

Milliken & Company
920 Milliken Road
Spartanburg, SC 29304
864-503-2020
www.milliken.com

July 17, 2017

Chairman
Committee for the Implementation of Textile Agreements
Room 30003
United States Department of Commerce
Washington, DC 20230

Submitted via email to
OTEXA_Bahrain_FTA@trade.gov
Terry.Labat@trade.gov and Maria.D'Andrea-Yothers@trade.gov

To Whom It May Concern:

Subject: Request for Public Comment on a Commercial Availability Request Under the U.S.-Bahrain Free Trade Agreement

Thank you for the opportunity to comment on the Government of Bahrain's request to change the rules of origin in the U.S. Bahrain Free Trade Agreement (USBFTA) for 35 woven and knit fabrics, they claim are not available from U.S. companies.

Milliken is a U.S. manufacturer of knit and woven fabrics with headquarters in Spartanburg, South Carolina; employing more than 7,000 associates at 43 manufacturing facilities worldwide.

It is our understanding that the rule change Bahrain seeks would effectively replace the Tariff Preference Level (TPL) of 65 million square meter equivalents (soon to expire) with a "short supply" list of fabrics Bahraini companies claim are not manufactured in either Bahrain or the United States.

We have many concerns regarding the request and for the reasons listed below, we object to the rule change sought by Bahrain.

- The change requested would grant duty-free access to the U.S. of unlimited quantities of Bahraini apparel and home furnishings, made of non-compliant (third-country) fabrics.
- The change ignores the yarn-forward rule of origin for compliant fabrics – the cornerstone of the Bahrain agreement and most U.S. free trade agreements (FTA).
- The change proposed closely tracks the "short supply" list in the TransPacific Partnership (TPP) Agreement, but encompasses even more fabrics, because the fabric descriptions include much wider ranges of construction. Bahrain was not party to the TPP agreement and should not be entitled to this negotiated provision.
- The change requested would set a precedent and encourage other FTA partners to request similar treatment – with negative economic consequences for the U.S. textile industry

The logo for Milliken & Company, featuring the word "Milliken" in a blue, cursive script font with a small trademark symbol (TM) at the end.

However, the primary reason Milliken objects to Bahrain's proposal is because we are able to provide many of the fabrics included in their request. Following is a breakdown of fabrics (knit and woven) Milliken is currently making, has the ability to provide and is not able to provide.

We are currently providing Knit Apparel Fabrics classified in Chapter 61 of HTSUS:

Fabric 27

We are capable of providing Knit Apparel Fabrics classified in Chapter 61 of HTSUS:

Fabric 28 Fabric 29 Fabric 35

We are currently providing Woven Fabrics for Men's & Boys Trousers classified in Chapter 62 (heading 6204):

Fabric 25 Fabric 32 Fabric 33

We are capable of providing the following woven apparel fabrics for apparel in Chapter 62

Fabric 13 Fabric 15 Fabric 17 Fabric 18 Fabric 19 Fabric 20
Fabric 21 Fabric 22

We are capable of providing the following woven fabrics for Men's & Boys Trousers – Chapter 62 (heading 6204)

Fabric 1 Fabric 2 Fabric 3 Fabric 4 Fabric 5 Fabric 9
Fabric 10 Fabric 11 Fabric 14 Fabric 30

We are not able to provide:

Fabric 6 – indigo dyed fabric
Fabric 7 – cotton corduroy
Fabric 8 – Polyester corduroy
Fabric 12 – Spun modal rayon
Fabric 16 – woven seersucker
Fabric 23 - 2-way stretch cotton
Fabric 24 – 2-way stretch cotton
Fabric 26 – Knit pile fabric
Fabric 31 – 2-way stretch cotton
Fabric 34 – linen

The logo for Milliken & Company, featuring the word "Milliken" in a blue, cursive script font with a small trademark symbol (TM) at the end.

Milliken & Company
920 Milliken Road
Spartanburg, SC 29304
864-503-2020
www.milliken.com

We urge the Committee for the Implementation of Trade Agreements (CITA) to carefully examine the Bahrain request in light of the reservations stated in these comments and Milliken's ability to provide fabrics.

We look forward to the opportunity to meet the representatives of MRS, Ambattur and Noble. Please be in contact with Kathi Dutilh at this email address: KDutilh@MillikenDC.com to initiate contact with Milliken's knit and woven businesses.

Sincerely,

Katherine M. Dutilh
Manager, Government Relations
Milliken

The logo for Milliken, featuring the word "Milliken" in a blue, cursive script font with a small trademark symbol (TM) at the end.