

ELASTIC FABRICS OF AMERICA

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May 15, 2019

PUBLIC VERSION

Lloyd Wood
Chairman, Committee for the Implementation of Textile Agreements
Room 30003
United States Department of Commerce
Washington DC 20230.

Also via email to
OTEXA_MoroccoFTA@trade.gov
and

Linda Martinich at Linda.Martinich@trade.gov

Subject: Request for Public Comments Concerning a Request for Modification of the U.S.-Morocco Free Trade Agreement (USMFTA) Rules of Origin for Women's or Girls' Swimwear Made from Certain Knit Fabrics

Dear Mr. Wood,

I write on behalf of Elastic Fabrics of America, a domestic U.S. manufacturer of warp knit fabrics, to oppose the request the Government of the United States received from the Government of Morocco dated March 14, 2019, on behalf of GOTTEX SWIMWEAR BRANDS LTD to initiate consultations under Article 4.3.3 of the USMFTA. The Government of Morocco is requesting that the United States and Morocco ("the Parties") consider revising the rules of origin for women's or girls' swimwear to address availability of supply of certain knit fabrics in the territories of the Parties. Specifically, Morocco requests the U.S. to consider revising the rules of origin for women's or girls' swimwear classified under HTSUS 6112.41 to allow the use of printed and piece-dyed warp knit fabrics of polyester or nylon fibers, containing between 6% and 41% elastomeric yarns classified under subheading 6004.10 of the HTSUS that is not originating under the USMFTA.

PUBLIC VERSION

Elastic Fabrics of America is a domestic U.S. manufacturer of warp knit fabrics, the subject of this request. Elastic Fabrics of America currently produces [REDACTED] square meters of such fabric annually at our U.S. facilities in Greensboro, North Carolina. We have additional capacity to produce [REDACTED] square meters annually. We are currently producing the subject fabric for use in swimwear production in our free trade partner nations.

Since we opposed a similar request in 2016, at no time has Elastic Fabrics of America been approached with an attempt to source the subject fabric from the U.S. Although the USMFTA does not require a canvassing of the domestic U.S. industry for suppliers, as do other U.S. FTAs, had such a canvassing been done, Elastic Fabrics of America would have been identified as able and willing to supply the fabric.

We note that the request from the Government of Morocco states that the third-country fabric that would be the beneficiary of the proposed modification will incorporate Lyrca® brand spandex produced in Ireland by U.S.A.-based manufacturer The Lyrca Company. We fail to see the relevancy of this statement. If the rule of origin is modified to allow third-country fabric, the origin of the yarn in the fabric is irrelevant, and the yarn could be sourced from any of the many spandex manufacturers located in several countries. However, if the rule is not modified, and GOTTEX chooses to use fabric made in the U.S., the source of the yarn will also be the U.S. -- from The Lyrca Company, the sole U.S. producer of spandex -- due to the requirement in the USMFTA that elastomeric yarn in the component that determines the tariff classification of the garment must be 100% originating in the region.

Elastic Fabrics of America strongly objects to this request because Elastic Fabrics of America is able and willing to supply the subject fabric.

If you have any questions about our opposition, you may contact me at samoore@elasticfabrics.com

Yours sincerely,



Samuel A. Moore, III
Chief Financial Officer
May 15, 2019

cc: David Trumbull -Agathon Associates