

SWIMSUIT COMMISSION

November 12, 2015

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

Re: Request for a Modification of the Rule of Origin for Certain Apparel Articles under the United States-Morocco Free Trade Agreement

Dear Ambassador Froman:

I am writing to request your support for a modification in the rules of origin for certain apparel articles under the United States-Morocco Free Trade Agreement ("FTA") due to a lack of commercial availability in the territory of the United States and Morocco for fabrics required for women's swimwear items.

Such a change in the rule of origin is critical for Swimsuit Commission Corporation (SCC), which is the wholly-owned U.S. subsidiary of Gottex Swimwear Brands LTD of Israel. SCC is headquartered in New York City, and employs approximately 40 people that support the operations of Gottex in the United States. As you may know, Gottex is a leading fashion swimwear brand and the majority of our swimwear for the U.S. market is manufactured in our operations in Morocco.

We have been using the tariff preference level (TPL) provision of the FTA with Morocco to permit duty-free access for our swimwear, but with that provision expiring on December 31, 2015, we face a difficult situation. Without rapid action by the U.S. and Moroccan Governments we will see the re-imposition of duties on our imports of swimwear from Morocco into the United States, and our operations, both in the United States and Morocco face negative impacts with risks to our employment levels in both countries.

Article 4.3 of the FTA specifies that if the United States or Morocco determines that certain fabrics are commercially unavailable, they can agree to modify the rules of origin for apparel articles to allow the use of fabrics sourced from outside the United States or Morocco in the production of such apparel. Under the FTA the parties may request consultations to consider such requests for rule of origin modifications based on a lack of commercial availability of fabrics.

We, therefore, urgently request that you engage the Government of Morocco in such consultations at the soonest possible date and work toward reaching an agreement before December 31, 2015.

The fabrics that we believe commercially unavailable in the United States and Morocco are found in subheading 6004.10:

Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 percent or more of elastomeric yarn or rubber thread, other than those of heading 6001: Containing by weight 5 percent or more of elastomeric yarn but not containing rubber thread.

The fabrics of concern to SCC for a rule of origin change under the Morocco Free Trade Agreement include certain swimwear fabrics already on the short supply list for the Trans-Pacific Partnership ("TPP"), as defined below - which means they have been determined not to be available in the United States:

Printed warp knit fabrics of polyester or nylon fibers classified in subheadings 6004.10, 6004.90, and 6005.34 containing between 3% and 21% elastomeric yarns, in which the elastomeric yarns were engineered for chlorine resistance, for use in women's or girls' swimwear classified in subheading 6112.41 and infant swimwear and rash guards classified in subheading 6111.30.

Swimsuit Commission Corp. 1441 Broadway, 26th Floor, New York, N.Y. 10018 · (212) 354-1240 · Fax (212) 302-3851

The logo for Gottex, featuring the word "gottex" in a stylized, cursive script font.

SWIMSUIT COMMISSION

Taking into account what has been included in the TPP short supply list, SCC requests that for purpose of the Morocco FTA, that fabric with the following description be determined to be commercially unavailable in the parties and that the rule of origin for the FTA be modified accordingly:

Printed and piece-dyed warp knit fabrics of polyester or nylon fibers classified in subheadings 6004.10 containing between 3% and 41% elastomeric yarns, in which the elastomeric yarns were engineered for chlorine resistance, for use in women's or girls' swimwear classified in subheading 6112.41.

This request modifies what has been otherwise agreed for short supply in TPP, by the addition of (1) "piece dyed" warp knit fabrics, and (2) changing the elastomeric yarns percentage up to 41%.

For your additional background information, we are informing you that most of the fabrics that would be utilized if our request is granted and the change in the rule of origin made, are specialized and trademarked fabrics included in the SENSITIVE ® line produced by the Italian manufacturer, EUROJERSY, using trademarked elastomeric yarns (LYCRA ®) produced at the Ireland facility owned by U.S.-based yarn producer INVISTA.

In addition, fabrics of importance to Gottex production in Morocco from a second Italian manufacturer, Carvico, also fit squarely within the definition of the swimwear fabric included in the short supply list for the Trans-Pacific Partnership. Again, for your background information, we have included an Appendix that provides further details about the fabrics that we currently utilize.

Considering the highly-specialized commercial requirements for our swimwear, and the forthcoming expiration of the TPL under the Morocco FTA on December 31, 2015, it is our hope that the necessary consultations can be undertaken with the Government of Morocco on this matter as expeditiously as possible. We also hope for a swift completion of all the necessary reviews and assessments. Any delay in this process will negatively impact production of our swimwear at the Gottex-owned facility in Morocco and associated employment for our company.

We are happy to provide you and your staff with any further information on this matter that you may require, and we look forward to your consideration of our request.

Sincerely,
Linda Sassoon



President Swimsuit Commission

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

SWIMSUIT COMMISSION

APPENDIX

Background Information

Examples of Commercially Unavailable Fabrics

EUROJERSEY FABRICS

Fabric Designation	Composition <i>Polyamide Microfiber (PA) and LYCRA® Elastomer (EA)</i>	Weight (g/m²)	Width (CM)	HTSUS
SENSITIVE®	72% PA + 28% EA	164	1.40	6004.10
SENSITIVE® PLUS	73% PA + 27% EA	117	1.40	6004.10
SENSITIVE® SERIC	73% PA + 27% EA	170	1.40	6004.10
SENSITIVE® TOUCH	72% PA + 28% EA	89	1.40	6004.10
SENSITIVE® SCULPT	59% PA + 41% EA	218	1.40	6004.10
SENSITIVE® LIFE	71% PA + 29% EA	185	1.50	6004.10
SENSITIVE® SHEER	69% PA + 31% EA	140	1.40	6004.10

CARVICO FABRICS

Fabric Designation	Composition <i>Polyamide Microfiber (PA) and LYCRA® Elastomer (EA)</i>	Weight (g/m²)	Width (CM)	HTSUS
MALAGA	80% PA + 20% EA	190	1.57	6004.10
SUMATRA	80% PA + 20% EA	190	1.57	6004.10

