



**SANDLER, TRAVIS & ROSENBERG, P.A.**  
**ATTORNEYS AT LAW**

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March 19, 2014

**PUBLIC VERSION**

Kim Glas, Chair  
Committee for the Implementation of Textile Agreements  
U.S. Department of Commerce  
Room H3001A  
14th Street & Constitution Avenue, N.W.  
Washington, D.C. 20230

**Re: Commercial Availability Request  
Certain Cotton/Polyester/Spandex Rib Knit Velour Pile Fabric**

Dear Ms. Glas:

On behalf of our client, Hansae Co., Ltd. ("Hansae") we hereby submit this request for a finding of commercial non-availability pursuant to the provisions of Section 203(o)(4) of the Dominican Republic-Central America-United States Free Trade Agreement ("the Agreement") Implementation Act and CITA Final Procedures for implementing Section 203(o)(4) contained in CITA's Federal Register notices of March 15, 2007 and the Modifications to Procedures of September 12, 2008 (hereinafter "Procedures") with respect to certain fabric, described below, to be used in the manufacture of apparel in a CAFTA-DR country. We respectfully request that the subject fabric described below be added to the list in Annex 3.25 of the Agreement in unrestricted quantity because the fabric is not available in commercial quantities in a timely manner from a supplier in the CAFTA-DR countries.

**(1) Detailed Product Information**

The subject fabric is certain cotton/polyester/spandex rib knit velour pile fabric classifiable under HTSUS subheading 6001.91. The fabric has the following specifications, some of which are expressed in ranges:



<b>FABRIC</b>	<b>Cotton/Polyester/Spandex Rib Knitted Velour Pile Fabric</b>
Fiber Content	55-61% Cotton, 37-41% Polyester, 2-4% Spandex
Yarn Type/Size	All
Machine Gauge	20-22 GG
Fabric Weight	237-263 grams per square meter
Fabric Width	145 centimeters or greater
HTSUS Subheading	6001.91
Remarks	NOTE: The specifications for the fabric apply to the fabric itself prior to cutting and sewing of the finished garment. Such processing may alter the measurements.

The product specifications, including, fiber content, construction, yarn size, finishing processes and performance characteristics are reasonable and stated in terms of accepted terminology and standards.

These standards and specifications were explained to all potential suppliers. Timing was expressed as the annual quantity.

**(2) Quantity**

Hansae requires approximately [\*\*\*\*\*] to [\*\*\*\*\*] kilograms per year.

**(3) Due Diligence**

*(i) Generally*

The following is a summary of Hansae’s contacts and due diligence that demonstrates its legitimate intent and good faith and reasonable efforts to obtain the subject fabrics from CAFTA-DR suppliers. We note that despite our best efforts to provide contact names, titles and addresses for each company, in some circumstances we were unable to find or verify some of this information as the contacts were made entirely via email based on the best information available.

Hansae directly contacted all potential suppliers to locate sources for the subject fabrics, as well as the industry associations in all CAFTA-DR countries. No company indicated that they could supply the subject fabric.

Details of the salient points of Hansae’s communications with the various companies and trade associations in the region with regard to whether they or their members could supply



the subject fabric within the requested specifications are described below.\* Copies of the contacts are provided in the attachment of the confidential version of this submission.

## INDUSTRY ASSOCIATIONS

**Association:** **Adozona**  
**Contact(s):** José M. Torres, Executive Director ([adozona@codetel.net.do](mailto:adozona@codetel.net.do))  
**Address:** AV. Sarasota #20, 4to. Piso,  
Torre Empresarial AIRD,  
Apartado Postal 3184  
Santo Domingo, R.D.

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {A1}  
02/10/2014: Second request. {A2}  
  
No reply received.

**Association:** **Costa Rican Chamber of Textiles**  
**Contact(s):** Annia Sequra, Director ([asegura@textilescr.com](mailto:asegura@textilescr.com))  
**Address:** Apartado 1512 1002 Pase de Estudiantes  
San Jose, Costa Rica

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {B1}  
02/03/2014: Association advised that no companies in Costa Rica produce the subject fabric. {B2}

**Association:** **Guatemala Apparel and Textile Association (VESTEX)**  
**Contact(s):** Luis Oscar Estrada, Manager ([lestrada@apparel.com.gt](mailto:lestrada@apparel.com.gt))  
**Address:** 15 Avenida 14-72 zona 13 2ndo. Nivel  
Guatemala, Guatemala C. A 01013

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {C1}  
02/11/2014: Association indicated that Liztex may be able to produce the requested fabric. {C3} As noted in the correspondence below, Liztex is unable to produce the subject fabric. See Exhibit {H3}.

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\* Titles of the individuals contacted are listed in all cases where they are known. Contact information for some of the companies was provided by the relevant industry association. However, none of the associations provided titles with that contact information. Hansae contacted the individuals recommended by the applicable associations and/or the contact person with whom they typically correspond with for business purposes.



**Association:** *Honduran Manufacturers Association*  
**Contact(s):** Ernesto Interiano, Executive Director ([direcciontecnica@ahm-honduras.com](mailto:direcciontecnica@ahm-honduras.com))  
Astrid Barnica ([servicioalcliente@ahm-honduras.com](mailto:servicioalcliente@ahm-honduras.com))  
**Address:** Edificio Yude Canahuati 3 y 4 Piso, Avenida Circunvalacion S. O.  
Apartado Postal 2658  
San Pedro Sula, Honduras

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {D1}  
02/11/2014: Association forwarded inquiry to its members. {D2}  
  
No reply received.

**Association:** *National Council of Textile Organizations*  
**Contact(s):** Michael Hubbard, Vice President ([mhubbard@ncto.org](mailto:mhubbard@ncto.org))  
**Address:** 910 17<sup>th</sup> Street, NW, Suite 1020  
Washington, D.C. 20006

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {E1}  
02/10/2014: Second request. {E2}  
  
No response received.

**Association:** *Nicaraguan Textile Association (Anitec)*  
**Contact(s):** Dean Garcia, Executive Director ([director@anitec.net](mailto:director@anitec.net))  
**Address:** Zona Franca "Las Mercedes" km 12 ½ Carretera Norte, Building #29  
Managua, Nicaragua

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {F1}  
02/03/2014: Association advised that no companies in Nicaragua produce the subject fabric. {F2}

**Association:** *El Salvador's Chamber of Textiles and Apparel (CAMTEX)*  
**Contact(s):** Patricia Figueroa, Executive Director ([direccion@camtex.com.sv](mailto:direccion@camtex.com.sv))  
Mauricio Rodriguez, Manager ([mrodriguez@camtex.com.sv](mailto:mrodriguez@camtex.com.sv))  
Lourdes Avelar, Data Analyst ([lavelar@camtex.com.sv](mailto:lavelar@camtex.com.sv))  
**Address:** Calle Liverpool y Roma, edificio ASI  
San Salvador, El Salvador

**Reply and Date:** 02/03/2014: Initial inquiry regarding members' ability to produce subject fabric. {G1}



02/10/2014: Second request. {G2}  
02/12/2014: Association requested photos and samples to send to its members. {G3}  
02/24/2011: Hansae provided photographs of the requested fabric and asked the association to forward the fabric specifications and photographs to its member companies and request that the member companies contact Hansae directly. {G4}

No reply received.

**COMPANIES:**

**Guatemala:**

**Company:** *Industrias Liztex*  
**Contact(s):** Saul Mishaan, Sales Manager ([saul@liztex.com](mailto:saul@liztex.com))  
**Address:** KM. 30.5 Carretera Al Pacifico, Guatemala

**Reply and Date:** 02/03/2014: Initial inquiry regarding company's ability to produce subject fabric. {H1}  
02/10/2014: Second request. {H2}  
02/11/2014: Company advised that it could not produce the subject fabric. {H3}

**Company:** *Monte Textil S.A./Textiles Del Sur International, S.A.*  
**Contact(s):** Guillermo Zimeri Massis, President ([gzimeri@textisur.com](mailto:gzimeri@textisur.com))  
**Address:** KM. 18.5 Carretera Al Mayan Golf Club, Villa Nueva, Guatemala

**Reply and Date:** 02/03/2014: Initial inquiry regarding company's ability to produce subject fabric. {I1}  
02/10/2014: Second request. {I2}

No reply received.

**United States:**

**Company:** *Antex Knitting Mills*  
**Contact(s):** Bill Tenenblatt, Manager ([sales@antexknitting.com](mailto:sales@antexknitting.com))  
**Address:** 3750 S Broadway Pl, Los Angeles, CA USA

**Reply and Date:** 02/03/2014: Initial inquiry regarding company's ability to produce subject fabric. {J1}  
02/10/2014: Second request. {J2}

No reply received.



**Company:** *Texollini, Inc.*  
**Contact(s):** Nori Hill, Merchandiser (sales@texollini.com)  
**Address:** 2575 El Presidio St., Long Beach, CA 90810-1114 USA

**Reply and Date:** 02/03/2014: Initial inquiry regarding company's ability to produce subject fabric. {K1}  
02/10/2014: Second request. {K2}

No reply received.

*(ii) Identification of CAFTA-DR suppliers*

As part of its due diligence, Hansae directly contacted the trade associations representing the CAFTA-DR countries' textile industries as a means to convey the inquiry to association members. Based on its knowledge of the industry and the nature of the subject fabric (*i.e.* chief weight cotton, fine gauge, cut pile fabric) Hansae identified those individual companies throughout the CAFTA-DR region that could conceivably produce the fabric in question. As the foregoing explains, these efforts to identify CAFTA-DR suppliers were reasonable in light of the fabric at issue.

*(iii) Use of Third Parties and Business-to-Business Contact*

All communications were handled directly between Hansae and the individual companies and associations. Further, all contacts were made at the level appropriate to communicate information on the fabrics needed, the specifications and standards, and the reason for those standards.

*(iv) Description of the Subject Product*

The fabric specifications were provided to all potential suppliers and represents reasonable product specifications, including fiber content, yarn size and finishing processes expressed in accepted terminology and standards.

*(v) Provision of Samples*

As noted above, in the course of the business dialogue, Hansae provided pictures to all potential suppliers. See Exhibit A. No company requested a sample of the fabric or indicated that they could produce the requested fabric.

*(vi) Substitutability of Products*

No company suggested any fabrics that were substitutable for the subject fabric.

**(4) Substitutable Products**

*Ms. Kim Glas*

*Chair, Committee for the Implementation of Textile Agreements*

*March 19, 2014*

*Page 7*



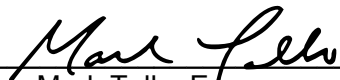
Hansae has developed its fabric specifications to meet its customer's requirements. It is absolutely critical that the fabric in question meet the stated performance criteria because a fabric that cannot match the stated requirements would not permit Hansae to meet the demands of its customer. The specifications provided above are expressed in ranges to give producers, as much flexibility as possible, but Hansae is unaware of any fabric outside these ranges that is substitutable for the requested fabric.

### **Conclusion**

Because the attached documentation confirms that the cotton/polyester/spandex rib knit velour pile fabric that Hansae seeks is not available in commercial quantities in a timely manner from CAFTA-DR producers, and because no other fabric is substitutable for the fabric Hansae seeks, we request that CITA add the specified fabric to Annex 3.25 of the Agreement.

Thank you for your consideration of this request. If you have any questions or require further information, please contact me at 202-730-4968 or [mtallo@strtrade.com](mailto:mtallo@strtrade.com).

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

By:   
Mark Tallo, Esq.

**Due Diligence Certification**

I, Elvis Chae, Assistant manager, currently employed by Hansae Co., Ltd., certify that I:

- 1.) have read the attached submission, and
- 2.) the information contained in this submission is, to the best of my knowledge, complete and accurate.

Signed:  \_\_\_\_\_  
Elvis Chae

Date: March, 14<sup>th</sup> / 2014



## DUE DILIGENCE CERTIFICATION

I, Mark Tallo, of Sandler, Travis & Rosenberg, P.A.,  
counsel to Hansae Co., Ltd., certify that:

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

Signed:   
Mark Tallo

Date: March 19, 2014

# ATTACHMENT

## (CONFIDENTIAL VERSION ONLY)

Confidential version contains copies of Hansae's confidential request letters and confidential responses, as described in the foregoing letter.