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Liz Claiborne Inc

December 22, 2006

Honorable David M. Spooner
Assistant Secretary for Import Administration
Room 1870
U.S. Department of Commerce
14th Street and Constitution Ave., NW
Washington, DC 20230

Re: Comments on Import Monitoring Program on Textile and Apparel Products from
Vietnam, 71 Fed. Reg. 70364 (December 4, 2006)

Dear Assistant Secretary Spooner:

Liz Claiborne, Inc. is an importer/retailer which designs and markets an extensive portfolio of branded women's men's boy's and girl's fashion apparel and accessories. Our diverse portfolio of quality brands, which are sold in the USA and internationally via wholesale and retail channels. In 2005 our sales totaled 4.8 billion US Dollars, submits this letter in response to the request for comments regarding the plan to monitor imports of textile and apparel product from Vietnam for the duration of the Bush Administration. We currently source our products in 50 countries which includes Vietnam.

Liz Claiborne, Inc. strongly objects to the planned monitoring program and the implied threat that within the next two years products of Vietnam will be subject to antidumping duties. While we endorse the comments filed by the major trade associations that represent apparel importers and retailers, we are filing these additional comments on behalf of our company to challenge the assumption that the monitoring program will accomplish anything more than creating unnecessary unpredictability.

The possibility of an antidumping investigation suggests that the Department of Commerce believes that the U.S. apparel producers would be helped by the imposition of antidumping duties. We have advised our Vietnam vendors that we will not continue to source product from Vietnam. Many of these vendors have manufacturing facilities in other Asian countries. Products reallocated from Vietnam will not be sourced from the United States or from the Western Hemisphere. As stated above, we are a fashion apparel company. The inability to source fashion textiles and other manufacturing limitations prevents us from sourcing products in the United States or from the Western Hemisphere.

Liz Claiborne is not alone. Other importers and retailers will also reallocate product to other Asian countries. The volume of imports will not be adversely impacted.

Decades of quotas have not prevented the decline of U.S. apparel industry. Actions such as monitoring, the threat of antidumping investigation or imposition of antidumping duties will not help bring manufacturing back to the U.S.

However, action against imports from Vietnam also creates the possibility that monitoring, and the threat of anti-dumping investigations will be expanded to other countries, essentially recreating the sprawling expansion of the U.S. quota program and replicating another failed protectionist scheme.

If, in fact, there are U.S. producers of textile or apparel products that believe that there is dumping of Vietnamese-made products and that they are being materially injured by those imports, those companies should prepare and file their own petitions rather than rely upon the Commerce Department to do their work for them.

To the extent that there are any U.S. producers of the product we import, their production or quality do not compete with the goods we purchase. Based on our company's extensive experience sourcing fashion apparel around the world, few remaining companies that manufacture in the United States do not possess the capacity or range of fashion apparel products to meet our sourcing objectives. The lack of fashion textiles, intricate hand work or beading capabilities, competitive prices and consistent quality prevents us from sourcing products in the U.S.

I. Consultative Process

The Commerce Department requested advice on the establishment of "consultative mechanisms." For any public consultative process to be meaningful, the Commerce Department should not implement a monitoring process until it has gone through a full round of consultations, not just this initial opportunity for comment.

We agree that there should be public hearings. In addition to hearings scheduled in Washington, D.C., since the monitoring program targets apparel imports, we recommend that public hearings should be scheduled in locations where apparel retailers and importers can easily participate.

II. Product Coverage

The Federal Register notice requests comment on which products made in Vietnam should be subject to monitoring. Five types of apparel - trousers, shirts, underwear, swimwear and sweaters - are identified as being of "special sensitivity." This is an extremely broad group of apparel products. We recommend the list should be narrowed significantly to only monitor those apparel products that are made in the United States by companies that support the imposition of antidumping duties on Vietnam.

Prior to establishing the monitoring system, the Commerce Department needs to determine what apparel is currently manufactured in the United States, and to determine whether the majority of these U.S. manufacturers support this action. Since the original commitment specifically stated that the U.S. domestic producers must commit to submit production and employment information to the Commerce Department, we recommend that this information should be gathered and verified prior to the institution of the monitoring process. U.S. producers also should identify if any of their production is for the military or some other U.S. Government procurement program, because that type of production does not compete with imports and cannot justify monitoring.

From our company's experience with the quota system, we know that the five types of apparel described as having "special sensitivity" are far too broad to be relevant for the monitoring of price or import data. We recommend that the monitoring should first be limited to those products that are manufactured in the United States. And we also strongly recommend that the definitions should be based on the descriptions used for imports, the 10-digit Harmonized Tariff Schedules of the United States (HTSUS) classification. It is essential from the beginning that the Commerce Department clarifies that apparel that is no longer

manufactured in the United States, such as knit-to-shape tops or performance apparel, will not be included in the monitoring or any future anti-dumping case

III. Biannual Evaluation Process

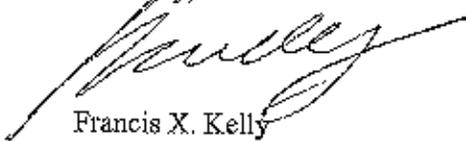
The Federal Register notice asks which information the Commerce Department evaluates every six months is most important. Six months is a very short time period. The fashion business is seasonal, with some products sold only in certain months – such as wool or swimwear. Data for a single quarter, or even for six months, provides a limited perspective and should not be the basis for any decisions to self-initiate an antidumping investigation.

In addition, some industry analysts are concerned that this monitoring process, and biannual review, could create a self-fulfilling prophesy that will cause declines in average unit values from Vietnam. With some U.S. importers and retailers considering reducing orders from Vietnam as early as the third quarter of 2007 (when the first six month review is due to take place) - or abandoning Vietnam because of the threat of antidumping actions - there is the possibility that vendors will offer to drop prices in order to try to keep the business. If there is no monitoring, that would not happen.

Conclusions

For all of the reasons presented in this letter, and for the additional legal arguments made in the letter submitted on behalf of the apparel importing and retailing community, Liz Claiborne Inc. strongly urges the Commerce Department not to proceed with the monitoring program, because it will do nothing to bring business back to the United States. To the contrary, it will only do what the quota program did: encourage buyers to source from other developing countries.

Sincerely,



Francis X. Kelly
Vice President
International Trade Compliance
Government Affairs