

# BENCHMARKS, INC.

3248 PROSPECT STREET, NW., WASHINGTON, DC 20007 TEL. (202) 965-3983 FAX (202) 965-3987 E-MAIL: bnchmrks@aol.com

May 21, 2008

Chairman, Committee for the Implementation  
of Textile Agreements  
Room 3100  
U.S. Department of Commerce  
14<sup>th</sup> St. & Constitution Ave., NW  
Washington, DC 20230

Dear Mr. Chairman:

These comments are submitted on behalf of Kaltex Fibers S.A. de C.V. ("Kaltex") in response to the comments submitted by Glen Raven Custom Fabrics, LLC on March 17. In that letter, Glen Raven attempted to rebut information presented by Kaltex to the Committee for the Implementation of Textile Agreements (CITA) in our statement of February 25 opposing Glen Raven's petition requesting a modification of the NAFTA rules of origin for warp pile fabric made from solution dyed, wet spun acrylic fiber. As detailed below, we respectfully disagree with Glen Raven's characterizations of Kaltex's acrylic fiber production and performance capabilities.

*1. Glen Raven statement claiming that pigmented solution-dyed UV resistant acrylic fiber is in short supply and is not currently available in tested, commercial quantities in the NAFTA region*

Kaltex wishes to reiterate that it has an annual capacity for solution dyed, wet spun UV resistant acrylic fiber of 47,280 tons, far above Glen Raven's requirements and well above estimated total U.S. demand of 12,500 tons in 2007. This annual capacity includes 9,120 tons of semi dull black alone and 38,160 tons of a variety of shades including bright black, blue, marine blue and numerous other shades. This fiber is fully available in tested and commercial quantities.

*2. Glen Raven statement regarding samples provided by Kaltex following October 2007 meeting*

First, Kaltex wishes to correct an inadvertent error contained in our earlier statement: the samples we provided to Glen Raven were not of solution dyed fiber, as incorrectly stated in our February 25 submission, but rather of ecru and I-fiber (ecru with nanoparticles).

Chairman, Committee for the Implementation  
of Textile Agreements

April 18, 2008

Page 2

Regardless, Glen Raven's March 17 letter to CITA is the first Kaltex has heard of Glen Raven's findings regarding the submitted samples, and it appears there may have been a breakdown in internal communication within Glen Raven between the technical team and the letter's author as to the purpose of the testing.

The Kaltex sample consisted of an ecru staple and a new I-fiber developed by Kaltex that includes metallic nanoparticles to further increase the fiber's resistance to weather inclemency and sunlight. As discussed with Glen Raven's technical team, both of these samples were intended to be treated as ecru and the Glen Raven team was planning to measure color change in the polymer in order to determine the capability of Kaltex's fiber for light shades. None of these samples were pigmented, as clearly understood by the Glen Raven technical team.

A 100-pound sample is admittedly small for purposes of determining processing rates. Kaltex will be pleased to send Glen Raven a bigger sample with an ecru standard fiber and an ecru I-fiber. These products are currently being utilized by many Kaltex customers and by Kaltex itself, with experience showing that the fiber runs well and with no complaints.

*3. Glen Raven statement indicating that, while its testing of Kaltex's fiber shades registered results that meet Glen Raven's standards, the sample's size was insufficient to conduct all key parameter tests*

Glen Raven has never told Kaltex that it was lacking samples to complete the trial. Rather than letting this time pass, Kaltex would have been pleased to instantly provide additional fiber for the samples. Kaltex stands ready to provide Glen Raven with whatever size sample is needed to complete the trial.

To review, the three shades tested by Glen Raven thus far were made with primary pigments. These can be mixed by Kaltex to develop additional shades, made with the same tested pigments, as well as with many other basic UV resistant pigments. With Kaltex's existing palette for primary colors, the company can easily match thousands of shades, including Glen Raven's 70-plus shades. However, the matching process has not begun because Glen Raven has yet to provide a list of shades to match.

*4. Glen Raven statement disputing that spun yard made with Kaltex's ecru performs well*

Kaltex has tested its fiber's yarn spinning performance for yarn for outdoor fabrics with the help of several customers. The Kaltex fiber has worked perfectly in the process, resulting in a high-quality yarn ready to be tested by Glen Raven as well. This yarn has been made with solution dyed acrylic fiber, with and without metal nanoparticles and with and without biostatic agents (for microbial control) in the fiber. Kaltex knows it can meet Glen Raven's performance needs once the processing parameters are stipulated and understood by both companies.

*5. Glen Raven statement saying that it is "unknown" whether Kaltex has experienced any technical or quality problems in meeting customers' demand for solution dyed fiber and questioning Kaltex's ability to provide high tenacity acrylic fiber.*

Kaltex wishes to reaffirm that it has experienced no technical or quality problems in meeting customers' demand for solution dyed fiber. Regarding the high tenacity issue, Glen Raven had not previously commented on any lack of tenacity in Kaltex's fiber nor has it indicated the extent to which the sent samples may have fallen short of their tenacity requirements. Regardless, Kaltex has the ready ability to change the fiber's tenacity by easily changing the stretching parameters used in stretching units or by changing the tow tension during the drying process. Kaltex has successfully increased and lowered tenacity for a range of commercial specialties, and it has implemented other changes in the process that can help modify tenacity to comply with its customers' requests.

*6. Glen Raven claims that, due to the "miniscule" samples provided by Kaltex, it has been unable to test fabric finishes on warp pile fabrics woven with Kaltex fibers and thus it knows nothing about the final fabric performance*

Again, this issue of sample size is being raised here by Glen Raven for the first time. Kaltex stands ready to provide Glen Raven with whatever quantity of fiber it may desire for its testing. Kaltex is confident that its fiber will pass the relevant fabric finish testing given the prior experience with its spun yarn and weaved wrap pile fabric samples, which have encountered no technical problems whatsoever.

Also, as part of Kaltex's policy of constant innovation, it also has offered to supply Glen Raven with newly developed product applications for the outdoor market involving a biostatic fiber and a photocatalytic fiber. Glen Raven has yet to respond.

### **Conclusion**

Glen Raven has no basis to infer that Kaltex's solution dyed acrylic fiber is not commercially qualified as a Glen Raven production fiber. Indeed, the facts point to the opposite conclusion.

- Kaltex has been producing and selling solution dyed fiber for more than a year and has encountered no technical problems.
- Kaltex has a wide range of shades and is constantly developing more, testing all of them for weathering stability.
- Kaltex is eager to sell its current 47,280 tons per year installed capacity for solution dyed fiber, and it is currently selling solution dyed acrylic fiber in Mexico and other countries around the world.
- Kaltex has successfully met customers' requirements for solution dyed acrylic fiber through qualification procedures begun well after the time when qualification with Glen Raven began. Glen Raven has failed to follow through on its evaluation of Kaltex fibers, presumably because of its interest in pursuing the pending NAFTA short supply petition and trying to secure duty-free treatment for imports from non-North American suppliers.
- Kaltex is confident that it can become a valued supplier to Glen Raven and we urge Glen Raven to continue its fiber performance testing and technical survey of Kaltex's capabilities. Kaltex remains interested in doing business with Glen Raven regardless of this issue and its outcome. Kaltex stands ready to put every effort into becoming Glen Raven's supplier.

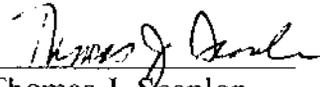
Chairman, Committee for the Implementation  
of Textile Agreements

April 18, 2008

Page 5

We appreciate this opportunity to share Kaltex's views on this matter with CITA and the Department of Commerce. Please feel free to contact us if you have any questions regarding our position on this matter.

Respectfully submitted,



Thomas J. Scanlon

President

Benchmarks, Inc.

3248 Prospect Street, N.W.

Washington, DC 20007

Tel. 202.965.3983