

Amended Submission

February 1, 2008

Mr. Matthew Priest
Chairman
Committee for the Implementation of Textile Agreements
Room H3 100
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Chairman,

Gentry Mills respectfully requests that C.I.T.A recommend a change to the Australian FTA rules of origin for the 52% Viscose/ 48% Polyester blended yarn classified under 5510.90.2000 of the Harmonized Tariff Schedule (HTS) and that the United States and Australia consult on such a change. We are an Albemarle, North Carolina manufacturer of knitted fabrics. This particular yarn is used to produce a fabric which is sold to a garment manufacturer for the further manufacturing of women's garments. The garments produced are sold in the United States, Canada, and the United Kingdom. At the present time, our firm has been identified by U.S. Customs as being subject to an increase in the associated tariff from the current preferential treaty rate to the current 9% most favored nation rate.

We have furnished documentation to U.S. customs confirming that the subject yarn is manufactured in Australia (treaty compliant) using Australia origin polyester fiber (treaty compliant). The explanation for the duty revision by U.S. customs is that the Viscose fiber is non-originating under the terms of the U.S./Australia FTA. We have explained to U.S. customs that there are no Australian or U.S. manufacturers of viscose fiber, nor has there been an Australian or U.S. manufacturer added since the advent of the U.S./Australia F.T.A. I believe that this absence of manufacturing capability is a known fact to your agency in previous matters.

This product is integral to our success and the ability to import at the treaty rate is critical to our future. It is our understanding that your office can initiate a review for

inclusion within the treaty tariff designation this yarn under the treaty provision indicated in *Article 4.2 Consultations paragraph 3, 4 and 5*. We are therefore requesting that your agency amend the applicable rules of origin covering this HTS 5510.90.200 in such a way as to qualify this yarn for relief from the additional duty which has been proposed by U.S. Customs. Please consider this letter to be our formal petition the United States Committee for the Implementation of Textile Agreements to consider this issue, and to maintain the current preferential duty rate on the 52% Viscose-48%Polyester MVS Yarn for Knitting due to the lack of commercial production of Viscose fiber in either treaty country.

Secondly, and of vital importance, is a request that the inclusion in the treaty tariff of the subject yarn be made retroactively to cover imports of this product by our firm since the implementation of the USA/Australia FTA. We have been advised by U.S. Customs that they intend to review all imports of this product by our company from the start of 2007.

We strongly believe that we have operated within the spirit of the FTA which seeks to promote and develop trade between the U.S. and Australia. The unique circumstances relating the rules of origin for the subject yarn were clearly foreseen in the provision of *Article 4.2 (rules of origin)* therefore to assess additional duties at this time puts our firm in the onerous position of having to absorb a substantial, and we feel unfair penalty.

We respectfully submit this to your for your consideration and look forward to a favorable reply.

Sincerely,

John P. Stauffer
Controller
Gentry Mills, Inc.

Cy: See Attached

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