

American Manufacturing Trade Action Coalition

PRESS STATEMENT

U.S. Sewing Thread Industry Thanks Obama Administration for Reaching Deal to Fix Technical Errors in DR-CAFTA

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The American Manufacturing Trade Action Coalition (AMTAC) applauded today's announcement that the Obama Administration has reached agreement with our Central American trading partners to fix a number of technical errors under the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA).

"On behalf of all U.S. thread producers, we want to thank the Obama administration, especially Assistant U.S. Trade Representative for Textiles Gail Strickler and the U.S. Commerce Department's Deputy Assistant Secretary for Textiles and Apparel Kim Glas, for their tireless commitment to fix this longstanding problem," said AMTAC Executive Director Auggie Tantillo.

"Today's fix is a job-creating win-win for U.S. sewing thread producers and their DR-CAFTA counterparts," Tantillo continued.

"It is critical that our international trade agreements function as they were drafted and intended to operate," Tantillo emphasized.

"With the closing of this unintended loophole, we believe that U.S. thread producers can begin to recapture market share in the important DR-CAFTA market, leading to more jobs," added Tantillo.

"Now that this deal is done, it is imperative for the U.S. Congress quickly to enact legislation to implement it so that U.S. companies and workers can reap the benefits," Tantillo concluded.

Among other things, today's agreement corrects a long standing problem with the definition of sewing thread under the DR-CAFTA. The original DR-CAFTA agreement requires the use of regional sewing thread for all qualifying products. This means that sewing thread used in the assembly of apparel and home furnishings must be sourced from U.S. or CAFTA region suppliers in order for the finished product to qualify for duty-free treatment. Due to a drafting error in the definition of sewing thread, single multifilament yarns used as sewing thread do not have to originate in the US/DR-CAFTA region. The single multifilament yarn loophole has been very damaging to U.S. thread manufacturers as their thread exports to the DR-CAFTA region have been increasingly displaced by multifilament yarns from thread suppliers outside the region, such as China.

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