

ETAC Meeting
September 24, 2008
Los Angeles, California
Minutes
Hosted by Stonefield Josephson, Inc.

Attendance:

ETAC members:

John Bernards
Bruce Berton
Werner Bieri
Peter Hegarty
Glenn Jackman
Jack Jay
Ilse Metchek

OTEXA representatives:

Matt Priest
Kim-Bang Nguyen

Guests:

Caroyl Miller
Janet Wells
Frances Harder
Jessica Franken
Andy Gilkenson
Michael Kolln
Chief Robert Thompson
Supervisor Rolando Knight
Officer Patrick Morris
Blake Jackman

On Conference call:

Werner Braun
Michael Gale
Rachel Alarid
Laurie Mease
Amanda Douglas
Pamela Kirkland
Rob Carrigg

12:00-12:30

Call to Order and Opening Remarks

Matt Priest, ETAC Chairman

Mr. Priest opened the meeting and greeted all members and thanked Mr.

Berton for hosting the meeting and for his hospitality. He asked everyone to introduce themselves for the benefit of guests and new members. Mr. Priest mentioned the upcoming webinar on Haiti Hope II on September 26 and future OTEXA-hosted webinars. He also introduced Ms. Caroyl Miller from USTR.

Ms. Miller thanked everyone for the opportunity to attend the meeting. She gave a brief summary of USTR's responsibilities and an update on the status of the textile and apparel multilateral (Doha negotiations) and bilateral (FTAs) trade negotiations. Ms. Miller commented that USTR's current priority is to see the passage of the Colombia, Korea and Panama FTAs. She also discussed the ongoing concerns with the NAFTA short supply process.

Mr. Priest also mentioned that as a result of discussions with the industry, the U.S. has raised concerns about the NAFTA Commercial Availability process and other issues with our counterparts in an attempt to improve the NAFTA procedures and streamline the process.

12:30-1:30

U.S. Customs & Border Protection 101: How We Secure the Borders while Facilitating Legitimate Travel & Trade

A short presentation was given by Supervisor Rolando Knight. His presentation covered different modules in export transactions. Topics of the modules were: Foreign trade regulations, Implementation of trade regulations, When electronic export information is required (EEI), Types of transactions and Responsibilities of parties involved, AES mandatory field values, Filing deadlines for pre-departure shipments, and Penalties and mitigating factors.

After the presentation, Ms. Ilse Metchek made a comment that there does not seem to be any system in place to monitor exports for Intellectual Property Rights (IPR) violations. She noted that there is as much IPR violation on imports as on exports of apparel. Supervisor Knight commented that currently there's no system in place or law to stop shipments of exports against IPR infringement, but once the mandatory AES system is fully in place and implemented, US Customs will have better capability for export protection. He also noted that US Customs is doing bulk and random examination on export.

Ms. Metchek and Jack Jay suggested that one way to fix the problem is to require the exporter to list the brand names on the export documentation as Europe does with their exports. The committee expressed strong opinion that changing the export process will help mitigate IPR infringements.

Contact: Supervisor Rolando Knight – Rolando.knight@customs.treas.gov

1:30-1:40

Break

1:40-2:10

Export Opportunities in Guatemala/Central America

*Mr. Alejandro Ceballos
President, Guatemalan Apparel & Textile Commission*

Mr. Ceballos was not present at the meeting because he had difficulties with his flight from Guatemala and could not arrive on time.

2:10-2:40

The State of the U.S. Apparel Industry

Ilse Metchek

Executive Director, California Fashion Association

Ms. Metchek gave a PowerPoint presentation covering the following topics:

US apparel distribution methods

Major changes taking place in the industry

Tracking megatrends

Industry employment

Developing global markets/growth

Looking into the future – 2014 and beyond

It was pointed out that 43% of duties collected in the US are collected from imports of textiles and apparel.

Contact: Ms. Ilse Metchek – Info@calfashion.org

2:40-2:55

**Update on the State of the North Carolina Textile Industry:
Successes and Strategic Plan for Export Promotion**

Glenn Jackman, North Carolina Dept. of Commerce

Mr. Jackman gave a brief summary of NC Commerce's strategy of export promotion. He elaborated on his efforts to collaborate with the USDOC Office of Textiles and Apparel whenever possible. He noted that NC Commerce issued a grant to the NC State College of Textiles for research on the state of the textile industry in NC. The study revealed the continued existence of a vibrant textile and related service industry in NC. The study's highlight is that there is still a textile industry, but that it is changing - it is not dying. He also noted that in the future, NC State will commission another study to cover other parts of the US. The grant also funded the creation of a website to serve as a depot of export connection and information for the State of North Carolina. [Http://NCtextileconnect.net](http://NCtextileconnect.net)

Contact: Mr. Glenn Jackman – Gjackman@nccommerce.com

2:55-3:05

Break

3:05-3:35

Fashion Business Inc.

Frances Harder, President/Executive Director

Ms. Harder gave a short presentation on programs available through the FBI (Fashion Business Inc.) in Los Angeles to help displaced workers with training and retraining programs. The FBI has been designated by the State of California as a business training center. They offer customized training through the State Employment Training Panel, which provide subsidized training to businesses.

Contact: Ms. Frances Harder – info@FashionBizInc.org

3:35-3:45

Update on OTEXA's Upcoming Events

Kim-Bang Nguyen

Director, Strategic Business Alliances, OTEXA

A list of proposed events for 2009 was distributed to attending members. Ms. Nguyen requested more collaboration with ETAC members on events planned by OTEXA. There were exchanges on how we can better

communicate and collaborate on future events. The main concern from members is that not enough advance notice is given to members to promote OTEXA's shows. Members also requested greater availability of exporting education/information, market demographics and profile in order to assist OTEXA recruit for planned events. It was noted that all suggestions will be shared with OTEXA staff to improve collaboration between ETAC members and OTEXA.

3:45-4:00

Discussion Regarding the Election of ETAC's Industry Chairperson and Vice-Chairperson for 2008-2010 Charter Period

The list of Chair and Vice Chair responsibilities was distributed to attending members. Members were advised that once the renewed charter and new members are put in place for the new term, OTEXA will conduct the election process for a new chair and vice chair.

A list of those interested in the positions along with their BIO will be circulated shortly for members' review.

Miscellaneous:

At the invitation of Ilse Metchek, Mr. Michael Kolln of the SOEX group attended the meeting and gave a 6 minute presentation on SOEX's business of re-wear, re-use and re-cycle discarded textiles. The presentation highlighted the usefulness of recycling textiles for a more eco friendly and green environment. He also elaborated on his company's collaboration with the city of LA for the establishment of a recycling program and the building of a recycling facility in LA to turn waste into useful products.

Contact: Mr. Michael Kolln – Michael@soexwestusa.com
