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June 11, 2014

PUBLIC VERSION

Confidential information has been redacted as indicated by brackets ("[]") on page 3 and in Attachment A

Ms. Janet E. Heinzen
Acting Chairperson
Committee for the Implementation of Textile Agreements
Room H3100
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, DC 20230

Re:

Request to Remove Designation 51 from

CAFTA-DR Annex 3.25

Certain Ring Spun Single Yarns of Micro

Modal Fibers

Dear Ms. Heinzen:

On behalf of Buhler Quality Yarns Corp., 1881 Athens Highway, Jefferson, Georgia 30549 ("Buhler"), and pursuant to Section 203(o)(4)(E) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act (19 U.S.C. § 4033(o)(4)(E)) and the Modified Final Procedures for Considering Requests under the Commercial Availability Provision of CAFTA-DR, 73 Fed. Reg. 53,200 (Sept. 15, 2008) ("Final Procedures"), we request that certain ring spun single yarns of micro modal fibers be removed from Dominican Republic-Central American-United States Free Trade Agreement ("CAFTA-DR") Annex 3.25. The subject yarns are listed and described as designation number 50 on the list of short supply products maintained by the

Committee for the Implementation of Textile Agreements ("CITA") on its website¹ and as designation number 48 at Harmonized Tariff Schedule of the United States ("HTSUS"), ch. 98, subch. XXII, U.S. Note 20(a)(48).

Original Designation and Authority for Removal

The United States added the subject yarns to Annex 3.25 after the conclusion of negotiations and before the date of entry into force of CAFTA-DR pursuant to CAFTA-DR Article 3.25, par. 4(e), to give effect to an original designation, Commercial Availability Designation, 70 Fed. Reg. 24,767 (May 11, 2005), regarding the subject yarns under the African Growth and Opportunity Act ("AGOA"), the Andean Trade Promotion and Drug Eradication Act ("ATPDEA") and the Caribbean Basin Trade Partnership Act ("CBTPA"). CAFTA-DR, par. 5(a), allows the United States to delete, at the request of an interested entity, any fabric, yarn or fiber added to Annex 3.25 pursuant to Article 3.25, par. 4, including a fabric or yarn added to Annex 3.25 pursuant to par. 4(e) after the conclusion of negotiations and before the date of entry into force of CAFTA-DR.

The designation, as incorporated in Annex 3.25, describes the subject yarns as follows:

Certain ring spun single yarns of English yarn number 30 and higher of 0.9 denier or finer micro modal fibers, classified in subheading 5510.11.0000 of the Harmonized Tariff Schedule of the United States (HTSUS)

Buhler is a "potential or actual supplier of a textile or apparel good" and therefore qualifies as an "interested entity," as that term is defined under CAFTA-DR Article 3.29 and Final Procedures, section 2(b).

CAFTA-DR Article 3.25, par. 5, states that a request for removal of a fabric, yarn or fiber from Annex 3.25 must be made no earlier than six months after the United States has added the fabric, yarn or fiber to Annex 3.25. Buhler has satisfied this required waiting period, because the subject yarns were added to Annex 3.25 more than six months prior to the date of this request for removal.

Information Supporting Removal

The designation under AGOA, ATPA and CBTPA was originally requested by Texollini, Inc. ("Texollini"). Texollini supports the removal of the subject yarns from

 $^{^1}$ "Short Supply List (updated) — CAFTA-DR Annex 3.25," http://web.ita.doc.gov/tacgi/CaftaReqTrack.nsf/aa4a8d4e4e834fe4852572c700477f2e/f30332701dfb867f852572c70047dfa0?OpenDocument (last visited June 11, 2014).

Annex 3.25. A copy of Texollini's letter dated May 27, 2014 confirming its support is furnished as Attachment A.

The Final Procedures, section 9, require that a request for removal of a fabric, yarn or fiber from Annex 3.25 must provide the substantive information set forth in subsection 6(b). For convenient reference, we are furnishing the following information in the order of the requirements listed in subsection 6(b). Each paragraph is numbered and includes the title, if any, of the corresponding paragraph under subsection 6(b).

- (1) <u>File Number.</u> Because this request for removal is not a response to a request for a designation, there is no requester file number to report.
- (2) Quantity. Buhler is capable of producing [*******] kilograms of the subject yarns per year, assuming an average yarn size of 36 English number, which is the equivalent of 61 metric number. All yarns produced by Buhler are of single ply.
 - (3) <u>Production Capability/Demonstration of Ability to Supply.</u>
 - (i) Buhler produced [*******] kilograms of singles yarns during the 24-month period ended March 31, 2014. This figure includes [******] kilograms of the subject yarns and also includes all micro modal yarns of heavier weights (lower metric numbers) than covered by the designation, yarns of blends of micro modal fibers with cotton fibers, yarns of all cotton fibers and yarns of Tencel® lyocell fibers. Nevertheless, Buhler has the capability to produce only the subject yarns in the annual quantity specified in paragraph (2), above, if it chooses to do so.
 - (ii) Buhler currently produces, and has not experienced cyclical demand for, the subject yarns.
 - (iii) The subject yarns do not involve a new style, weight or other variation that is new to the market or new to Buhler.
 - (iv) Production samples of the subject yarns of representative yarn sizes selected from Buhler's U.S. production facility are enclosed. Buhler will be pleased to provide additional production samples to CITA and interested entities and sales quotes to interested entities upon request. CITA and interested entities are invited to visit Buhler's website at http://www.buhleryarn.com/ or to contact David Sasso, Vice President, Sales, at (706) 367-3931 or dsasso@buhleryarns.com. As indicated previously, Buhler has continuously produced the subject yarns for the past two years. Its production facility in Jefferson, Georgia is a dedicated spinning mill designed to produce the subject yarns and other staple fiber yarns. Buhler maintains [**] ring spinning frames, all of which are suitable for producing the subject yarns, at the Jefferson facility with a total of [*****] spindles. All necessary operations to produce the subject yarns

in their finished condition are performed at the Jefferson facility. Buhler does not require or use outside contractors.

- (v) Buhler produces the subject yarns that meet the specifications in the designation. It does not base this request for removal on the ability to make a substitutable product.
- (vi) This request for removal is not a response to a request for a designation that involved the performance of due diligence by a person seeking a short supply designation. There has been no due diligence inquiry to which Buhler had the opportunity or was required to respond.

(4) <u>Due Diligence.</u>

- (i) As previously stated, this request for removal is not a response to a request for a designation that involved the performance of due diligence by a person seeking a short supply designation. Buhler is therefore unable to state whether it was responsive to an inquiry made by a requester in its due diligence process because no such process occurred. In any event, Buhler is able to supply the subject yarns in commercial quantities in a timely manner.
- (ii) Information about Buhler's production of the subject yarns in the previous 24-month period is contained in paragraph 3(i), above.
- (iii) As indicated in paragraph 3(ii), above, Buhler currently produces, and has not experienced cyclical demand for, the subject yarns.
- (iv) As indicated in paragraph 3(iii), above, the subject yarns do not involve a new style, weight or other variation that is new to the market or new to Buhler.
- (v) As indicated in paragraph 3(iv), above, we are furnishing production samples of the subject yarns with this request for removal. Information about production capability and past production is included in paragraphs 3(i) and (iv), above.
- (vi) As indicated in paragraph 3(v), above, Buhler does not base this request for removal on the ability to make a substitutable product.
- (vii) As previously stated, this request for removal is not a response to a request for a designation that involved the performance of due diligence by a person seeking a short supply designation. Buhler has therefore not had to consider whether to furnish business confidential or other commercially sensitive information to a requester.

(5) <u>Location of the CAFTA-DR Supplier.</u>

The name, address, phone number and email address of a contact person at Buhler's facility are as follows:

Marty Moran Chief Executive Officer 1881 Athens Highway Jefferson, Georgia 30549 Phone: (706) 367-9834

Email: mmoran@buhleryarns.com

Confidential Information

Buhler considers the information in brackets ("[]") and Attachment A to be "business information," as that term is defined in 15 C.F.R. § 4.9(b)(1), that is protected from disclosure under 5 U.S.C. § 552(b)(4), the disclosure of which would substantially harm Buhler's competitive position. We accordingly request that that all such information be treated as trade secrets and commercial or financial information obtained from a person and privileged and confidential for all purposes, including the exemption under 5 U.S.C. § 552(b)(4) from the disclosure requirements of 5 U.S.C. § 552(a). Buhler confirms that such information is not information that Buhler would customarily release to the public.

Conclusion

Buhler is able to supply the subject yarns in commercial quantities in a timely manner. We accordingly request that CITA remove the subject yarns from CAFTA-DR Annex 3.25.

* * *

Please contact Jon Fee at (202) 239-3387 or jon.fee@alston.com or BJ Shannon at (202) 239-3344 or bj.shannon@alston.com if CITA has questions or requires additional information.

Sincerely

Jonathan M. Fee

Attachment and enclosures

Due Diligence Certificate

Buhler Quality Yarns Corp. June 11, 2014

I, Jonathan M. Fee, of Alston & Bird LLP, counsel to Buhler Quality Yarns Corp., certify that (1) I have read the attached submission, and (2) based on the information provided to me by Buhler Quality Yarns Corp., I have no reason to believe that this submission contains any material misrepresentation or omission of fact

Jonathan M. Fee Alston & Bird LLP

Due Diligence Certificate

Buhler Quality Yarns Corp. June 11, 2014

I, Marty Moran, Chief Executive Officer, currently employed by Buhler Quality Yarns Corp., certify that (1) I have read the attached submission, and (2) the information contained in this submission is, to the best of my knowledge, complete and accurate.

Marty Moran

Chief Executive Officer Buhler Quality Yarns, Corp.

PUBLIC VERSION

ATTACHMENT A

[CONFIDENTIAL]