



January 10, 2008

Mr. Matt Priest, Chairman
Committee for the Implementation of Textile Agreements
Room 3100
U.S. Department of Commerce
14th St. & Constitution, NW
Washington, DC 20230

**RE: SHORT SUPPLY PETITION FOR
RAYON FIBERS FOR USE IN NAFTA**

Dear Mr. Chairman:

This letter is being written in response to the Federal Register notice dated December 14, 2007, in which the Committee for the Implementation of Trade Agreements solicited comments on a request for public comment on the short supply petition under the North American Free Trade Agreement for rayon fiber. The National Council of Textile Organizations supports this petition. Our members in all sectors of the textile process will benefit from this petition by providing NAFTA benefits for their products made with the rayon fiber covered by this petition.

There is no production of rayon fiber in the United States, in either filament or staple form. The last producer was Liberty Fibers, which ceased production in 2005. This fact has been verified by the ITC during the course of its work on other short supply petitions in recent years. We are not aware of any rayon production in our NAFTA partners. The petition correctly notes that lyocell is being produced currently in the US, and therefore, specifically limits its scope to rayon.

It is our understanding that this petition is intended to cover all textile products made from rayon. We note that Chapter 60 knit fabrics are not in the petition, but we strongly urge you to include this large and important segment in your deliberations. NAFTA is largely a "fiber forward" trading arrangement for yarns and knit fabrics, so the fibers used in these products generally must come from a NAFTA partner country to be eligible for benefits. Modifying the rules of origin for rayon fiber to include Chapter 60 knit fabrics, along with products of Chapters 52, 54, and 55, would benefit a wide array of US textile producers and offer more choices to our Mexican apparel customers and US retailers.

We also support the other elements in the petition, including the expedited process for approval and retroactivity. The petition lays out a legal and business-friendly approach to the process based on work done by CITA and the ITC for previous short supply petitions involving rayon fiber.

Based on the facts in this case and the benefits that will accrue to the entire textile and apparel industry, we respectfully urge CITA to approve this petition.

We appreciate the opportunity to provide these comments. If we can provide any further information, please do not hesitate to let us know.

Sincerely,

A handwritten signature in black ink, appearing to read 'MSH', is written over a light blue horizontal line.

Michael S. Hubbard
Vice President