



## PUBLIC VERSION

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June 13, 2016

Mr. Joshua Teitelbaum, Chairman  
Committee for the Implementation of Textile Agreements  
U.S. Department of Commerce  
Room H3100  
14th Street & Constitution Avenue, N.W.  
Washington, D.C. 20230

**Re: Response with an offer to supply  
Certain Two-Ply Polyester Yarn  
File Number 202.2016.06.01.Yarn.ST&RforPolartec**

Dear Mr. Teitelbaum:

Pursuant to the Committee for the Implementation of Textile Agreements' Modifications to Procedures (CITA) for Considering Requests Under the Commercial Availability Provision of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), Unifi Manufacturing Inc. (UMI), is submitting this letter in response to the commercial availability request filed by Sandler, Travis & Rosenberg, P.A. on behalf of Polartec, LLC ("Polartec"), File Number 202.2016.06.01.Yarn.ST&RforPolartec, with an offer to supply the two-ply polyester yarn meeting the specifications of the above referenced commercial availability petition and respectfully requests that CITA determine that the yarn is commercially available in CAFTA-DR in a timely manner.

Unifi Manufacturing, Inc. is a leading producer and processor of multi-filament polyester and nylon textured yarns. With plants in the United States and El Salvador, UMI is a major supplier of synthetic yarns to the CAFTA-DR region. Included in its large portfolio of yarns is a substantial volume of combination yarns such as "cationic disperse" textured yarns. In fiscal year 2015, UMI produced **{\*\* Lbs - \*\* lbs (\*\* kilos - \*\* kilos)}** of "cationic disperse" yarns for major knitters and weavers in the CAFTA-DR region. Of this number, approximately **{\*\* lbs (\*\* kilos)}** were low dpf (Denier per Filament) "cationic disperse" polyester textured yarns similar to the 80/144 range requested in the Polartec yarn specifications.

As detailed in the Commercial Availability Request referenced above, UMI did receive an inquiry from Polartec regarding its ability to produce an 80/144 Cationic Disperse two ply polyester

textured yarn. While two ply cationic disperse polyester yarns categorized under the HTSUS code as 5402.33.60 are a significant part of its business (including micro-denier yarns), UMI was not currently producing a yarn that fit the exact range of specifications requested in the Commercial Availability Request (122 Metric -73.8 denier/82 decitex to 103 Metric - 87 denier/97 decitex and 144 Filaments.) UMI was unable to find a suitable raw material supply at the time that was believed to work best for this sample, and as a result of this, had a difficult time developing a machine specification to make a yarn that matched the requirement. Nonetheless, Polartec asked UMI to run the yarn with its available fiber supply. The textured yarn sample produced from the raw yarns was not up to UMI standards and this information was communicated to Polartec.

UMI has proposed modifications to the raw material fiber merges which it feels will further support its ability to process the required components. UMI has recently been informed by Nan Ya Plastics Corporation, America ("Nan Ya"), that Nan Ya can supply the new raw material fiber merges that UMI believes are necessary to produce a two-ply textured yarn which meets the unique characteristics of the subject yarn.

The Nan Ya raw materials are produced at its plant located at 140 E. Beulah Road, Lake City, South Carolina 29560. UMI expects delivery of Nan Ya's raw materials for the sample yarn by Monday, June 20, 2016. UMI expects to have a yarn sample to Polartec within approximately 10 business days after receipt of the raw material delivery. (Nan Ya contact information included at the end of this response.)

In addition to the new raw material merge, UMI has revised its production processes for this sample, including using a different machine type and other process modifications to achieve the distinctive yarn properties that Polartec's customer requires. Once UMI develops an acceptable sample, commercial production can begin within approximately four to six weeks after the sample is approved. Although the quantity of yarn required by Polartec was omitted from the Public Version of the CAFTA Commercial Availability Request, UMI's texturing capacity for this yarn is currently not limited. For reference, one machine's production would be approximately **{\*\* kilos or \*\* lbs}** annually. At this time, UMI would be able to free up to **{\*\*}** machines to run this business.

In light of this information, UMI respectfully requests that its offer to supply be considered in the determination that the yarn is commercially available in the CAFTA-DR region in a timely manner and that the subject yarn be denied addition to the list in Annex 3.25 of the agreement in unrestricted quantity.

Sincerely,

  
Jane L. Johnson  
Government Relations Manager

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