

PERRY ELLIS INTERNATIONAL

GEORGE FELDENKREIS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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:

Perry Ellis International, an importer, submits this letter in response to the request for comments regarding the plan to monitor imports of textile and apparel products from Vietnam for the duration of the Bush Administration. We source product in China, Indonesia, Bangladesh, Jordan, Philippines, Thailand, Malaysia, Central and South America, and Vietnam, among others.

This program is purported to protect the US textile industry. The reality is that any restrictions or uncertainty imposed on apparel trade from Vietnam will simply mean that orders will be diverted to other competitive manufacturers, predominantly in Asia. It will be inconvenient for U.S. importers and retailers, and involve some additional costs, but it won't alter the overall volume of imports. It also will not help U.S. apparel-makers. Just as decades of quotas have not brought business back to the United States, neither will monitoring, the threat of antidumping investigations, or the imposition of antidumping duties.

Perry Ellis International 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.

Perry Ellis International, not unlike others in business, prefer to source in a region where we are assured of quality product, delivered in a timely, reliable manner, at a cost that provide a minimum level of profit to compete in the marketplace. This proposed program, set afoot under questionable legal grounds, removes predictability of one the three elements mentioned above- price.

To the extent that there are any U.S. producers of the products we import, their production does not compete with the goods we purchase. Based on our company's experience sourcing apparel around the world, the few remaining companies that

manufacture in the United States do not possess the capacity or the range of apparel products to meet our sourcing objectives.

If we could be confident that such a proposed program would be administered fairly, that is, that only those imports would be compared against like production in the United States based on HTSUS, that the rules of the program were presented for comment in advance for transparency, that the program would comply both with the mandate that Congress afforded the Dept. in antidumping matters and that it would follow WTO rules, then perhaps we would feel that this was a lawful, well thought-out program.

Instead, trade-chilling effects are already being seen, as apparel importers see a return to the same old protectionist mentality that brought us 30 years of the quota system, and continue to plague us with extremely high duty rates. The traditional response to such a stimulus will simply be repeated- to seek more predictable areas in which to source. We will likely do the same the longer this uncertainty remains.

It may only hurt the U.S. reputation in how it negotiates trade deals and then turns around and enacts protectionist programs. Curiously, this protectionist program is supposed to target subsidized factories- for which a framework has already been established, but is unclear whether only government subsidized factories will be the target of this program, or if all factories in Vietnam will be subject to the Depts. misguided scrutiny.

This action against imports from Vietnam also creates the possibility that monitoring, and the threat of antidumping investigations, will be expanded to other countries, essentially recreating the sprawling expansion of the U.S. quota program and replicating another failed protectionist scheme. We are vehemently opposed to such actions and will fight this along with our associations every step of the way.

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, Perry Ellis International 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,

A handwritten signature in black ink, appearing to read 'G. Feldenkreis', with a stylized flourish at the end.

George Feldenkreis