

National Textile Association

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January 9, 2008

Chairman
Committee for the Implementation of Textile Agreements
Room 3001
United States Department of Commerce
14th and Constitution Avenue, N.W.
Washington, DC 20230.

Subj.: Rayon Short Supply Petition under the North American Free Trade Agreement (NAFTA)

Dear Mr. Priest.

On October 16, 2007 the National Textile Association submitted to the Committee for the Implementation of Textile Agreements a Commercial Availability Request Under the North American Free Trade Agreement (NAFTA) for rayon fiber used in any products classified in chapters 52, 54, 55, or 56 of the Harmonized Tariff Schedule of the United States (HTSUS). For each of chapters 52, 54, 55, and 56 we proposed a new Chapter Rule—

For purposes of determining the origin of a good of this chapter, the rule applicable to that good shall not apply to rayon fiber (other than rayon fiber composed of cellulose precipitated from an organic solution in which no substitution of the hydroxyl groups takes place and no chemical intermediates are formed and which is known by the generic description of "lyocell") in the good.

In our request we also stated:

“It is also our understanding that these changes, if implemented, would also permit textile, apparel, and made-up articles of chapters 57 through 63 which otherwise satisfy the NAFTA rules of origin to continue to qualify without regard to the origin of any rayon fiber present in the filament or spun yarns, woven fabrics, nonwovens, or other textile materials of chapters 52, 54, 55, and 56 used in the production of those fabrics, apparel articles, or made-up items.”

Subsequently it was brought to our attention that sliver knit fabrics classified in HTSUS Chapter 60, which are produced from fiber without going through a yarn state, were inadvertently omitted from our request. Although we did not specify a new Chapter Rule for Chapter 60, it should be clear from our narrative that we intended to request the change as regards all textile products, including sliver knit fabric.

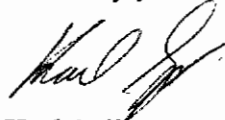
We note that the request for public comment published at 72 FR 71123 stated:

“CITA is also considering a broad change in the rule of origin for all other textile products to allow the use of non-North American rayon fibers (other than "lyocell").”

We urge CITA forthwith to determine, consistent with earlier determinations, that there is no U.S. production of rayon (other than “lyocell”) for use in the production of any textile, apparel, or made-up articles and promptly request consultations with our NAFTA partners. We request that the U.S. conclude consultations and implement the requested modifications with respect to all textile products with one or both NAFTA partners as quickly as possible. We also urge the U.S. to implement the modifications bi-laterally with one partner in the event that one has agreed while the other is undecided or not in agreement.

Thank you for your consideration with regard to this important issue for the domestic U.S. textile industry which has been hampered by a NAFTA rule of origin that in many cases requires originating rayon fiber while, since at least October 2005, there has been no domestic production of this fiber.

Sincerely yours,



Karl Spilhaus
President