

ROYAUME DU MAROC

Ministère délégué auprès du Ministre de
l'Industrie, du Commerce, de l'Investissement
et de l'Economie numérique chargé du
Commerce extérieur



المملكة المغربية
الوزارة المنتدبة لدى وزير الصناعة
والتجارة والاستثمار والاقتصاد الرقمي
المكلفة بالتجارة الخارجية

38 - 2016

Mr. Joshua Teitelbaum,
Chairman
Committee for the Implementation of Textile Agreements
Room H3 100, U.S. Department of Commerce,
14th Street and Constitution Avenue, Washington, DC 20230
United States of America

- 9 MARS 2016

Subject: Request to Modify the Rules of Origin for Certain Apparel Articles under the United States-Morocco Free Trade Agreement

Dear Mr. Teitelbaum,

On behalf of MODALINE HOLDING, I hereby submit this request regarding the amendment of rules of origin applicable to certain apparel articles, to allow the use of certain third-country fabrics not commercially available in the countries of Morocco and the United-States, in accordance with the provisions of Article 4.3 of our Free Trade Agreement (FTA).

MODALINE HOLDING is a garment manufacturer based in Morocco and specialized in smart wear products. The company is one of Talbots' biggest suppliers worldwide making no less than U.S. \$9.5 million turnover per year with this brand. Talbots' nominated third country fabric mills are based in Europe and Asia. Not having the TPL renewed will negatively affect their business and our sector leading to a loss of competitiveness in the U.S. apparel market and loss of jobs in our country.

For the past 7 years MODALINE HOLDING was producing for many other American brands such as Express, Chico's, White House Black Market, and Banana Republic and was providing them all with high quality performance. The company exports more than 70% of its production to the United States.

MODALINE HOLDING's fabrics of concern for a rule of origin change under the US-Morocco FTA are the below 5 fabrics among which two of them (fabric 1 and 2) are both classified under the same HTS code 55151190. These 2 fabrics are not available in Morocco or the United States. They are also listed under the definition of fabric #48 of the short supply list for the newly concluded Trans-Pacific Partnership negotiations, which means that it has already been determined not to be available in the United States.



Required fabric	HTS code	TPP short supply list	TPP end use item
1/Synthetic bi-stretch: 45-52% Polyester, 45-52% Rayon, 1-7% Spandex 2/ Poly-viscose fabric: 60-68% Polyester, 29-37% Rayon, 1-7% Spandex	5515.11	# 48: 51-65% Polyester, 34-49% Rayon, 1-6% Elastomeric yarns, classified in heading 5515	#48: Trousers, shorts, skirts classified in heading 6203, 6204, 6209

We respectfully request that you agree to the following:

- 1/ 45-52% Polyester, 45-52% Rayon, 1-7% Spandex woven synthetic bi-stretch fabric of heading 5515.11 is not available in either country, and modify the rule of origin to allow fabrics from third countries for use in women's pant classified under heading 6204 to qualify for duty free access under the FTA.
- 2/ 60-68% Polyester, 29-37% Rayon, 1-7% Spandex woven poly-viscose fabric of heading 5515.11 is not available in either country, and modify the rule of origin to allow fabrics from third countries for use in women's pant classified under heading 6204 to qualify for duty free access under the FTA.
- 3/ 31-37% viscose, 17-23% polyester, 17-23% cotton, 13-19% wool, 5-11% nylon, 1-6% Spandex woven herringbone fabric of heading 5408.33 is not available in either country, and modify the rule of origin to allow fabrics from third countries for use in women's pant classified under heading 6204 to qualify for duty free access under the FTA.
- 4/ 94-99% virgin wool, 1-6% lycra, twill stretch flannel reactive dyed fabric of heading 5112.11 is not available in either country, and modify the rule of origin to allow fabrics from third countries for use in women's pant classified under heading 6204 to qualify for duty free access under the FTA.
- 5/ 89-95% Polyester, 5-11% Spandex printed and solid woven polyester crepe fabric (with filament yarn size of 120D+40D*120D+40D and a construction of 175*104) of heading 5407.61 is not available in either country, and modify the rule of origin to allow fabrics from third countries for use in women's pant classified under heading 6204 to qualify for duty free access under the FTA.

Meanwhile, we would like to reiterate our request for the renewing of TPL and we are waiting for any further consideration by the US Congress and US Administration on this issue as the textile sector is one of the key industries of the Moroccan economy, as a driver of growth in terms of job creation and export development. Moreover, 80% of jobs created by the textile sector are intended for women, who are usually the family support.



The attention of your good offices to consider this request at an early opportunity would be much appreciated. If you have any questions or require further information, please contact the focal point Ms. Latifa El Bouabdellaoui, Director of the International Trade Relations. I would like to know who is designated by you to handle this consultation between our two governments.

Sincerely,

Mohammed Abbou
Minister Delegate In Charge of Foreign Trade
Kingdom of Morocco

Mohammed ABBOU
Ministre Délégué auprès du Ministre
De l'Industrie, du Commerce, de l'Investissement
et de l'Economie Numérique
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