



Association of the Nonwoven Fabrics Industry

January 14, 2008

Mr. Matthew Priest
Chairman
Committee for the Implementation of Textile Agreements
Room 3001
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, DC 20230

RE: Comment Request from Committee for the Implementation of Textile Agreements Regarding Short Supply Petition Under the North American Free Trade Agreement (72 FR 240, pp 71123-71124)

Dear Mr. Priest:

I am writing on behalf of INDA, Association of the Nonwoven Fabrics Industry, in response to a December 14, 2007, *Federal Register* notice requesting public comment on a North America Free Trade Agreement (NAFTA) short supply petition for rayon. The petition was filed by the National Textile Association (NTA) on October 16, 2007, and INDA has a number of members that make products such as disposable surgical drapes and gowns, absorbent products and other goods that incorporate rayon. INDA supports both the key claims made in the NTA petition, and a broader change to the NAFTA rules of origin for rayon being considered by CITA.

As the NTA petition and others responding to this comment request note, the sole U.S. producer of rayon, Liberty Fibers Corporation, ceased operations on September 30, 2005, and there are no plans to restart manufacturing operations that would be able to supply commercial quantities of rayon in a timely manner.

The lack of available North American rayon has forced U.S. textile companies to turn outside the U.S., Canada and Mexico for rayon, in many cases, making them ineligible to receive duty-free access under NAFTA, and imposing an unanticipated cost on their production, making these products less competitive in the global marketplace.

Fortunately, the drafters of NAFTA anticipated these kinds of scenarios, and included the commercial availability request mechanism to allow companies to seek relief in the face of these kinds of input shortages. As you are likely aware, two of INDA's members, Polymer Group, Inc. (PGI) and Johnson and Johnson Consumer Products (JJCP), have done just that, filing separate petitions in late 2005 requesting the right to use non-North American rayon in nonwoven wipes and feminine hygiene products classified under Harmonized Tariff Schedule (HTS) chapter 56.

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These two petitions are still pending, but have reportedly met all of the related statutory obligations and are awaiting final implementation.

While INDA applauds the National Textile Association's request for an even broader change to the rules of origin for textile products classified under HTS chapters 52, 54, 55, and 56, there would still be a broad array of textile and apparel products impacted by the lack of rayon production in the region, including products manufactured by INDA member companies.

Given the highly unlikely possibility that any rayon production will return to North America in the foreseeable future – and the broad impacts being felt by U.S., Mexican and Canadian firms – INDA asks CITA to approve a modification to the NAFTA rules of origin for *all* textile products to allow the use of non-North American rayon and still qualify for preference under NAFTA. Furthermore, to minimize the damage already being felt by North American producers, INDA asks that any modifications be considered by the most expeditious means possible, and that any changes be made retroactive to the date that rayon fibers were no longer available in the region, October 1, 2005.

Thank you for the opportunity to provide input. Should you have any questions or need any additional information, please do not hesitate to contact me directly at 703/538-8805.

Sincerely,



Peter G. Mayberry
Director of Government Affairs