



Contact: Cass Johnson (202-822-8025)

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## **NCTO Hails Commerce Decision on Dyeing and Finishing Rules**

### **- Supports US Jobs and Production in Critical Sector of Industry -**

Washington DC) NCTO Chairman David Hastings hailed the decision by the US Commerce Department that textile products must be dyed and finished in the United States in order to receive duty free benefits under the Dominican Republic Earned Import Allowance Program (DREIAP).

“This decision was the right one for US producers and for US workers during these tough economic times. I am particularly pleased that the Commerce Department noted that legal precedents for the decision go back over ten years. Those precedents track our industry’s determination to support only preferential programs which ensure that dyeing and finishing, a critical part of our industry, be done in the United States.”

Hastings had words of thanks for key supporters in Congress, “I would like to thank U.S. Senator Kay Hagan (D-NC), U.S. Reps. John Spratt (D-SC), Howard Coble (R-NC), Rep. Bob Inglis (R-SC), and Rep. Phil Gingrey (R-GA) and our other industry supporters who fought for jobs in their districts.”

The Commerce decision applies to a small preferential program that was developed for the Dominican Republic during negotiations to change the “pocketing rule” in the CAFTA agreement. The pocketing rule change was agreed to by the Bush Administration after the CAFTA agreement was signed and it enabled the US textile industry to broadly support the CAFTA agreement when it came before Congress. That agreement passed Congress by two votes, both of which came from textile districts.

Hastings concluded, “The textile industry would never have agreed to a version of the DREIAP that allowed a key textile function such as dyeing and finishing to be performed offshore. The DREIAP was meant to solely benefit producers of apparel in the Dominican Republic, a point that the negotiator of the program, Scott Quesenberry, emphasized when he testified that there was no intent on the part of the Bush Administration to give dyeing and finishing benefits to textile producers outside the United States. It is clear that Commerce has come down on the right side of the law and the right side of the issue in this determination.”

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