit fabrics. As such, Medline did not attempt additional outreach.

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**Company:** *Caracol Knits, S.A. Coral Knits, S.A. de C.V.*  
**Contact(s):** Ernesto Hung Del Cid, General Manager ([ehung@caracolknits.com](mailto:ehung@caracolknits.com))  
**Address:** Zona Libre El Caracol, Aldea El Caracol, Potrerillos, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {P1}  
12/28/2016: Second request. {P2}  
No response received.

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**Company:** *Ceiba Textiles, S. de R.L.*  
**Contact(s):** Jaime Rolando Haddad, Manager ([jaime.haddad@deltaapparel.com](mailto:jaime.haddad@deltaapparel.com))  
**Address:** Zona Libre Green Valley Industrial Park, Km. 23, Naco, Quimistán, Santa Bárbara

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {Q1}  
12/28/2016: Second request. {Q2}  
No response received.

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**Company:** *Coats Honduras, S.A.*  
**Contact(s):** Carlos Humberto Alvarado, Manager ([carlos.alvarado@coats.com](mailto:carlos.alvarado@coats.com))  
**Address:** Zona Libre INHDELVA, 800 mts. desvío a la Jutosa, Portón Este, Choloma, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {R1}  
12/27/2016: Company advised that it is not able to produce the requested fabric. {R2}

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**Company:** *Cottonwise Textiles de Honduras, S.A.*  
**Contact(s):** Chang Wun Kim, Sales ([cwkim@cottonwise.com](mailto:cwkim@cottonwise.com))  
**Address:** Bo. Cabañas, 16-17 cll, 15 y 16 ave.,  
San Pedro Sula, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {S1}  
12/28/2016: Second request. {S2}  
No response received.

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**Company:** *ELCATEX, S. de R.L. de C.V.*  
**Contact(s):** Jesús Canahuati ([chuy@elcatex.com](mailto:chuy@elcatex.com))  
**Address:** ZIP Tex, col. La Mora,  
Choloma, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {T1}  
12/28/2016: Second request. {T2}  
12/28/2016: Company advised that it is not able to produce the requested fabric. {T3}

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**Company:** *Gildan Activewear Honduras Textile, S. de R.L.*  
**Contact(s):** Javier Echeverria-GG ([jecheverria@gildan.com](mailto:jecheverria@gildan.com))  
**Address:** Parque Industrial San Miguel VI, Río Nance,  
Choloma, Km. 15.5, crtt. A Puerto Cortés, Honduras, C.A.

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {U1}  
12/28/2016: Second request. {U2}  
No response received.

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**Company:** *Hilos y Mechas, S.A. de C.V.*  
**Contact(s):** Edward Carlos Handal Johnson ([himesa@himesa.hn](mailto:himesa@himesa.hn))  
**Address:** Bo. Guadalupe, 20-24 cll., 1 y 2 ave.,  
atrás de Cervecería Hondureña, San Pedro Sula, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {V1}  
12/28/2016: Second request. {V2}  
No response received.

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**Company:** *Honduras Spinning Mills, S.A. de C.V.*  
**Contact(s):** Salman Saif ([salman.saif@grupokarims.com](mailto:salman.saif@grupokarims.com))  
**Address:** ZOLI Cofradía, Km. 11, crtt. a Occidente,  
Cofradía, Cortés



**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {W1}  
12/28/2016: Second request. {W2}  
No response received.

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**Company:** *Industrias Gabriela S de RL de CV*  
**Contact(s):** Harold Guerrero, General Manager ([hguerrero@indgabriela.com](mailto:hguerrero@indgabriela.com))  
**Address:** 200 mts antes de Aldea Mateo  
Carretera al 1er Batallon  
Tegucigalpa, 11101 Honduras

**Reply and Date:** 11/2/2016: Initial inquiry regarding company's ability to produce subject fabric. {X1}  
11/9/2016: Second request. {X2}  
11/21/2016: Third request. {X3}  
No response received.

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**Company:** *Pride Performance Fabrics, S.A. de C.V.*  
**Contact(s):** Arshad Amdani ([jo@prideperformancefabrics.com](mailto:jo@prideperformancefabrics.com);  
[info@prideperformancefabrics.com](mailto:info@prideperformancefabrics.com))  
**Address:** Km. 19.5, crtt. a Occidente, La Acequia,  
Naco, Quimistán, Santa Bárbara

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {Y1}  
12/28/2016: Second request. {Y2}  
1/3/2017: Company advised that they were reviewing the fabric and would respond within the day. {Y3}  
1/4/2017: Note regarding telephone call between Mike Steele (Medline) and Jose Trejo (Pride Performance) in which Pride Performance advised that they could not produce the fabric. {Y4}

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**Company:** *Simtex International, S. de R.L.*  
**Contact(s):** Mike Mcgarvey ([mmcgarvey@simtex-international.com](mailto:mmcgarvey@simtex-international.com))  
**Address:** Green Valley Industrial Park, edif. # 9, Km. 23, crtt. a Occidente,  
Quimistán, Santa Bárbara

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {Z1}  
12/28/2016: Second request. {Z2}  
No response received.

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**Company:** *Terrapolyester S.A. de C.V.*  
**Contact(s):** Robert A. Handal ([himesa@himesa.hn](mailto:himesa@himesa.hn); [main@terrapolyester.com](mailto:main@terrapolyester.com))  
**Address:** Zona Libre Fibras y Textiles, Km. 3, crtt. a Puerto Cortés,  
Choloma, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {AA1}  
12/28/2016: Second request. {AA2}  
12/28/2016: Company advised that it is not able to produce the requested fabric. {AA3}

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**Company:** *RLA Manufacturing*  
**Contact(s):** Erik Rodriguez ([erik.rodriguez@fotlinc.com](mailto:erik.rodriguez@fotlinc.com))  
**Address:** Km. 2.5, crtt. A la Jutosa, Choloma, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {AJ1} We note that the Honduran Manufacturers Association sent the request to all members initially and asked each member to contact Medline if they were interested in supplying the fabric. See {E2}.  
12/21/2016: Delivery failure to contact information provided by Honduran Manufacturers Association. {AJ2}

Additional research revealed that RLA is an apparel producer. As such, Medline did not attempt additional outreach.

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**Company:** *Roman Knit Honduras, S.A.*  
**Contact(s):** William Louis Robinson ([rrobinson@rkhsa.com](mailto:rrobinson@rkhsa.com))  
**Address:** Zona Libre Green Valley Industrial Park, lote 7B, Km. 23, Quimistán, Santa Bárbara

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {AK1} We note that the Honduran Manufacturers Association sent the request to all members initially and asked each member to contact Medline if they were interested in supplying the fabric. See {E2}.  
12/21/2016: Delivery failure to contact information provided by Honduran Manufacturers Association. {AK2}

Additional research revealed that Roman Knit Honduras is a producer of knit fabrics. As such, Medline did not attempt additional outreach.

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**Company:** *Savitex S.A.*  
**Contact(s):** Elmer Orellana ([info@savitexsa.com](mailto:info@savitexsa.com))  
**Address:** Zona Libre INHDELVA, 800 mts. crtt. a la Jutosa, Choloma, Cortés

**Reply and Date:** 12/21/2016: Initial inquiry regarding company's ability to produce subject fabric. {AL1} We note that the Honduran Manufacturers Association sent the request to all members initially and asked each member to contact Medline if they were interested in supplying the fabric. See {E2}.

12/21/2016: Delivery failure to contact information provided by Honduran Manufacturers Association. {AL2}

Additional research revealed that Savitex is a yarn producer. As such, Medline did not attempt additional outreach.

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**United States:**

**Company:** *Alice Manufacturing Co.*  
**Contact(s):** Erik Nees, VP ([enees@alicemillsinc.com](mailto:enees@alicemillsinc.com))  
**Address:** 208 E 1st Ave, PO Box 369, Easley, SC 29640, USA

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AB1}  
11/1/2016: Company advised that it is not able to produce the subject fabric. {AB4}

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**Company:** *Burlington Worldwide*  
**Contact(s):** Dennis Moore, Vice President Sales ([dennis.moore@burlington.com](mailto:dennis.moore@burlington.com))  
**Address:** 804 Green Valley Road, Suite 300, Greensboro, NC 27408

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AC1}  
11/9/2016: Second request. {AC2}  
11/10/2016: Company advised that it is not able to produce the subject fabric. {AC3}

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**Company:** *Central Textiles Inc.*  
**Contact(s):** James W. McKinnon, CEO ([inquiry@cotswoldindustries.com](mailto:inquiry@cotswoldindustries.com))  
**Address:** 237 Mill Ave., Central, SC 29630

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AD1}  
11/3/2016: Company advised that it is not able to produce the subject fabric. {AD2}

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**Company:** *Glen Raven Technical Fabrics, LLC*  
**Contact(s):** Harold W. Hill Jr, President/COO ([grtfmarketing@glenraven.com](mailto:grtfmarketing@glenraven.com))  
**Address:** 1831 N Park Ave  
Glen Raven, NC 27217

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AE1}  
11/8/2016: Company advised that it is not able to produce the subject fabric. {AE2}

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**Company:** *Greenwood Mills, Inc.*  
**Contact(s):** Gary Niederauer, Vice President Sales  
([gniederauer@greenwoodmills.com](mailto:gniederauer@greenwoodmills.com))  
**Address:** 300 Morgan Ave,  
Greenwood, SC 29646, USA

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AF1}  
11/9/2016: Second request. {AF2}  
11/21/2016: Third request. {AF3}  
No response received.

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**Company:** *Inman Mills*  
**Contact(s):** Ben Truslow, Vice President Sales ([sales@inmanmills.com](mailto:sales@inmanmills.com))  
**Address:** 300 Park Rd  
PO Box 207, Inman, SC 29349

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AG1}  
11/2/2016: Inman requested a sample and indicated that they are a greige mill and do not finish fabric and requested fabric sample. {AG2}  
11/10/2016: Medline clarified that they needed the finished fabric and asked whether Inman would partner with a third party finisher to provide the finished fabric. {AG3}  
11/10/2016: Inman stated that after they were able to analyze the sample they would provide their best "go-forward" option. {AG4}  
11/21/2016: Medline sent sample fabric.  
12/2/2016: Medline follow up. {AG5}  
12/2/2016: Inman stated that the fabric was still in the lab. {AG6}  
12/5/2016: Inman requested actual blend desired. {AG7}  
12/12/2016: Medline provided actual blend. {AG8}  
12/21/2016: Medline reiterated specifications and requested estimate of when Inman can make a determination as to whether it can make this fabric. Medline also indicated that this was a time-sensitive request. {AG9}  
12/21/2016: Inman stated that they could weave the greige fabric but that they do not supply finished fabric. Inman also indicated that they would provide greige/yard prices once they received the yarn blend analysis from their outside lab. {AG10}.  
12/28/2016: Medline reiterated that this was a request for finished fabric and that greige fabric would not address their needs. {AG11}  
No further response received.

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**Company:** *Milliken & Co.*  
**Contact(s):** Kathi Dutilh, Manager, Government Relations ([kdutilh@millikendc.com](mailto:kdutilh@millikendc.com))  
Mike Corbin, Performance Product Sales ([mike.corbin@milliken.com](mailto:mike.corbin@milliken.com))  
**Address:** 920 Milliken Road,  
Spartanburg, SC 29304

**Reply and Date:** 10/31/2016: Initial inquiry regarding company's ability to produce subject fabric. {AH1}  
11/9/2016: Second request. {AH2}  
11/11/2016: Company stated that they could not supply the requested fabric. {AH3}  
11/28/2016: Company reiterated that they could not supply the requested fabric. {AH4}

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**Company:** *Mount Vernon Mills, Inc.*  
**Contact(s):** Richard Turner ([richt@mvmills.com](mailto:richt@mvmills.com))  
202 Gazzie St,  
Cuero, TX 77954  
**Address:** Cuero, TX 77954

**Reply and Date:** 11/1/2016: Initial inquiry regarding company's ability to produce subject fabric. {A11}  
11/1/2016: Note regarding telephone call between Mike Steele (Medline) and Rich Turner (Mount Vernon Mills) in which Mount Vernon Mills advised that they could not produce the fabric. {A12}

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*(ii) Identification of CAFTA-DR suppliers*

The list of potential suppliers was compiled through: (1) the 2016 Davison's Textile Salesman's Blue Book (online), (2) the contact mechanisms of U.S. and Central American textile and apparel trade associations, and (3) Medline's experience sourcing product in the U.S. and DR-CAFTA region.

As part of its due diligence and as detailed above, Medline directly contacted the trade associations representing the CAFTA-DR countries' textile industries. They also contacted numerous individual companies throughout the CAFTA-DR region that based upon trade publications, inquiries and experience could conceivably produce the fabrics in question. To the best of its knowledge and ability, Medline identified and contacted any regional supplier that might have the capability to produce the subject fabric. As the foregoing explains, these efforts to identify CAFTA-DR suppliers were reasonable in light of the product at issue.

*(iii) Use of Third Parties and Business-to-Business Contact*

All communications were handled directly between Medline and the individual companies and associations. Further, all contacts were made at the level appropriate to communicate information on the fabrics needed, the specifications and standards, and the reason for those standards.

We note that during the business dialogue outlined above, two suppliers stated that they could potentially produce the requested fabric: Industrias Sinteticas De Centro America, S.A.; and AKH, S. de R.L. AKH stopped communicating with Medline and failed to engage in a business-to-business discussion. We, therefore, are forced to conclude that AKH is unable to supply the requested fabric in commercial quantities.<sup>2</sup>

In addition, Industrias Sinteticas failed to engage and actively communicate with Medline. As detailed in the due diligence summaries above, on December 2, 2016, Industrias Sinteticas indicated that they were waiting on their development team to evaluate the sample Medline provided and that they would let Medline know once the development team had an answer. Medline did not hear from Industrias Sinteticas for over three months, and Industrias Sinteticas only responded on March 22, 2017, after repeated inquiries from Medline. When Industrias Sinteticas did respond, they stated that they could not produce a sample in a timely manner and that they “are capable but not now.” While we note that a sample is not required to demonstrate that a potential supplier can produce the subject fabric to the requested specifications,<sup>3</sup> we note that the supplier must “demonstrate its ability to produce the subject product by providing sufficient relevant information regarding their production capability.”<sup>4</sup> Because of the extreme delay and failure of Industrias Sinteticas to provide any information to demonstrate that they could produce the fabric to the requested specifications, we are forced to conclude that Industrias Sinteticas is unable to supply the requested fabric in commercial quantities in a timely manner.

(iv) *Description of the Subject Product*

The Annex was provided to all potential suppliers and represents reasonable product specifications, including fiber content, yarn size and finishing processes expressed in accepted terminology and standards. The Annex describes with specificity the fabric required by Medline.

(v) *Provision of Samples*

As noted above, in the course of the business dialogue, Medline provided physical samples to several potential suppliers. No potential suppliers indicated that they could produce the requested fabric.

(vi) *Substitutability of Products*

No company suggested any fabrics that were substitutable for the subject fabric.

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<sup>2</sup> We also note that Inman Mills indicated that they could only produce greige fabric and could not supply the finished fabric. Despite Medline’s repeated suggestion, Inman Mills failed to partner with a finisher to attempt to supply the finished fabric. Accordingly, we submit that even if Inman Mills were able to provide the greige fabric their failure to provide the finished fabric demonstrates that the fabric is not commercially available.

<sup>3</sup> Procedures at 4(b)(3)(v).

<sup>4</sup> Procedures at 6(b)(3)(iv); see also 4(b)(3)(v).

**(4) Substitutable Products**


Medline provides high-quality performance apparel to its customers. The subject fabric is used for performance apparel and its specifications are designed to withstand prolonged use in medical settings.

Medline has developed its fabric specifications to meet its customer's requirements. It is absolutely critical that the fabric in question meet the stated performance criteria because a fabric that cannot match the stated requirements would not permit Medline to meet the demands of its customer. The specifications provided above are expressed in ranges to give producers, as much flexibility as possible, but Medline is unaware of any fabrics outside these ranges that is substitutable for the requested fabric.

As a result of the above inquiries and the thorough engagement and good faith efforts to procure the subject fabric, neither Medline nor ST&R believes that the subject fabric is commercially available in the CAFTA-DR region in a timely manner and we request that it be added to Annex 3.25.

Thank you for your consideration of this request. If you have any questions or require further information, please contact me at 202-216-9307 or [mtallo@strtrade.com](mailto:mtallo@strtrade.com).

Respectfully submitted,  
**SANDLER, TRAVIS & ROSENBERG, P.A.**

By:   
Mark Tallo, Esq.

# ANNEX

<u>Detailed Fabric Description</u>	
<b>FABRIC TYPE</b>	Two-way Stretch Polyester, Rayon, Spandex Twill Weave Fabric
<b>FIBER CONTENT</b>	69% - 75% Polyester, 20% - 26% Rayon, 2% - 8% Spandex
<b>WARP</b>	Plied polyester/rayon staple with spandex filament
<b>FILLING</b>	Plied textured polyester filament with spandex filament
<b>THREAD COUNT</b>	120-130 warp ends per linear inch (47.2-51.2 warp ends per linear cm); 90-100 filling ends per linear inch (35.43-39.37 filling ends per linear cm)
<b>FABRIC WEIGHT</b>	194 to 206 grams per square meter (5.7 to 6.1 ounces per square yard)
<b>FINISHING PROCESS</b>	softened
<b>COLORATION</b>	piece dyed, yarn dyed, bleached and printed
<b>HTSUS subheading</b>	5515.11.00
<b>REMARKS</b>	<p>Dimensional Stability/Shrinkage (AATCC 135): <math>\pm 3\%</math></p> <p>Colorfastness to Laundering (AATCC 61): <math>\geq 4.0</math> Color Change; <math>\geq 3.5</math> Staining for light colors (3.0 for dark colors)</p> <p>Colorfastness to Crocking (AATCC8) <math>\geq 4.0</math> Dry; <math>\geq 3</math> Wet for light colors (2.5 for dark colors)</p> <p>.....</p> <p>NOTE: The yarn size designations describe a range of yarn specifications for yarn before weaving, dyeing and finishing of the fabric. They are intended as specifications to be followed by the mill in sourcing yarn used to produce the fabric. Dyeing, finishing, and weaving can alter the characteristic of the yarn as it appears in the finished fabric. This specification therefore includes yarns appearing in the finished fabric as finer or coarser than the designated yarn sizes provided that the variation occurs after processing of the greige yarn and production of the fabric. The specifications for the fabric apply to the fabric itself prior to cutting and sewing of the finished garment. Such processing may alter the measurements.</p>



# ATTACHMENT

## (CONFIDENTIAL VERSION ONLY)

Confidential version contains copies of Medline's confidential request letters and confidential responses, as described in the foregoing letter.