

May 4, 2009

Ms. Janet Heinzen  
Director, Office of Textiles and Apparel (OTEXA)  
U.S. Department of Commerce  
Room 3001  
Washington, DC 20230

Dear Director Heinzen:

I am writing on behalf of Levi Strauss & Co. (LS&CO.) in response to the April 3, 2009 *Federal Register* notice (FR Vol. 74 No. 63) requesting public comment on the "wholly formed" requirements for woven fabric in the context of the Dominican Republic (DR) 2:1 trouser arrangement under the DR-Central American Free Trade Agreement (DR-CAFTA).

LS&CO. is one of the world's leading branded apparel companies, marketing its products in more than 100 countries worldwide. The company designs and markets jeans-related pants, casual and dress pants, shirts, jackets and related accessories for men, women, and children under the Levi's®, Dockers®, and Signature by Levi Strauss & Co.™ brands. Based in San Francisco, California, LS&CO. is a global corporation with approximately 11,000 employees worldwide.

We strongly oppose the U.S. Department of Commerce's decision that U.S. fabric used in 2:1 production can only be considered of U.S. origin if it is completely dyed and finished in the United States. This determination is inconsistent with that of other U.S. preferences programs, including the Nicaragua TPL arrangement which does not have this requirement. Unfortunately, the Department of Commerce's interpretation is in direct conflict with our operations in the DR. We generally import unfinished U.S. fabric into the DR-CAFTA region, dye and finish it in the region and then produce finished garments from the fabric in the DR to be shipped to the United States.

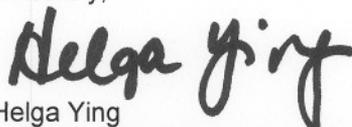
We have developed significant partnerships with apparel producers in the DR, and our production arrangements with them are based on the interpretation of the "wholly formed" definition *not* requiring dyeing and finishing in the United States. These arrangements have been very successful. Changing the definition of "wholly formed" now would put our operations in the DR further at risk at a time when apparel production in the country is already threatened.

The DR 2:1 arrangement was developed and enacted by the U.S. Congress to provide assistance to Dominican producers at a time when they have been losing orders to Asian competitors. Changing the definition of "wholly formed" could negate the benefits of the DR 2:1 program and likely will accelerate the flight of production out of the DR.

Consequently, we believe the Commerce Department's initial determination regarding the "wholly formed" definition is not in line with the intent of the U.S. Congress when it passed the legislation creating the 2:1 program. If it is allowed to stand, the 2:1 arrangement will have virtually no benefit for companies such as LS&CO. and many others. Given the stakes involved, we urge you to reverse this determination, and we stand ready to work with you to ensure that the Dominican Republic 2:1 arrangement functions as it was intended.

Thank you for your consideration and please do not hesitate to contact me at (415) 501-3974 if you have any questions regarding our position on this issue.

Sincerely,



Helga Ying  
Director, Worldwide Government Affairs and Public Policy  
Levi Strauss & Co.