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COMMERCIAL AVAILABILITY REQUEST

- - PUBLIC VERSION - -

December 1, 2008

Mr. R. Mathew Priest
Chairman, Committee for Implementation of Textile Agreements
Office of Textiles and Apparel, Room H3100
U.S. Department of Commerce
14th and Constitution Ave., NW
Washington, DC 20230

Re: Commercial Availability Request Under Section 203(o)(4) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act

Dear Mr. Priest,

On behalf of Hansoll Textile, Ltd. ("Hansoll"), and pursuant to Section 203(o)(4) of the Dominican Republic-Central America-United States Free Trade Agreement ("CAFTA-DR") Implementation Act and the Modified Final Procedures set forth in 73 Fed. Reg. 53200 (September 15, 2008) ("Final Procedures"), Sorini, Samet & Associates, LLC ("SS&A") requests that the fabric described herein ("subject fabric") be added to the list in Annex 3.25 of CAFTA-DR in an unrestricted quantity.

The subject fabric is nearly identical in construction to the fabric determined by CITA to be unavailable in commercial quantities in a timely manner from a supplier in the CAFTA-DR countries ("prior petition"), of which the effective determination was published in the Federal Register on September 15, 2008 (73 Fed. Reg. 53199)¹.

Hansoll had intended to use the prior petition fabric in its fall 2008 production, but was informed by the buyer of a need to change the fiber content and to add an additional coloration to the prior petition fabric specifications.

¹ CITA Reference Number: 83.2008.08.08.Fabric.SoriniSametforHansoll

As a result of again exploring the CAFTA-DR market in search of suppliers of the subject fabric, SS&A and Hansoll have determined the subject fabric is not available in commercial quantities in a timely manner from a supplier in the CAFTA-DR countries. It is following a good faith and documented effort to secure the fabric that Hansoll and SS&A submit this commercial availability request.

I. Detailed Product Description

The fabric is a raschel knit open work crepe, which has a unique “blistered” face requiring each of the constituent yarns to be fed separately, with small, regular open-work interstices, representing about 15 percent of the total surface area. The fabric is a blend of cotton, nylon, and spandex.

Fabric Type	Raschel Knit Open Work Crepe; this fabric has a unique "blistered" surface appearance with small interstices representing approximately 15% of the total surface area.
Fiber Content	66% Cotton; 31% Nylon; wrapped around 3% Spandex
Yarn Size	Cotton metric 28/2 to 32/2; Nylon metric 213 to 236 / 10 filament; Spandex metric 40 to 45.
Machine Gauge	18
Number of Bars	18
Fabric Weight	Metric 170 to 185 grams per square meter.
Fabric Width	Not less than metric 137.2 to 147.4 centimeters, cuttable.
Colors	Various
Finishing Processes	(Piece) dyed or yarn dyed.
Quantity	Metric [[**]] square meters per month delivered to [[**]].
HTSUS	6005.22.00; 6005.23.00

II. Quantity

Hansoll requires metric [[**]] square meters per month delivered to [[**]].

III. Due Diligence

SS&A made inquiries to potential suppliers of the subject fabric in the United States and the CAFTA-DR countries. The list of companies was compiled (1) through Hansoll's experience doing business in the CAFTA-DR region, (2) through SS&A's and Hansoll's experience in two prior commercial availability petitions addressing similar fabrics, (3) through the 2008 Davison Salesman Blue Book, and (4) through the contact mechanisms of U.S. and Central American textile and apparel trade associations. These efforts did not result in identifying any parties that were able to supply the subject fabric in the time and quantities required by Hansoll.

The due diligence process resulted in a communication of initial interest from one U.S. company, Fab Industries Corp. Two samples were provided to Fab Industries Corp, and various communications were exchanged between Hansoll and Fab, and between SS&A and Fab, to try to determine the ability of Fab to actually supply the fabrics subject to this commercial availability request. Since Hansoll is a company based in Seoul, South Korea, and its officials have limited English language skills, SS&A initially conducted the business-to-business exchange with Fab on behalf of Hansoll. In addition, SS&A assisted Hansoll in conducting the necessary business-to-business dialogue as required under CITA's Final Procedures.

Through a direct inquiry, Hansoll sought to clarify, and asked for specific information about, Fab's equipment and its ability to undertake the process of knitting with cotton yarns. As way of background, in the course of due diligence communications with SS&A, Fab had indicated that fabrics of this type are generally made with man-made yarn rather than spun cotton yarn in consideration of the greater (tensile) strength of man-made yarns. Fab had communicated that the knitting speeds at which Fab operates its machinery would put stresses on the cotton yarns needed, and would lead to numerous yarn breaks. Hansoll then sent two inquiries to Fab regarding its ability to supply the fabric to the specifications, but Fab did not respond.

Ultimately, Fab was unresponsive to Hansoll's repeated inquires regarding Fab's technical capabilities and capacity to produce the subject fabric. It was also clear from the exchanges that Fab had never produced the subject fabric, and had not produced what it suggested as a comparable fabric since the mid-1990s. Therefore, a viable offer to supply does not exist.

The following information sets forth the companies and associations that were contacted with regard to whether they, or their members, could supply the subject fabric within the specifications described in Section I of this submission. Confirmations of the contacts are provided within Appendix I of the confidential version of this submission. All communications were conducted via e-mail unless otherwise noted.

(1) Association: National Textile Association, NTA

Contact: David Trumbull, Director – Members Services
dtrumbull@nationaltextile.org
Address: 6 Beacon Street, Suite 1125, Boston, MA 02108
Phone: (617) 542-8220
Date Contacted: October 14, 2008
Nature of Request: Inquiry to members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Reply and Date: October 14, 2008: Will circulate to membership and respond to SS&A with appropriate contact info.
Reply and Date: October 14, 2008: Replied that Fab Industries (7) is interested and put SS&A in contact.
Reply and Date: October 23, 2008: Replied that NTA had not heard from any other members regarding the inquiry.

(2) Association: National Council of Textile Organizations, NCTO

Contact: Mike Hubbard, Vice President: mhubbard@ncto.org
Address: P.O. Box 99 – Gastonia, NC 28053
Phone: (704) 824-3522
Date Contacted: October 14, 2008
Nature of Request: Inquiry to members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Follow-up: October 22, 2008: SS&A follow-up on inquiry to NCTO's members' ability to supply subject fabric.
Reply and Date: No response from association.

(3) Association: American Manufacturing Trade Action Coalition, AMTAC

Contact: Sarah Ormond, Director of International Trade:
sormand@amtacdc.org
Address: 910 16th St. NW, Washington, DC 20006
Phone: (202) 452-0866
Date Contacted: October 14, 2008
Nature of request: Inquiry to members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Reply and Date: October 14, 2008: Will circulate to membership and respond to SS&A with contact info, if applicable.

(4) Association: Honduran Manufacturers Association

Address: Edificio Yde Canahuati 3er y 4to Piso, Avenida Circunvalacion, S.O., San Pedro Sula, Cortes, Honduras, C.A.
Phone: (504) 556-5526

Contact: Astrid Barnica, Client Services:
servicioalcliente@ahm-honduras.com
Date Contacted: October 14, 2008
Nature of Request: Inquiry into members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Follow-up: October 22, 2008: SS&A follow-up on inquiry to AHM's members' ability to supply subject fabric.
Reply and Date: October 22, 2008: Replied that they had not received responses from any members.

(5) Association: Nicaraguan Textile & Apparel Manufacturers Association (ANITEC)

Address: Zona Franca "Las Mercedes" km 12 ½ Carretera Notre Managua Nicaragua
Phone: (505) 421-8984
Contact: Dean Garcia Foster, Executive Director: director@anitec.net
Date Contacted: October 14, 2008
Nature of Request: Inquiry into members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Follow-up: October 16, 2008: Voicemail and email follow-up inquiry.
Reply and Date: No reply from association.

(6) Association: Camara de la Industria Textil y de la Confeccion de El Salvador (CAMTEX)

Address: Calle Liverpool y Calle Roma, edif. ASI. Col. Roma San Salvador, El Salvador
Phone: (503) 2245-3540
Contact: Ingrid Burgos, Director: iburgos@camtex.com.sv; info@camtex.com.sv
Date Contacted: October 14, 2008
Nature of Request: Inquiry into members' ability to supply subject fabric, and request for potential suppliers' contact information.
Sample Provided: No
Follow-up: October 16, 2008: Email inquiry sent to second contact address (Burgos).
Reply and Date: October 16, 2008: Camtex replied that they are consulting with their members.

(7) Company: Fab Industries, Corp

Contact: Steve Myers, President: sem4@msn.com
Address: 98 Cutter Mill Road, Suite 412 North, Great Neck, NY 11021
Phone: (704) 735-2573
Date Contacted: October 14, 2008

Nature of Request: Inquiry to ability to supply subject fabric.
Sample Provided: Yes
Reply and Date: October 14, 2008: Steve Myers replied to NTA(1) circulation of possible interest, and would need to see a sample.
Reply and Date: October 14, 2008: NTA forwarded Steve Myers' reply to SS&A, and then SS&A contacted Myers to ask for delivery address to send a sample.
Reply and Date: October 15, 2008: Myers replied with delivery address for the sample delivery.
Reply and Date: October 20, 2008: SS&A sent fabric sample to Myers.
Follow-up: October 22, 2008: SS&A checked to ensure Myers received the fabric sample, and asked when to expect results of Fab's analysis.
Reply and Date: October 22, 2008: Myers replied that fabric sample was received and then sent to its research and development department in North Carolina to be analyzed. Myers also replied that he needed to determine the availability of yarns.
Reply and Date: October 24, 2008: SS&A responded by asking if Fab had completed its analysis of the fabric.
Reply and Date: October 24, 2008: Myers replied that Fab can make the fabric, but it has not yet been able to find a yarn supplier to quote prices, and asked if SS&A knew why yarn suppliers would be hesitant to provide this information.
Reply and Date: October 24, 2008: SS&A responded that it does not have information on yarn suppliers and asked Myers to confirm Fab's ability to acquire all necessary inputs as soon as possible.
Reply and Date: October 27, 2008: SS&A provided Myers with more detailed specifications on the fabric, including numbers of colors, patterns, and the proportions by weight between piece-dyed, yarn-dyed, and printed.
Reply and Date: October 27, 2008: Myers asked who would be responsible for the printing.
Reply and Date: October 27, 2008: SS&A responded that it does not know who could do the printing, and asked if the additional specifications previously provided were helpful.
Reply and Date: October 27, 2008: Myers replied that Fab does not do printing, so it assumes the client would have the fabric printed after delivery.
Reply and Date: October 29, 2008: SS&A made clear that Fab would need to deliver a finished product, including the printing, and asked for confirmation that Fab can deliver the finished subject fabric to the specifications, and restated the order is to begin Fall 2008. SS&A also asked for an update on Fab's ability to acquire the yarns.

Reply and Date: October 29, 2008: Myers replied that Fab has no printing capacity, and it can manufacture the dyed fabric only. Myers asked for a sample of the printed fabric.

Reply and Date: October 30, 2008: SS&A responded that it will send a printed fabric sample immediately. SS&A also asked Myers to confirm Fab’s ability to supply the subject fabric by providing detailed information about its past production of the fabric and its production capacity and machinery.

Reply and Date: October 31, 2008: Myers replied with details of its past production of a similar product, and information of its yarns suppliers, fabric price, and production timetable (which is outside the parameters of the order specifications).

Reply and Date: November 4, 2008: SS&A informed Myers that Fab’s offer is not viable due to a lack of inability to meet the required timeframes, the capacity to produce the required quantities, and the inability deliver a finished, printed product.

Reply and Date: November 5, 2008: Myers acknowledged SS&A’s response.

Reply and Date: November 18, 2008: Hansoll contacted Myers to ask for specific information on Fab’s capabilities and capacities to produce the subject piece dyed and yarn dyed fabrics. In addition, Hansoll asked specifically if Fab had the technical capacity to produce the fabric with cotton yarn, as Fab indicated its only experience is with rayon. Hansoll made clear that breaks in the cotton yarn would result in holes in the fabric, rendering it unusable in production.

Reply and Date: November 18, 2008: Myers did not respond to Hansoll’s inquiries about the dyed fabrics, but instead responded to a different sent by Hansoll regarding the printed version of the subject fabric.

Reply and Date: November 19, 2008: Hansoll again inquired whether Fab is able to supply the subject piece dyed or yarn dyed fabrics.

Reply and Date: No further response from the company.

(8) Company: Exportadora Textufil S.A. de C.V.

Contact: Hector Rico: hector@textufil.com
Elias Jorge Bahaias, General Manager: info@textufil.com

Address: Blvd Del Ejercito Nacional y 12 Av Sur, Soyapango
San Salvador, El Salvador, C.A.

Phone: (503) 2277-0066

Date Contacted: October 14, 2008

Nature of Request: Inquiry to ability to supply subject fabric.

Sample Provided: No

Follow-up: October 15, 2008: Email inquiry sent to second contact (Bahaias).

Follow-up: October 15, 2008: SS&A was unable to connect to listed telephone number.

Reply and Date: No response from company.

(9) Company: Industrias St. Jacks, S.A. de C.V.

Contact: Sergio Siman, Contact: ssiman@stjacks.com

Address: Zona Industrial La Laguna Antiguo Cuscatlan, Aptdo 2609
La Libertad, El Salvador

Phone: (503) 2243-3333

Date Contacted: October 14, 2008

Nature of Request: Inquiry to ability to supply subject fabric.

Sample Provided: No

Reply and Date: October 14, 2008: They do not produce this type of fabric.

(10) Company: Elastic Corp of America (Premier Fabrics)

Contact: Harry Cohen, Sales Contact: hcohen@premiernf.com

Address: 455 Hwy. 70, Columbiana, AL 35051

Phone: (631) 361-8866

Date Contacted: October 14, 2008

Nature of Request: Inquiry to ability to supply subject fabric.

Sample Provided: No

Follow up: October 16, 2008: SS&A contacted the office via telephone, and was told the operation is closing. Premier Fabrics (formerly Elastic Corp) gave SS&A the new sales contact information.

Reply and Date: October 16, 2008: They do not have raschel equipment.

(11) Company: Caracol Knits

Contact: Denisse Castellanos, Sales Contact
dcastellanos@caracolknits.com

Address: Zona Libre El Caracol, Km 200 carretera a Tegucigalpa,
Honduras

Phone: (504) 507-1200

Date Contacted: October 14, 2008

Nature of Request: Inquiry to ability to supply subject fabric.

Sample Provided: No

Follow-up: October 16, 2008: SS&A followed-up by telephone, and was asked to call back for a response to the order inquiry.

Follow-up: October 22, 2008: SS&A followed-up by leaving a voicemail, and sent a second email inquiry.

Reply and Date: October 25, 2008: Company does not produce this type of product.

(12) Company: I.C.A.T., S.A. de C.V

Contact: Antonio Rivas icatsa@navegante.com.sv

Elsa Leticia Rivera, General Manager:
icatsa@navegante.com.sv
Address: Zona Industrial Plan de La Laguna, Poligono G, lote 2, El Salvador
Phone: (503) 2216-3055
Date Contacted: October 14, 2008
Nature of Request: Inquiry to ability to supply subject fabric.
Sample Provided: No
Follow-up: October 16, 2008: Email follow-up to second contact (Rivera).
Follow-up: October 22, 2008: SS&A attempted to contact by telephone was unable to connect to listed number.
Reply and Date: No response from company.

(13) Company: Roman Knit Honduras, S.A. (RKH)

Contact: Wilfredo Modenessy: wmodenessy@rkhsa.com
Guillermo Gutierrez, Sales Contact: ggutierrez@rkhsa.com
Address: Green Valley Industrial Park, Lote 7B, Km. 23, Quimistan Santa Barbara, Honduras
Phone: (504) 620-3436
Date Contacted: October 14, 2008
Nature of Request: Inquiry to ability to supply subject fabric.
Sample Provided: No
Follow-up: SSA& follow-up by telephone and received a different contact name (Gutierrez), and left a voicemail and sent email inquiry.
Reply and Date: October 22, 2008: RKH only works with 100 percent cotton.

(14) Company: Woong Chun Honduras, S.A.

Contact: Luis Ryu: Honduras@woongchun.com
Brian Kwon, Sale Contact: briankwon@woongchun.com
Address: Km. 19.5, Carretera al Occidente, Naco Santa Barbara, Honduras
Phone: (504) 672-2000
Date Contacted: October 14, 2008
Nature of Request: Inquiry to ability to supply subject fabric.
Sample Provided: No
Reply and Date: October 16, 2008: Woong Chun does not have the ability to produce the fabric.

(15) Company: Industrias Liztex

Address: Parques del Lago Km 30.5, Ruta al Pacifico Amatitlan, Guatemala
Phone: (502) 6633-6550
Contact: Saul Mishaan, Contact: saul@liztex.com
Date Contacted: October 23, 2008
Nature of Request: Inquiry to ability to supply subject fabric.

Sample Provided: No
Reply and Date: October 23, 2008: Liztex does not make raschel fabrics.

As a result of these inquiries, SS&A and Hansoll Textile, Ltd. do not believe that the subject fabric is available in the region and we request that it be added to Annex 3.25.

IV. Substitutable Products

Fabrics that do not incorporate the yarn types described in Section I of this submission or are knit on a machine different from that described are not substitutable for the fabric. The aesthetics – a soft hand and appearance – require the yarns and machinery specified herein. The appearance – a complicated (18 bar) crepe-like “blister” stitch with regular open work interstices, is essential. This is the “look” that Hansoll has contracted to meet the order requirements of its customers.

If you have any questions or require further information with regard to this request, please contact Andrew Samet or Keith Jenkins at (202) 248-5090, or asamet@ssa-dc.com or kjenkins@ssa-dc.com.

Sincerely,



Andrew J. Samet
Principal

December 1, 2008

Date



Keith Jenkins
Director of Government Affairs

DECEMBER 1, 2008
Date