

assistance for the subject worker group was issued on June 10, 2003 and the Notice of determination was published in the **Federal Register** on June 19, 2003 (68 FR 36846). Workers produced paper patterns and sample garments at the subject facility. The investigation revealed that worker separations at the subject facility are not attributable to either increased in imports or a shift of production abroad of paper patterns and sample garments, but are attributable to a change in the company's production technology which resulted in substitution of the manual labor by computer design programs.

By application of July 2, 2003, the workers requested administrative reconsideration of the negative determination. In the request for reconsideration, the workers assert that the subject company could not have replaced the manual labor with a computer program (due to the complexity of decision making required in pattern making and the physical demands required to construct sample garments) and that the subject company must have outsourced production (possibly to a foreign source).

The Department contacted a company official and was informed that the computer program had reduced the need for manpower and that the work performed by the petitioners had not been outsourced, domestically or abroad.

The Notice of Negative Determination Regarding Application for Reconsideration was issued on August 19, 2003 and published in the **Federal Register** on September 30, 2003 (68 FR 56327). The workers' request was denied because there was no error or misunderstanding of the law or facts in the investigation.

By letter dated September 24, 2003, the petitioners appealed to the USCIT for judicial review. In the appeal, the petitioners alleged that a computer pattern making program cannot replace human pattern makers, but was merely a tool to be used by the subject workers, and stated that it is their belief that their jobs were being outsourced abroad since the subject firm has not reduced the number of styles produced.

On February 7, 2005, the USCIT directed the Department to investigate into the petitioner's allegation that the new computer program cannot replace the human pattern makers, to determine the reason(s) for the subject firm's reduced need for garment samples and patterns in the period prior to the subject workers' separations, and to determine the subject workers' eligibility to apply for trade adjustment

assistance as provided by the Trade Act of 1974.

In response to the petitioners' claim that the new computer program could not have replaced the manual pattern makers, the Department contacted a company official for clarification about the pattern making process. The company official described the process and explained how the need for manual pattern making was reduced by new pattern making technology. The company official also clarified that the sample makers made samples from manually created patterns and not the computer-generated patterns.

Prior to the new technology, technical pattern design teams created new patterns with the pattern makers drawing each new pattern by hand based on the designers' advice. The new pattern making technology enabled the technical designers to access a library of electronically-stored patterns and utilize those patterns in creating new patterns, thereby reducing the need for hand-drawn patterns. As the technology became more efficient, the need for manual pattern makers decreased.

Prior to the workers' separations in January 2003, the subject company had conducted a productivity analysis and concluded that there was not enough work to justify the then-current staffing levels of manual pattern makers and sample makers. There was a reduced need for the manual pattern makers due to increased productivity in other areas of production and decreased need for new patterns as existing patterns stored in the computer could be recalled and utilized. The company determined that one manual pattern maker could manage the workload of four manual pattern makers, and reduced the staff accordingly. Since the manual sample makers created samples from the patterns drawn by the manual pattern makers, the need for manual sample makers decreased as the number of hand-drawn patterns decreased. Thus, the level of manual staffing was reduced to match the level of manual pattern makers.

While sample imports increased after the implementation of new technology in March 2003, the company's submissions clearly show that the separations were not due to the subject company shifting production abroad or increasing imports of patterns or samples during the relevant period, but due to the subject company's institution of production improvement measures which resulted in the reduced need for manual labor in general. As such, the Department has determined that the workers have not met the criteria set forth in Section 222 of the Trade Act of

1974, as amended, and are not eligible to apply for worker adjustment assistance.

### Conclusion

After reconsideration on remand, I affirm the original notice of negative determination of eligibility to apply for adjustment assistance for workers and former workers of Federated Merchandising Group, a Part of Federated Department Stores, New York, New York.

Signed at Washington, DC, this 6th day of July, 2005.

**Elliott S. Kushner,**

*Certifying Officer, Division of Trade Adjustment Assistance.*

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## DEPARTMENT OF LABOR

### Employment and Training Administration

[TA-W-57,232]

#### Ingram Micro, Santa Ana, CA; Notice of Termination of Investigation

Pursuant to Section 221 of the Trade Act of 1974, as amended, an investigation was initiated on May 23, 2005 in response to a worker petition filed by a company official on behalf of workers at Ingram Micro, Santa Ana, California.

The petitioner has requested that the petition be withdrawn. Consequently, the investigation has been terminated.

Signed at Washington, DC, this 17th day of June, 2005.

**Richard Church,**

*Certifying Officer, Division of Trade Adjustment Assistance.*

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## DEPARTMENT OF LABOR

### Employment and Training Administration

[TA-W-57,121]

#### J.E. Morgan Knitting Mills (Sara Lee) Tamaqua, PA; Notice of Termination of Investigation

Pursuant to Section 221 of the Trade Act of 1974, an investigation was initiated on May 5, 2005 in response to a petition filed by a company official on behalf of workers at J.E. Morgan Knitting Mills (Sara Lee), Tamaqua, Pennsylvania.