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October 27, 2010

VIA E-MAIL AND UPS

**PUBLIC VERSION**

Ms. Kim Glas, Chairperson  
Committee for the Implementation of Textile Agreements  
Room H3100, U.S. Department of Commerce  
14th and Constitution Ave., NW  
Washington, DC 20230

Re: *Commercial Availability Request  
Polyester/rayon/spandex coating weight woven outerwear fabric*

Dear Ms. Glas:

On behalf of S. Rothschild & Co., Inc. ("Rothschild"), 500 Fashion Avenue, Fl. 6, New York, NY 10018, and pursuant to Section 203 of the Dominican Republic-Central America-United States Free Trade Agreement ("CAFTA-DR") Implementation Act (19 U.S.C. § 4033(o)(4)) and the Committee for the Implementation of Textile Agreements' ("CITA's") Modified Final Procedures for Considering Requests Under the Commercial Availability Provision of CAFTA-DR (73 Fed. Reg. 53200 (Sept. 15, 2008)), we request that certain polyester/rayon/spandex coating weight woven outerwear fabric be added to the CAFTA-DR Short Supply List at U.S. Note 20(a) to Chapter 98, Subchapter XXII, Harmonized Tariff Schedule of the United States ("HTSUS").

## **I. Detailed Product Information**

The subject fabric is certain polyester/rayon/spandex coating weight woven outerwear fabric. The fabric has the following specifications, some of which are expressed in ranges:

<i>Fiber content</i>	60 to 90 percent polyester; 10 to 40 percent rayon; 0 to 3 percent spandex (yarns of filament and/or staple fiber; textured and/or non-textured)
<i>Yarn Size</i>	Various
<i>Thread count</i>	Metric: 43 to 56 ends per centimeter by 29 to 38 filling

	picks per centimeter English: 110 to 140 ends per inch by 75 to 95 filling picks per inch
<i>Weave type</i>	Woven twill
<i>Weight</i>	Metric: 356 to 407 grams per square meter English: 10.5 to 12 ounces per square yard
<i>Width</i>	Greater than 30 centimeters
<i>Finish</i>	Piece-dyed or yarn-dyed; and napped on both sides

The requested fabric is classifiable under the following HTSUS provisions (the descriptions of which are in some instances summaries of the HTSUS descriptions):

- 5407.52.2060 (woven fabrics of synthetic filament, containing 85 percent or more by weight of textured polyester filaments, dyed, weighing more than 170 g/m<sup>2</sup>);
- 5407.53.2060 (woven fabrics of synthetic filament, containing 85 percent or more by weight of textured polyester filaments, of yarns of different colors, weighing more than 170 g/m<sup>2</sup>);
- 5407.61.9935 (woven fabrics of synthetic filament, containing 85 percent or more by weight of non-textured polyester filaments, dyed, weighing more than 170 g/m<sup>2</sup>);
- 5407.61.9955 (woven fabrics of synthetic filament, containing 85 percent or more by weight of non-textured polyester filaments, of yarns of different colors, weighing more than 170 g/m<sup>2</sup>);
- 5407.69.2060 (woven fabrics of synthetic filament, other fabrics containing 85 percent or more by weight of polyester filaments, dyed, weighing more than 170 g/m<sup>2</sup>);
- 5407.69.4060 (woven fabrics of synthetic filament, other fabrics containing 85 percent or more by weight of polyester filaments, of yarns of different colors, weighing more than 170 g/m<sup>2</sup>);
- 5407.72.0060 (woven fabrics of synthetic filament, other fabrics containing 85 percent or more by weight of synthetic filaments, dyed, weighing more than 170 g/m<sup>2</sup>);

- 5407.73.2060 (woven fabrics of synthetic filament, other fabrics containing 85 percent or more by weight of synthetic filaments, of yarns of different colors, weighing more than 170 g/m<sup>2</sup>);
- 5407.92.2010 (woven fabrics of synthetic filament, other, dyed, mixed mainly or solely with artificial filaments or metalized yarn);
- 5407.92.2050 (woven fabrics of synthetic filament, other, dyed, not mixed mainly or solely with artificial filaments or metalized yarn, satin or twill weave);
- 5407.93.2010 (woven fabrics of synthetic filament, other, of yarns of different colors, mixed mainly or solely with artificial filaments or metalized yarn);
- 5407.93.2050 (woven fabrics of synthetic filament, other, of yarns of different colors, not mixed mainly or solely with artificial filaments or metalized yarn, satin or twill weave);
- 5512.19.0005 (woven fabrics of synthetic staple fiber, containing 85 percent or more by weight of polyester staple fiber, of yarns of different colors);
- 5512.19.0045 (woven fabrics of synthetic staple fiber, containing 85 percent or more by weight of polyester staple fiber, not of yarns of different colors, satin or twill weave);
- 5512.99.0005 (woven fabrics of synthetic staple fiber, containing 85 percent or more by weight of synthetic staple fiber, of yarns of different colors);
- 5512.99.0040 (woven fabrics of synthetic staple fiber, containing 85 percent or more by weight of synthetic staple fiber, not of yarns of different colors, satin or twill weave);
- 5515.11.0005 (other woven fabrics of synthetic staple fiber, of polyester staple fiber, mixed mainly or solely with viscose rayon staple fiber, of yarns of different colors);
- 5515.11.0040 (other woven fabrics of synthetic staple fiber, of polyester staple fiber, mixed mainly or solely with viscose rayon staple fiber, not of yarns of different colors, of satin or twill weave);
- 5515.12.0040 (other woven fabrics of synthetic staple fiber, of polyester staple fiber, mixed mainly or solely with manmade filaments, of satin or twill weave);
- 5515.19.0005 (other woven fabrics of synthetic staple fiber, of polyester staple fiber, other, of yarns of different colors); and
- 5515.19.0040 (other woven fabrics of synthetic staple fiber, of polyester staple fiber, other, not of yarns of different colors, of satin or twill weave).

The requested fabric is napped on both sides to help create the look and feel of woolen outerwear fabric. To the extent that filament yarn is used to weave the fabric, the napping process will break a varying amount of the filaments. Under the HTSUS, fabrics

are classified according to the percentage of staple or filament yarn in the fabric in its condition as imported, regardless the percentage of staple or filament yarn originally used to form the fabric. The application of this rule to the requested fabric could affect whether the fabric, after being napped on both sides, is classified as a fabric of staple or filament yarn. Accordingly, the fabric specifications and list of tariff classifications provided above cover fabrics of both staple and filament yarn.

Similarly, Rothschild anticipates that it will purchase primarily piece-dyed fabric meeting the specifications above. During the fabric dyeing process, however, some yarns in a fabric may pick up more dye than other yarns in the same fabric. Under the HTSUS, such a fabric may be classified as a fabric of yarns of different colors. The specifications above therefore clarify that the requested fabric may be yarn-dyed or piece-dyed, and the listed tariff classifications include those for fabrics that are dyed and for fabrics that are of yarns of different colors.

CITA's Modified Final Procedures state that "[r]easonable product specifications include the use of accepted terminology and standards, such as those used by ASTM ('American Society for Testing and Materials') or AATCC ('American Association of Textile Chemists and Colorists')." Thus, Rothschild's due diligence inquiries included references to the ASTM standard methods for measuring fiber content, thread count, and weight. Specifically, Rothschild referenced ASTM D629, "Standard Test Methods for Quantitative Analysis of Textiles," which is used to measure fiber content. Rothschild referenced ASTM D3775, "Standard Test Method for Warp (End) and Filling (Pick) Count of Woven Fabrics," which is used to measure the thread count of woven fabrics. Rothschild referenced ASTM D3776, "Standard Test Methods for Mass Per Unit Area (Weight) of Fabric," which is used to measure fabric weight. These ASTM test methods are familiar to producers, and Rothschild believes the references helped to clarify the specifications of the fabric Rothschild seeks. Rothschild does not believe it is necessary to include these references in the specifications in CITA's designation.

A sample is enclosed with this letter. The enclosed sample is identical to the sample sent to Burlington, Milliken, and Liztex on June 4, as is described in more detail below. This sample is representative of the requested fabric.

## **II. Quantity**

Rothschild will require a total of 50,000 to 150,000 yards (45,720 to 137,160 meters) of the subject fabric, with a minimum of 25,000 yards (22,860 meters) delivered no more than 30 days from the order date and the balance of the order delivered within 60 days thereafter (no more than 90 days after the order date).

## **III. Due Diligence**

In performing the due diligence required by CITA's Modified Final Procedures, we identified possible CAFTA-DR suppliers for the subject fabric using four sources. First, we consulted Davison's Textile Blue Book, which is available online at

<http://www.davisonbluebook.com/textilebluebook>. This is an Internet database of manufacturers in the textile and apparel industry, which is searchable by types of textiles and by countries/regions of the world. Second, we reviewed lists of companies contacted in connection with prior commercial availability proceedings involving similar fabrics. Third, Rothschild identified potential suppliers based on its knowledge of the industry. Fourth, as is described in more detail below, we provided our due diligence inquiry to major textile trade associations in the United States and the CAFTA-DR countries.

Beginning on March 22, 2010, we sent request letters via both U.S. Mail and email to the companies identified using the sources described above and to the major textile trade associations in the United States and the CAFTA-DR countries. The request letter explained that Rothschild produces outerwear in CAFTA-DR countries and therefore seeks to obtain fabric that could be used to produce CAFTA-DR-qualifying apparel. The request letter included a table of detailed fabric specifications, as well as information about required quantities and lead times. Additionally, the letter included information about how a supplier wishing to offer the requested fabric should respond. Attached are copies of the letters sent to each trade association and CAFTA-DR producer.<sup>1</sup> We request confidential treatment of all attachments. (Attachment A).

The following table lists all trade associations and CAFTA-DR producers that were identified during our due diligence research and to which we sent request letters. The second column of the table describes any responses received. Where no response was received, the third column of the table describes subsequent attempts to contact potential suppliers via email and telephone.

Significantly, pursuant to the requirement in CITA's Modified Final Procedures that, "[o]nce interest is expressed between requestors and CAFTA-DR suppliers, subsequent communications should be conducted by appropriate officials of the requestor and CAFTA-DR supplier based on normal business practice," the table below describes direct business-to-business communication between Rothschild and any potential supplier that responded that it was interested in supplying the requested fabric. The documents at Attachment A likewise include letters from Rothschild directly to potential suppliers, letters from potential suppliers directly to Rothschild, and Rothschild's notes memorializing telephone conversations directly between Rothschild and potential suppliers.

<b>Contacted Party</b>	<b>Initial Contact</b>	<b>Subsequent Contact (as necessary)</b>
<b>Trade Associations</b>		
National Coalition of Textile Organizations Mike Hubbard	Sent request letter via email and U.S. Mail on March 23.	N/A

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<sup>1</sup> The cover letters sent to the trade associations referenced two request letters. The second letter described a different fabric that is not relevant to the current commercial availability proceeding, and copies of that second letter are therefore not attached.

<p>Vice President 910 17<sup>th</sup> Street NW Washington, DC 20006 <a href="mailto:mhubbard@ncto.org">mhubbard@ncto.org</a></p>	<p>Mr. Hubbard responded on March 23 that he would send the request to his members.</p>	
<p>American Manufacturing Trade Action Coalition Augustine Tantillo Executive Director 910 16<sup>th</sup> Street NW Suite 760 Washington, DC 20006 <a href="mailto:atantillo@amtacdc.org">atantillo@amtacdc.org</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Received no response.</p>	<p>Sent second email on April 19. Received no response.</p>
<p>National Textile Association David Trumbull Director, Member Services 6 Beacon Street Suite 1125 Boston, MA 02108 <a href="mailto:dtrumbull@nationaltextile.org">dtrumbull@nationaltextile.org</a></p>	<p>Sent request letter via email and U.S. Mail on March 23.  Mr. Trumbull responded on March 23 that he had posted the request on the association's blog at: <a href="http://nationaltextile.blogspot.com/">http://nationaltextile.blogspot.com/</a>.</p>	<p>N/A</p>
<p>American Apparel Producers' Network Mike Todaro Managing Director P.O. Box 720693 Atlanta, GA 30358 <a href="mailto:source@aapnetwork.net">source@aapnetwork.net</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Received no response.</p>	<p>Sent second email on April 19. Received an auto response that the box for <a href="mailto:sue@aapnetwork.net">sue@aapnetwork.net</a> was full. Received no further response.</p>
<p>Apparel and Textile Industry Commission (Vestex) Liggia Barrios Promotion and Marketing 15 Avenida 14-72 Zona 13 Guatemala, C.A. 01013 <a href="mailto:lbarrios@apparel.com.gt">lbarrios@apparel.com.gt</a></p>	<p>Sent request letter via email and U.S. Mail on March 23.  Karin de Leon responded via email on April 9 that Vestex received the letter via mail, but she requested that we resend the letters via email. BJ Shannon resent both request letters via email to Ms. de Leon on April 9.</p>	<p>N/A</p>
<p>Apparel &amp; Textile Manufacturers Association (Anitec) Carlos Sandino President Zona Franca "Las Mercedes" km 12 ½ Carretera Norte Building #29 Managua, Nicaragua <a href="mailto:nicaind@aol.com">nicaind@aol.com</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Received no response.</p>	<p>Sent second email on April 19. Received no response.</p>
<p>Costa Rican Chamber of Textiles</p>	<p>Sent request letter via email</p>	<p>Sent second email on April</p>

<p>Maria Quirce Director Apartado 1512 1002 Pase de Estudiantes San Jose, Costa Rica <a href="mailto:maqcateco@racsa.co.cr">maqcateco@racsa.co.cr</a></p>	<p>and U.S. Mail on March 23. Received no response.</p>	<p>19. Ms. Quirce responded on April 19 that Costa Rica does not produce the requested fabric.</p>
<p>Dominican Free Zones Association (“ADOZONA”) Fernando Capellán Executive Board President AV. Sarasota #20, 4to. Piso, Torre Empresarial AIRD, Apartado Postal 3184 Santo Domingo, R.D. <a href="mailto:fcapellan@grupom.com.do">fcapellan@grupom.com.do</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Received no response.</p>	<p>Sent second email request on April 19. Mr. Capellan responded that the requested fabrics would not be found in the Dominican Republic.</p>
<p>Honduran Manufacturers Association Angela Castillo Promotion Edificio Yude Canahuati 3 y 4 Piso, Avenida Circunvalacion S. O. San Pedro Sula, Honduras <a href="mailto:promocion@ahm-honduras.com">promocion@ahm-honduras.com</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Email was returned.  Resent email to <a href="mailto:direcciontecnica@ahm-honduras.com">direcciontecnica@ahm-honduras.com</a> on March 23. Received no response.</p>	<p>Sent second email on April 19. Astrid Barnica responded on April 20 to state that the request letters had been circulated to the Honduran textile mills but that no response had been received.</p>
<p>Union de Industriales Textiles (Unitex) Ingrid Burgos Executive Director Calle Liverpool y Roma edificio ASI San Salvador, El Salvador <a href="mailto:Unitex_gg@telesal.net">Unitex_gg@telesal.net</a></p>	<p>Sent request letter via email and U.S. Mail on March 23.  Ms. Burgos responded on March 24 that she would circulate the letters to the association’s fabric producers.</p>	<p>N/A</p>
<p><b>U.S. Producers</b></p>		
<p>Burlington Worldwide Pete Baumann Senior Vice President, Merchandising 804 Green Valley Road Greensboro, NC 27408 <a href="mailto:info@burlingtonworldwide.com">info@burlingtonworldwide.com</a> CC: Pat Palmer (<a href="mailto:pat.palmer@burlington.com">pat.palmer@burlington.com</a>)</p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. Received no response prior to second communication.</p>	<p>Ms. Shannon left a voice message for Mr. Palmer on April 19. Mr. Palmer left a return voice mail on April 21 and BJ Shannon left another voice mail also on April 21. On May 4, the original request letter was returned, signed by Peter Baumann and with the box checked to indicate Burlington’s interest in supplying the fabric. On May 13, Daniel Torczyner of Rothschild sent a letter to Mr. Baumann with a representative sample and a</p>

		request for information about Burlington's ability to supply the fabric. On June 4, Mr. Torczyner sent a second letter and an additional sample to Mr. Baumann. Mr. Baumann did not respond to either letter.
<p>Kaltex Bob McCormick President 350 Fifth Avenue Suite 6200 New York, NY 10118 <a href="mailto:usa@kaltex.com.mx">usa@kaltex.com.mx</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. No response was received.</p>	<p>Sent second email on April 19. No response was received.</p> <p>On April 22, Ms. Shannon called Kaltex and spoke to Jimmy Koby. At Mr. Koby's request, Ms. Shannon forwarded a copy of the request letter to <a href="mailto:jimmy.koby@kaltex.com">jimmy.koby@kaltex.com</a>. Ellen Borowka responded via email on April 22 that her company was currently only offering a polyester/rayon fabric of 8.58 oz/sq yd or less.</p>
<p>Milliken &amp; Company Kathi Dutilh Manager, Government Relations 110 East Neck Road Huntington, NY 11743 <a href="mailto:kdutilh@millikenc.com">kdutilh@millikenc.com</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. Received no response.</p>	<p>Sent second email on April 19. Ms. Dutilh responded on April 20 that she would investigate. She also responded on April 20 and 21 to provide an updated mailing address. On May 4, she responded via email that Milliken was able to make the fabric requested but was not making it at present. Ms. Shannon followed up on May 5 and asked whether Milliken would offer to supply the fabric, and Ms. Dutilh referred the inquiry to David Smith. Ms. Shannon sent an email inquiry and a copy of the request letter to Mr. Smith on May 7. Mr. Smith asked to be contacted by Rothschild. On May 18 and June 4, Mr. Torczyner of Rothschild sent letters to Mr. Smith, both of which</p>

		included samples, and which requested information about Milliken's ability to supply the fabric. Mr. Smith telephoned Mr. Torczyner on June 7 with follow up questions. Mr. Torczyner requested that Mr. Smith confirm his questions in an email. Mr. Smith did not follow up via email.
National Spinning Company Robert Gordon, New York Sales and Marketing 917-287-3096 <a href="http://www.natspin.com">www.natspin.com</a>	National Spinning Company was not identified during due diligence, because it is a yarn producer, but Mr. Gordon telephoned on April 6 and referenced a request for yarns. Ms. Shannon explained that the inquiry related to fabric and inquired whether Mr. Gordon might make a response with a fabric producer. Mr. Gordon stated that he would contact fabric companies and follow up. Ms. Shannon reminded him that Rothschild hoped to receive all responses by April 22. No further response was received.	N/A
<b>CAFTA-DR Producers</b>		
Olympic Fibers S.A. Alicia Segura Manager of Sales Costado Norte de las instalaciones de Firestone San Antonio de Belen Aptdo 7604-1000 San Jose, Costa Rica <a href="mailto:olympicf@racsa.co.cr">olympicf@racsa.co.cr</a>	Sent request letter via email and via U.S. Mail on March 23. No response was received.	Diego Marquez placed a follow up call on April 21 to the telephone number available in the Textile Bluebook; the call was unanswered.  BJ Shannon sent a second email on April 22. No response was received.
Industrias de Hilos, S.A. de C.V. Fredri Lazo Sales KM 11.5 Carr Panamericana Final 4ta Av Norte Ilopango San Salvador, El Salvador <a href="mailto:sales@industriadehilos.com">sales@industriadehilos.com</a>	Sent request letter via email on March 22 and via U.S. Mail on March 23. No response was received.	Mr. Marquez spoke with Luis Arevalo on April 21. Mr. Arevalo said that the company works with cotton and polyester but not rayon.

<p>Industrias Unidas S.A. (IUSA)          Guillermo Enrique Villa          Sales Manager          KM 11.5 Carretera          Panamericana          Frente Aduana San Bartolo          San Salvador, El Salvador  <a href="mailto:ventas@iusa.com.sv">ventas@iusa.com.sv</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. No response was received.</p>	<p>Mr. Marquez spoke with Guillermo Enrique Villa on April 21. Mr. Villa stated that his company does not currently produce this fabric but was analyzing its capability to do so. He said the capability analysis could take two months, but no response was received after that two month period.</p>
<p>Poliester y Filamentos de C.A., S.V. de C.V.          Julio Nasri Miguel          General Manager          KM 10.5 Carr al Puerto de la Libertad          La Libertad, El Salvador  <a href="mailto:polifyl@123.com.sv">polifyl@123.com.sv</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. Email was returned and no alternate address was available.</p>	<p>Mr. Marquez placed a follow up call on April 21 and left a message with the receptionist for a return call from Mr. Miguel or anyone in sales who could discuss our request. Mr. Miguel did not return the call.</p>
<p>Hilos y Telas, S.A.          Antonio Malouf          (published contact)          34 Calle 7-42 Zona 11          Colonia Las Charcas          Guatemala  <a href="mailto:ramalouf@hilosytelas.com">ramalouf@hilosytelas.com</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. No response was received.</p>	<p>Mr. Marquez placed a follow up call on April 21 to both telephone numbers available in the Textile Bluebook; one number was unanswered and a voice message was left at the other. Mr. Malouf did not return the call.</p> <p>Ms. Shannon sent a second email on April 21. No response was received.</p>
<p>Industrias Liztex          Jose Habie          (published contact)          Km. 30.5 Carretera al Pacifico          Amatitlan, Guatemala          Guatemala  <a href="mailto:textil@liztex.com">textil@liztex.com</a></p>	<p>Sent request letter via email and U.S. Mail on March 23.</p> <p>Mr. Habie responded via email on March 23 with price quotes for two fabrics with unspecified finishes. He also sent a follow up letter on April 8, with enclosed samples that were of the requested fiber content but were not of the required weight or finish.</p>	<p>N/A</p>

	<p>On May 13, May 18, June 4, and June 8, Daniel Torczyner of Rothschild and Mr. Habie corresponded further, and Mr. Torczyner also provided a sample to Mr. Habie.</p> <p>During a June 10 telephone conversation, Mr. Habie confirmed for Mr. Torczyner that he had no objection to a commercial availability request for the subject fabric.</p>	
<p>Monte Textile, S.A. Juan Carlos Castaneda Export Manager Km 18.5 Carr al Mayan Golf Club, Villa Nueva, Guatemala <a href="mailto:juancarlos@textisur.com">juancarlos@textisur.com</a></p>	<p>Sent request letter via email and U.S. Mail on March 23. Received no response.</p>	<p>Mr. Marquez placed a follow up call on April 21 and learned that Mr. Castaneda was away from the office. As requested during the phone call, Ms. Shannon sent the request letter via email on April 21 to <a href="mailto:esete@textisur.com">esete@textisur.com</a>. No further response was received.</p>
<p>Textiles Rio Lindo Karen I. Facusse Calle principal Colonia San José Tegucigalpa Honduras <a href="mailto:kfacusse@oceanskyintl.com">kfacusse@oceanskyintl.com</a></p>	<p>Sent request letter via email on March 22 and via U.S. Mail on March 23. Email was returned.</p> <p>Sent email to <a href="mailto:kfacusse@riolindo.hn">kfacusse@riolindo.hn</a> on March 23. Email was returned.</p> <p>Sent email to <a href="mailto:sales@riolindo.hn">sales@riolindo.hn</a> on March 23. Email was returned.</p>	<p>Mr. Marquez placed a follow up call to Karen Facusse on April 21, but there was no answer.</p>

During the time that Rothschild was conducting this due diligence, Rothschild learned that the subject fabric is commonly offered outside the CAFTA-DR countries with a small percentage of spandex. Rothschild therefore conducted additional due diligence to determine whether any CAFTA-DR producer would offer fabric described in Rothschild's prior solicitation, but with the additional flexibility that the producer could utilize up to 3 percent spandex that was wholly formed in a CAFTA-DR country.

Specifically, each identified trade association and potential fabric supplier that was previously contacted received correspondence, describing the updated fabric specifications and inquiring about the availability of the fabric. After a week, all producers who had not responded were contacted by telephone and then by further written communication. After another week, producers who still had not responded were contacted by telephone again. We requested that trade associations respond only if they knew of a potential supplier and did not contact them a second time. Pursuant to CITA's Modified Final Procedures, correspondence to Burlington, Milliken, and Liztex came directly from Rothschild, as a continuation of the business-to-business communication established by Rothschild during the first phase of its due diligence. All three producers confirmed that they would not offer the fabric at this time.

The following table describes Rothschild's additional due diligence. Documentation of all communication is also attached. We request confidential treatment of all attachments. (Attachment B).

Contacted Party	Initial Contact (regarding spandex)	Subsequent Contact (as necessary)
<b>Trade Associations</b>		
National Coalition of Textile Organizations Mike Hubbard Vice President 910 17 <sup>th</sup> Street NW Washington, DC 20006 <a href="mailto:mhubbard@ncto.org">mhubbard@ncto.org</a>	Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.  Mr. Hubbard responded on August 3 that he would double check with his members.	N/A
American Manufacturing Trade Action Coalition Augustine Tantillo Executive Director 910 16 <sup>th</sup> Street NW Suite 760 Washington, DC 20006 <a href="mailto:atantillo@amtacdc.org">atantillo@amtacdc.org</a>	Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.  No response was received.	N/A
National Textile Association David Trumbull Director, Member Services 6 Beacon Street Suite 1125 Boston, MA 02108 <a href="mailto:dtrumbull@nationaltextile.org">dtrumbull@nationaltextile.org</a>	Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.  Jane Lomas responded on August 3 that she would post the request on the NTA blog.	N/A
American Apparel Producers' Network	Sent email to <a href="mailto:sue@aapnetwork.net">sue@aapnetwork.net</a> on	N/A

<p>Mike Todaro          Managing Director          P.O. Box 720693          Atlanta, GA 30358  <a href="mailto:source@aapnetwork.net">source@aapnetwork.net</a></p>	<p>August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	
<p>Apparel and Textile Industry Commission (Vestex)          Liggia Barrios          Promotion and Marketing          15 Avenida 14-72 Zona 13          Guatemala, C.A. 01013  <a href="mailto:lbarrios@apparel.com.gt">lbarrios@apparel.com.gt</a></p>	<p>Sent email to <a href="mailto:kdeleon@apparel.com.gt">kdeleon@apparel.com.gt</a> on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.</p> <p>On August 6, Ms. de Leon acknowledged the correspondence and requested a list of applicable HTS codes, which were provided to her on the same day.</p>	<p>N/A</p>
<p>Apparel &amp; Textile Manufacturers Association (Anitec)          Carlos Sandino          President          Zona Franca "Las Mercedes" km 12 ½ Carretera Norte          Building #29          Managua, Nicaragua  <a href="mailto:nicaind@aol.com">nicaind@aol.com</a></p>	<p>Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>N/A</p>
<p>Costa Rican Chamber of Textiles          Maria Quirce          Director          Apartado 1512 1002 Pase de Estudiantes          San Jose, Costa Rica  <a href="mailto:maqcateco@racsa.co.cr">maqcateco@racsa.co.cr</a></p>	<p>Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.</p> <p>Ms. Quirce responded on August 3 that there is no production of the requested fabric in Costa Rica.</p>	<p>N/A</p>
<p>Dominican Free Zones Association ("ADOZONA")          Fernando Capellán          Executive Board President          AV. Sarasota #20, 4to. Piso,          Torre Empresarial AIRD,          Apartado Postal 3184          Santo Domingo, R.D.  <a href="mailto:fcapellan@grupom.com.do">fcapellan@grupom.com.do</a></p>	<p>Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>N/A</p>
<p>Honduran Manufacturers Association</p>	<p>Sent email to <a href="mailto:servicioalcliente@ahm-">servicioalcliente@ahm-</a></p>	<p>N/A</p>

<p>Angela Castillo Promotion Edificio Yude Canahuati 3 y 4 Piso, Avenida Circunvalacion S. O. San Pedro Sula, Honduras <a href="mailto:promocion@ahm-honduras.com">promocion@ahm-honduras.com</a></p>	<p><a href="http://honduras.com">honduras.com</a> on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.  No response was received.</p>	
<p>Union de Industriales Textiles (Unitex) Ingrid Burgos Executive Director Calle Liverpool y Roma edificio ASI San Salvador, El Salvador <a href="mailto:Unitex_gg@telesal.net">Unitex_gg@telesal.net</a></p>	<p>Sent email on August 3, seeking suppliers of the requested fabric, including up to 3 percent CAFTA-DR spandex.  No response was received.</p>	N/A
<b>U.S. Producers</b>		
<p>Burlington Worldwide Pete Baumann Senior Vice President, Merchandising 804 Green Valley Road Greensboro, NC 27408 <a href="mailto:info@burlingtonworldwide.com">info@burlingtonworldwide.com</a> CC: Pat Palmer (<a href="mailto:pat.palmer@burlington.com">pat.palmer@burlington.com</a>)</p>	<p>Mr. Torczyner sent a letter via Fed Ex to Mr. Baumann on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA- DR spandex.  Mr. Baumann responded on August 9 with a letter that enclosed samples of pant- weight fabric and that described how Burlington would weave a heavier fabric.  Mr. Torczyner sent a follow up email on August 11 to inquire about Burlington's ability to make outerwear fabric, rather than heavy pant fabric, and to request a timeline on which Burlington would weave samples, quote a price, and produce the fabric. The email was returned. Mr. Torczyner tried unsuccessfully to reach Mr. Baumann by telephone and then sent the email as an attachment to a fax to Mr. Baumann on August 12.  Mr. Baumann sent a letter to</p>	

	<p>Mr. Torczyner on August 19. The letter asserted that the pant-weight sample provided on August 9 met the specifications provided by Rothschild and offered to provide a sample of the requested fabric in 16 weeks.</p> <p>Mr. Torczyner sent a letter to Mr. Baumann on August 23, requesting a price quote and a timeline for production of the required quantities of fabric.</p> <p>Mr. Torczyner and Mr. Baumann then spoke several times via telephone. Mr. Baumann stated that Burlington would have no objection to a commercial availability request that does not conflict with products Burlington produces, and that Burlington does not make fabric that is napped on both sides. Mr. Torczyner followed up on October 13 with a letter that included the narrowed specifications, and Mr. Baumann responded by email on October 14 that the specifications were okay.</p>	
<p>Kaltex          Bob McCormick          President          350 Fifth Avenue          Suite 6200          New York, NY 10118  <a href="mailto:usa@kaltex.com.mx">usa@kaltex.com.mx</a></p>	<p>Sent email to <a href="mailto:Ellen.Borowka@kaltex.com">Ellen.Borowka@kaltex.com</a> on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p> <p>Ms. Borowka responded on August 3 that Kaltex does not make the requested fabric.</p>	<p>N/A</p>
<p>Milliken &amp; Company          Kathi Dutilh          Manager, Government Relations          110 East Neck Road          Huntington, NY 11743</p>	<p>Mr. Torczyner sent a letter via Fed Ex to Mr. Smith on August 3 to inquire whether the company could supply the requested fabric with up to 3</p>	<p>Mr. Torczyner called Mr. Smith to follow up on August 13. Mr. Smith returned the call on August 16 and stated that the fabric is not available</p>

<p><a href="mailto:kdutih@millikendc.com">kdutih@millikendc.com</a></p>	<p>percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>from Milliken at this time.</p>
<p>National Spinning Company Robert Gordon, New York Sales and Marketing 917-287-3096 <a href="http://www.natspin.com">www.natspin.com</a></p>	<p>N/A</p>	<p>N/A</p>
<p><b>CAFTA-DR Producers</b></p>		
<p>Olympic Fibers S.A. Alicia Segura Manager of Sales Costado Norte de las instalaciones de Firestone San Antonio de Belen Aptdo 7604-1000 San Jose, Costa Rica <a href="mailto:olympicf@racsa.co.cr">olympicf@racsa.co.cr</a></p>	<p>Sent email on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>Mr. Marquez called to follow up on August 11. Ms. Segura referred him to Amadeo Martinez in the sales department, who said that Olympic Fibers cannot manufacture the requested fabric.</p>
<p>Industrias de Hilos, S.A. de C.V. Fredy Lazo Sales KM 11.5 Carr Panamericana Final 4ta Av Norte Ilopango San Salvador, El Salvador <a href="mailto:sales@industriadehilos.com">sales@industriadehilos.com</a></p>	<p>Sent email on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>Mr. Marquez called to follow up on August 11 and on August 12. There was no answer and no opportunity to leave a message.</p> <p>Ms. Shannon sent a second email on August 12. No response was received.</p> <p>Mr. Marquez placed a second follow up call on August 19. He was referred to Reynando Paz, who requested another copy of the emailed correspondence. Ms. Shannon sent an email to Mr. Paz on August 19. No further response was received.</p>
<p>Industrias Unidas S.A. (IUSA) Guillermo Enrique Villa Sales Manager KM 11.5 Carretera Panamericana Frente Aduana San Bartolo San Salvador, El Salvador <a href="mailto:ventas@iusa.com.sv">ventas@iusa.com.sv</a></p>	<p>Sent email on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>Mr. Marquez called to follow up on August 11 and August 12. A representative confirmed that Mr. Villa was the correct contact person but directed Mr. Marquez to call a different telephone number. Mr. Marquez called that number on August 12, but the call could not be completed.</p>

		<p>Ms. Shannon sent a second email on August 12. No response was received.</p> <p>Mr. Marquez placed a second follow up call on August 19. There was no answer and no opportunity to leave a message.</p>
<p>Poliester y Filamentos de C.A., S.V. de C.V.                  Julio Nasri Miguel                  General Manager                  KM 10.5 Carr al Puerto de la Libertad                  La Libertad, El Salvador  <a href="mailto:polifyl@123.com.sv">polifyl@123.com.sv</a></p>	<p>Sent email on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex. The email was returned.</p>	<p>Mr. Marquez called to follow up on August 11 and August 12. Mr. Marquez left a message for Mr. Miguel on August 12. No response was received.</p> <p>Ms. Shannon sent a second email on August 12. The email was returned.</p> <p>Mr. Marquez placed a second follow up call on August 19. There was no answer and no opportunity to leave a message.</p>
<p>Hilos y Telas, S.A.                  Antonio Malouf                  (published contact)                  34 Calle 7-42 Zona 11                  Colonia Las Charcas                  Guatemala  <a href="mailto:ramalouf@hilosytelas.com">ramalouf@hilosytelas.com</a></p>	<p>Sent email on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex. The email was returned.</p>	<p>Mr. Marquez called to follow up on August 11. Mr. Malouf did not answer. Mr. Marquez also left a voice mail with the sales department. No response was received.</p> <p>Ms. Shannon sent a second email on August 12. The email was returned.</p> <p>Mr. Marquez placed a second follow up call on August 19. He could not reach Mr. Malouf but left a second voice mail with the sales department. No further response was received.</p>
<p>Industrias Liztex                  Jose Habie                  (published contact)</p>	<p>Mr. Torczyner sent a letter via Fed Ex to Mr. Habie on August 3 to inquire whether</p>	<p>Mr. Torczyner and Mr. Habie spoke via telephone on August 6. Mr. Torczyner</p>

<p>Km. 30.5 Carretera al Pacifico Amatitlan, Guatemala Guatemala <a href="mailto:textil@liztex.com">textil@liztex.com</a></p>	<p>the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p>	<p>emailed to follow up on August 11, and Mr. Habie responded on August 12 that he currently has no capacity to offer the requested fabric.</p>
<p>Monte Textile, S.A. Juan Carlos Castaneda Export Manager Km 18.5 Carr al Mayan Golf Club, Villa Nueva, Guatemala <a href="mailto:juancarlos@textisur.com">juancarlos@textisur.com</a></p>	<p>Sent email to <a href="mailto:esete@textisur.com">esete@textisur.com</a> on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex.</p> <p>No response was received.</p>	<p>Mr. Marquez called Mr. Castaneda to follow up on August 11. Mr. Castaneda was on another call and Mr. Marquez left a message. No response was received.</p> <p>Ms. Shannon sent a second email on August 12. No response was received.</p> <p>Mr. Marquez placed a second follow up call on August 19. Mr. Castaneda's assistant confirmed that the company does not work with rayon and cannot offer the requested fabric.</p>
<p>Textiles Rio Lindo Karen I. Facusse Calle principal Colonia San José Tegucigalpa Honduras <a href="mailto:kfacusse@oceanskyintl.com">kfacusse@oceanskyintl.com</a></p>	<p>Sent email to <a href="mailto:kfacusse@riolindo.hn">kfacusse@riolindo.hn</a> and <a href="mailto:sales@riolindo.hn">sales@riolindo.hn</a> on August 3 to inquire whether the company could supply the requested fabric with up to 3 percent CAFTA-DR spandex. Both emails were returned.</p>	<p>Mr. Marquez called to follow up on August 11. There was no answer and no opportunity to leave a message.</p> <p>Ms. Shannon sent a second email to <a href="mailto:kfacusse@riolindo.hn">kfacusse@riolindo.hn</a> and <a href="mailto:sales@riolindo.hn">sales@riolindo.hn</a> on August 12. Both emails were returned.</p> <p>Mr. Marquez placed a second follow up call on August 19. There was no answer and no opportunity to leave a message.</p>

As confirmed by the due diligence described in the table above, the requested fabric is unavailable from CAFTA-DR producers.

#### **IV. Substitutable Products**

As noted above, the specifications for the requested fabric are expressed in ranges, to give producers the most flexibility to provide fabric that would fulfill Rothschild's requirements. Rothschild is unaware of any fabric outside the ranges of these specifications that is substitutable for the requested fabric. Rothschild's customers, who buy coats made from fabric of this type, demand that the fabric have a weight sufficient for production of outerwear garments, and that the fabric have a finish that creates the look and feel of woolen fabrics. Fabric not meeting the specifications above would not permit Rothschild to meet the demands of its customers.

#### **V. Conclusion**

Rothschild seeks to purchase the subject polyester/rayon/spandex coating weight woven outerwear fabric for use in garment production in CAFTA-DR countries. The foregoing letter and the attached documentation confirm that the fabric Rothschild seeks is not available in commercial quantities from CAFTA-DR producers. We therefore request that CITA add this fabric to the CAFTA-DR Short Supply List.

If CITA has questions or requires further information, please contact BJ Shannon at 202-239-3344 or Jason Waite at 202-239-3455.

Sincerely,



BJ Shannon

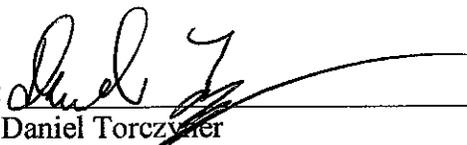
Attachments

## DUE DILIGENCE CERTIFICATIONS

### Interested Entity's Certification

I, Daniel Torczyner, Chief Financial Officer, currently employed by S. Rothschild & Co., Inc., 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.

Signed:   
Daniel Torczyner

### Legal Counsel's Certification

I, BJ Shannon, of Alston & Bird LLP, counsel or representative to S. Rothschild & Co., Inc., certify that:

- (1) I have read the attached submission, and
- (2) Based on the information made available to me by Mark Friedman, I have no reason to believe that this submission contains any material misrepresentation or omission of fact.

Signed:   
BJ Shannon

**Contents of Attachment A Redacted  
As Business Confidential Information**

**Contents of Attachment B Redacted  
As Business Confidential Information**