



CS Central America, S.A. de C.V.

Km.34 de la Carretera a San Juan Opico
San Juan Opico, La Libertad, El Salvador, C.A.
Tel: +503-2304-2400 Fax: +503-2304-2401
www.cscentralamerica.com

El Salvador, June 14 2016

"PUBLIC VERSION"

**Mr. Joshua Teitelaum, Chairman
The Committee for the Implementation of Textile Agreements
U.S. Department of Commerce
Room 30003, Washington, D.C. 20230**

RESPONSE WITH AN OFFER TO SUPPLY FILE # 202.2016.06.01.Yarn.ST&RforPolartec

Dear Mr. Teitelaum,

CS Central America, S.A. de C.V. (CSCA) is a Textile Yarn Producer established in El Salvador and, in accordance with the Modifications to the Procedures for Considering Requests Under the Commercial Availability Provision of the Dominican Republic-Central America-United States Free Trade Agreement ("Procedures"), hereby submits a Response with an Offer to Supply the yarn that Polartec, LLC ("Polartec") has requested to include in Annex 3.25 of the CAFTA-DR Agreement (Short Supply List) in commercial quantities and in a timely manner.

1. Quantity.

Though CSCA does not currently produce the specific yarn, taking into account our production capacities we can produce [***] kilograms [(*** lbs.)] annually.

2. Production Capability/Demonstration of Ability to Supply

As stated in the request, the yarn Polartec is interested in including in the Short Supply List is not currently under production in the CAFTA-DR region. Nevertheless, due to the nature of the product, the fact that CSCA has run test to develop the product as Polartec has recognized, and that CSCA has continued to develop the product even when Polartec decided to drop the joint efforts and file this petition, gives CSCA certainty that the yarn can be produced according to the specifications required.

CSCA produces polyester yarns from 20 denier up to 1,200 denier as well as micro fibers. We also produce single yarns, two ply yarns, three ply and four ply yarns with the possibility of making bi-component yarns.

One of our main yarns and core items is Cationic + Disperse Yarns, which currently we produce and sell to customers in the region and the USA.

CSCA standard development time, for very unique and tailor made yarns is approximately 3 months and production lead times is approximately from 1 to 2 months, depending on the type of product. Nevertheless, as CSCA has continued to develop the specific yarn, development team will be substantially lower, being in the position to provide a sample with the required specs in 2 weeks after the specs are confirmed by Polartec.

Upon my knowledge, Polartec has never indicated the amounts required, since we have the equipment and available capacity, CSCA is confident it can supply the required amounts of yarn as specified.

3. **Due Diligence**

Polartec has provided a semi factual account summarizing the discussions they had with our related company that operates in the USA. It's not CSCA intent to rebut the various incorrect and/or imprecise allegations done by Polartec as that is not the nature of these proceedings. There are 3 things that CSCA would like to make clear:

- a) CSCA and all related companies have not acted in bad faith during the due diligence. CSCA and its related companies went above and beyond on what is required to aid Polartec to deal with their situation.
- b) CSCA doesn't oppose to the inclusion of the requested yarn to the Short Supply list because it competes and/or substitutes yarns we currently produce. We oppose the inclusion because we are in the position to supply the yarn in commercial quantities and in a timely manner.
- c) During the due diligence, Polartec provided inconsistent information as to the products they wanted to be developed. On the one hand they provided a technical specifications similar to the ones presented on these proceedings. On the other, they provided a sample cone of the yarn the Asian producers were going to supply them.

The elongation of the cone of the yarn provided was [***] %, that is, the yarn that was going to be manufactured in Asia had an elongation substantially lower than required by the specs (between 30.68 to 33.92% (ISO2062)). This is why the elongation in the samples provided by CSCA was closer to the [***] % than to the contents of the specs.

The fact that upon detection of this discrepancy Polartec did not seem interested in receiving samples under the new specs makes us wonder if they carried out the due diligence proceeding in good faith as they alleged.

4. **Conclusion**

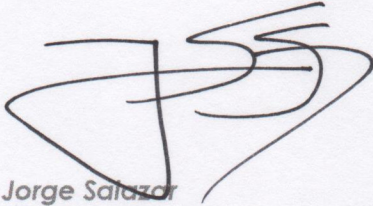
To conclude, inclusions to the Short Supply List are only applicable provided that product is not available in commercial quantities in a timely manner from a

supplier in the CAFTA-DR countries. The fact that a petitioner has developed a supplier outside of the region and/or has placed orders with providers from outside of the region are not relevant criteria to be evaluated. In sum, CSCA wants an opportunity to demonstrate our ability to supply the yarn.

5. **Location**

We appreciate to considerate the facilities of our company and we are able to be contacted at the below address and phone number.

Sincerely,



Jorge Salazar

Director

CS Central America, S.A. de C.V.

Address:

**Km 34, Carretera a San Juan Opico,
La Libertad, El Salvador**

Phone: +503 2304-2400 / +503 2304-2440

Mobile: +503 7874-5797

Email: jorge@cscentralamerica.com