

AMERICAN EAGLE OUTFITTERS

November 13, 2015

The Honorable Michael Froman
United States Trade Representative
Washington, D.C.
United States of America

Re: Request to Modify the Rule of Origin under the U.S.-Morocco Free Trade Agreement

Dear Ambassador Froman:

On behalf of American Eagle Outfitters (AEO), I am writing to request your assistance in taking the appropriate action under the terms of the Free Trade Agreement (FTA) with Morocco to modify the applicable rules of origin for women's and girls' woven apparel using certain third-country fabrics due to a lack of commercial availability in the territory of the two parties.

AEO is a leading global specialty retailer offering high-quality, on-trend clothing, accessories and personal care products at affordable prices under its American Eagle Outfitters® and Aerie® brands. The company operates more than 1,000 stores in the United States, Canada, Mexico, China, Hong Kong and the United Kingdom, and ships to 81 countries worldwide through its website.

We currently source in Morocco and have expressed strong concerns that the tariff preference level (TPL) provision of the FTA is set to expire at the end of this year. It is our hope that the TPL provision under the FTA will be extended. If the TPL were to expire, the cost of production in Morocco would become prohibitive for the products dependent upon third-country fabrics, and the potential to source from Morocco would be negatively impacted.

As we await any further consideration by the U.S. Congress and Administration on the issue of a TPL extension, we request that you initiate consultations with the Government of Morocco under Article 4.3 of the FTA with the objective of agreeing to modify the rules of origin due to issues of commercial availability for certain fabrics in the two countries.

The immediate fabric of concern is Viscose Crinkle classified under HTSUS 5408.24. This fabric is not available in Morocco or the United States. In addition, the Viscose Crinkle fabric would be covered under the definition of fabric #136 of the short supply list for the recently concluded Trans-Pacific Partnership negotiations, which is another confirmation that this fabric is not available in the United States. See table below:

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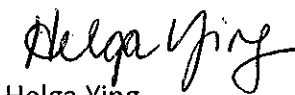
REQUIRED FABRIC	HTSUS	TPP SHORT SUPPLY LIST NUMBER / DEFINITION	TPP END USE ITEM
Viscose Crinkle	5408.24	#136: 100% rayon woven fabric, of heading 5408 or 5516	#136: Garments of Chapter 62

We ask that you seek a rule of origin change for fabrics under the Morocco FTA using the definition included in #136 of the TPP short supply list, and covering the same types of end use items. The application of such definition under the Morocco FTA, "100% rayon woven fabric of heading 5408," would permit the qualifying use of Viscose Crinkle fabric. We also request the end use application cover garments under Chapter 62, since we intend to use this fabric in women's and girls' woven garments classified under that chapter.

In summary, we ask that you determine the following: 100 % rayon woven fabric of heading 5408 is not available in the two countries, and a rule of origin change should be made to allow fabrics from third countries for use in women's and girls' garments of chapter 62 to qualify for duty-free access under the FTA.

We are available to provide any additional information to you and the U.S. Government to support the consultation and rule change process. Again, many thanks for looking into this issue, and we look forward to your consideration of our request.

Sincerely,



Helga Ying

Vice President, External Engagement & Social Responsibility
American Eagle Outfitters

cc: Deputy Assistant Secretary Joshua Teitelbaum, Chairman, Committee for the
Implementation of Textile Agreements, U.S. Department of Commerce