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March 14, 2007

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Mr. Matt Priest, Chairman  
Committee for the Implementation of  
Textile Agreements  
U.S. Department of Commerce  
14<sup>th</sup> Street & Constitution Avenue, N.W.  
Room H3001A  
Washington, D.C. 20230

## **PUBLIC VERSION**

**Re: Request under the Commercial Availability Provision of the Dominican-Central America-United States Free Trade Agreement Implementation Act**

**Chief Weight Cotton Mixed With Polyester Three Thread Circular Knit Fleece Fabric Classifiable Under HTS Subheading 6001.21**

Dear Mr. Priest:

On behalf of Intradeco Apparel, of Miami, FL and pursuant to the provisions of Section 203(o)(4) of the Dominican Republic-Central American-United States Free Trade

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Agreement (“DR-CAFTA”) Implementation Act (“the Act”) and the Federal Register Notice of February 21, 2006 published by the Committee for the Implementation of Textile Agreements, we submit this request regarding a modification to the list of fabrics, yarns and fibers not available in commercial quantities in a timely manner in the countries of the Dominican Republic-Central America-United States Free Trade Agreement, and request that the subject fabric be placed in a timely manner on the list in Annex 3.25 of the Agreement.

### **DETAILED PRODUCT INFORMATION**

The fabric in question is a circular knit napped fleece fabric employing three yarn systems (“three threads”): the yarn appearing on the technical face of the fabric, a binder or “tie” yarn and the fleece or backing yarn which floats on the technical back of the fabric and is heavily napped to produce the fleece effect. Complete details of the fabric’s composition and physical parameters are shown on the accompanying *Exhibit*. Prospective suppliers should take note of the following:

The 100% cotton face yarn is either bleached, dyed or consists of a mixture of from 5% to 80% dyed fiber in combination with undyed fiber, producing a mélange or “heather” effect. Up to ten different hues are used in each of the mixtures listed in the Exhibit and these hues change with the seasons.

The fleece back is bleached white or dyed a solid color.

The circular knitting machine used to knit the subject fabric is 21 gauge, an uncommon measure.

The limits on vertical and horizontal shrinkage –not more than 5 percent in either direction – and vertical torque – not more than 4 percent - can not be exceeded.

### **QUANTITY**

Intradeco requires 10 million pounds (4,536,000 kilograms) of the subject fabric delivered to its assembly plant in El Salvador between March 15 and September 30, 2007. Intradeco plans to use the fabric for the production and subsequent export to the United States of various apparel items.

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## **DUE DILIGENCE**

We have contacted several domestic circular knitting mills known to us and the associations representing domestic textile producers, including knitters. These efforts did not result in identifying any parties that were able to produce the subject merchandise. Intradeco has modern yarn spinning and knitting facilities, yet was not able to produce the subject merchandise. In addition, Intradeco, with its many years' experience operating in the DR-CAFTA region and a thorough knowledge of knitting capability in the region made inquiries of its network of knitting mills and other contacts in the DR-CAFTA region. As is documented below, these efforts were also unsuccessful. It is noteworthy that many respondents indicated that, in their professional opinion, it is not likely that the subject merchandise could be produced in the region.

The following information sets forth the firms and associations that were contacted with regard to whether they could make the subject fabrics described in the Exhibit. The business confidential documentary confirmations of the contacts are provided with the confidential version of our submission. All communications were done via email or by telephone.

### **Regional Industry Associations:**

<b>Association:</b>	National Textile Association David Trumbull (dtrumbull@nationaltextile.org)
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Contact information for members capable of producing subject fabric (1A)
<b>Follow up:</b>	Second request for information March 12. (1B)
<b>Reply and Date:</b>	During a telephone conversation between David Trumbull of NTA and Mark Haney of Sandler Travis & Rosenberg, NTA advised that they had not received any responses from their members. In a follow up email, NTA advised they had "no problem" with a short supply request for the subject merchandise. (1C)

<b>Association:</b>	NCTO Mike Hubbard (mhubbard@ncto.org)
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Contact information for members capable of producing subject fabric. (2A)
<b>Reply and Date:</b>	Suggested two firms, Hanesbrands and Beverly Knits February 27 (2B)
<b>Comment:</b>	Hanesbrands and Beverly were contacted separately (see below). Further, Beverly Knits is a member of NTA, which did not provide any responses.

### **United States Fabric Knitters:**

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**Company:** Hanesbrands, Inc.  
Jerry Cook  
(jerry.cook@hanesbrands.com)  
Ron Ashman  
(Ron.ashman@hanesbrands.com)

**Date Contacted:** March 5

**Nature of Request:** Inquiry regarding ability to produce subject merchandise (3A)

**Reply and Date:** Company advised they would require additional specifications. March 5 (3B)

**Follow up:** Requested specific information on the specifications that were needed. March 5 (3C)

**Reply and Date:** Additional inquiry regarding ability to produce subject merchandise to alternative contact at firm. March 9 (3D).  
Company advised they could not make subject merchandise. March 9 (3E)

**Company:** Alamac American Knits  
Ron Giacone  
(Ron.Giacone@alamacusa.com)

**Date Contacted:** February 26, 2007

**Nature of Request:** Inquiry regarding ability to produce subject merchandise. February 26 (4A)

**Reply and Date:** Expressed doubt that the subject fabric could be produced according to the specifications set forth and the quantity specified during the time specified, but stated they would consider with at the technical level. February 26 (4B)

**Follow Up:** Requested results of review. March 2 (4C)

**Reply and Date:** Company advised that it could not make the subject merchandise March 9 (4D)

**Company:** Global Engineered Materials Corporation (Sales agent)  
Brian Hauser  
(Bhauser31@aol.com)

**Date Contacted:** February 26, 2007

**Nature of Request:** Inquiry regarding ability to supply subject merchandise (5A)

**Follow up:** Second request (5B) March 5

**Reply and Date:** No communications received from company.

**Company:** LJ Knit Sales (sales agent)  
Jay Steinberg  
(jaysteinbergmsv@comcast.net)

**Date Contacted:** February 26, 2007

**Nature of Request:** Inquiry regarding ability to supply subject merchandise (6A)

**Reply and Date:** Company advised they were not able to produce subject merchandise. February 26 (6B)

**Company:** Beverly Knits

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	Ronald Sytz ( <a href="mailto:rsytz@beverlyknits.com">rsytz@beverlyknits.com</a> ) March 12, 2007
<b>Date Contacted:</b>	March 12, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to supply subject merchandise (7A)
<b>Follow up:</b>	During a telephone conversation of March 13, between Ron Sykes, president of Beverly Knits and Mark Haney, of Sandler, Travis & Rosenberg, company advised that it has 20-gauge knitting machines, not 21-gauge. In addition, company advised that it would have difficulty sourcing the yarns in North America, and would not participate in the program.
<b>Company:</b>	VF Corp. John Strasbourger ( <a href="mailto:John.Strasbourger@vfc.com">John.Strasbourger@vfc.com</a> )
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to supply subject merchandise (8A)
<b>Reply and Date:</b>	Company advised they were not able to produce subject merchandise. February 26 (8B)
<b>Company:</b>	Jockey International Inc. Mark Jaeger ( <a href="mailto:Mark.Jaeger@jockey.com">Mark.Jaeger@jockey.com</a> ) Ellen Smith ( <a href="mailto:Ellen.Smith@jockey.com">Ellen.Smith@jockey.com</a> )
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to supply subject merchandise (9A)
<b>Follow up:</b>	March 2 (9B)
<b>Reply and Date:</b>	Company advised they were not able to produce subject merchandise. March 5 (9C)
<b>Company:</b>	Asheboro Elastics Keith Crissco <a href="mailto:Keith@asheboroelastics.com">Keith@asheboroelastics.com</a>
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to supply subject merchandise (10A)
<b>Reply and Date:</b>	Company advised they were not able to produce subject merchandise. February 26 (10B)
<b>Company:</b>	Russell Corp. Chris Champion <a href="mailto:Championchris@russellcrp.com">Championchris@russellcrp.com</a>
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to supply subject merchandise (11A)
<b>Follow up:</b>	Second request (11B)
<b>Reply and Date:</b>	No communications received from company.

### Contacts in DR-CAFTA Partner Countries

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<b>Company:</b>	Elcatex, S.A. (Honduras)
<b>Date Contacted:</b>	February 26, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to produce subject merchandise (12A)
<b>Reply and Date:</b>	Cannot produce subject merchandise March 5 (12B)
<b>Company:</b>	Textufil, S.A. (El Salvador)
<b>Date Contacted:</b>	February 8, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to produce subject merchandise (13A)
<b>Reply and Date:</b>	Company advised that it does not have the machinery to produce the subject merchandise. February 10. (13B) In addition, company advised Intradeco by telephone that they could not produce subject merchandise.
<b>Company:</b>	Duraflex-Politex, S.A. (El Salvador)
<b>Date Contacted:</b>	January 31, 2007
<b>Nature of Request:</b>	Inquiry regarding ability to produce subject merchandise (14A)
<b>Reply and Date:</b>	Cannot produce subject merchandise January 31 (14B)

As a result of these inquiries, we and Intradeco are firmly of the conviction that the subject fabric is not available in the region.

### SUBSTITUTABLE PRODUCTS

The subject fabric is highly unusual in terms of production and finished product and has been developed as the result of close cooperation among Intradeco, its U.S. customer and the potential Asian supplier of the fabric. No fabric which differs from the specifications set forth in the Exhibit is substitutable for the subject fabric and will not be accepted by Intradeco or, more importantly, its customer. The combination of the combed ring-spun face yarn, the multi filament polyester tie yarn and the carded ring-spun poly-cotton fleece yarn gives this fabric its unique hand (softer) and appearance. The 21 gauge knitting machine not only gives the fabric its finer appearance on the face but also controls the fabric shrinkage to an acceptable level as put forth by the customer. There is no comparable fleece produced in the DR-CAFTA region.

If you have any questions or require further information with regard to this request, please contact Mark Haney or Charles Bremer at (202) 216-9307 or *via* e-mail to [mhaney@strtrade](mailto:mhaney@strtrade) or [cbremer@strtrade.com](mailto:cbremer@strtrade.com).

Sincerely,

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

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P.A.**



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Thomas G. Travis  
Managing Partner



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Ronald J. Sorini, President  
Trade Negotiations and Legislative  
Affairs

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**EXHIBIT**  
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(English Equivalents In Parentheses)

<u>HTS Subheading</u>	6001.21
<u>Generic Description</u>	Three thread circular knit fleece
<u>Fiber Content</u>	80% cotton / 20% polyester
<u>Yarn Size</u>	<u>Face yarn</u> 100% combed cotton ring spun, 49/1 to 54/1 metric (29/1 to 32/1), in each of the following configurations: a.) 100% bleached or dyed cotton b.) 95% undyed cotton / 5% dyed cotton c.) 90% undyed cotton / 10% dyed cotton d.) 80% undyed cotton / 20% dyed cotton e.) 70% undyed cotton / 30% dyed cotton f.) 60% undyed cotton / 40% dyed cotton g.) 50% undyed cotton / 50% dyed cotton h.) 40% undyed cotton / 60% dyed cotton g.) 30% undyed cotton / 70% dyed cotton h.) 25% undyed cotton / 75% dyed cotton i.) 20% undyed cotton / 80% dyed cotton

The percentages stated above may vary by up to two percentage points.

Tie yarn  
183 to 188 / 48 filament metric filament  
polyester ( 49 to 51 / 48 filament denier)

Fleece yarn  
70% carded cotton / 30% 2250 metric  
polyester staple, 26/1 to 30/1  
metric ring spun  
(70% cotton / 30% 2.25 denier  
polyester staple, 15.5/1 to 18/1  
ring spun)



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<u>Machine gauge</u>	21
<u>Weight</u>	247 to 258 grams per square meter (7.3 to 7.5 ounces per square yard)
<u>Width</u>	Not less than 152 centimeters cuttable) (Not less than 60 inches cuttable)
<u>Finish</u>	Napped on technical back; bleached; dyed; of yarns of different colors
<u>Performance criteria</u>	Not more than 5% vertical and horizontal shrinkage; not more than 4% vertical torque