



# BRAND FELT OF CANADA LIMITED

2559 WHARTON GLEN AVE. • MISSISSAUGA, ON • L4X 2A8  
TEL: 905-279-6680 • FAX: 905-279-3099  
[www.brandfelt.com](http://www.brandfelt.com)

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Chairman  
Committee for the Implementation of Textile Agreements  
Room 3100  
U.S. Department of Commerce  
14<sup>th</sup> and Constitution Avenue N.W.  
Washington, DC 20230  
U. S. A.

January 7, 2008

Re: Rayon Fiber - NAFTA Modification

Dear Sir/Madam:

We are writing to you in response to your request for public commentary on the availability of rayon fibers in North America.

Brand Felt of Canada Ltd. is a textile manufacturer located near Toronto, ON, Canada. We have been in business since 1959 and up until 2 years ago had a ready supply of rayon fiber from a USA based manufacturer. In 2005, we experienced difficulty in receiving these fibers, as apparently the only remaining domestic supplier, Liberty Fiber Corp., was winding down operations. Eventually, this supplier ceased operations.

In order to fulfill our requirements, we searched and eventually located an off-shore manufacturer and supplier of rayon fiber. Although we are pleased to have this alternate supply, we now must purchase in 20' or 40' container lots. This quantity far exceeds our annual requirements. This requires warehousing, handling and financing costs, which are added expenses.

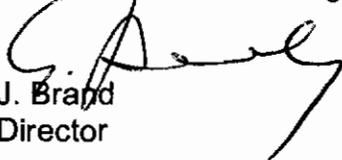
But, the biggest added expense is our increased mixing cost of fibers to make our felt products. To replace the cheaper viscose fibers with the more expensive wool fibers to qualify the product as NAFTA exempt, increases the mixing cost. This would significantly affect the competitiveness of our products compared to competitors outside NAFTA, to the point where it would make more sense for us to import manufactured felt from outside NAFTA and resell or trade the imported felt, thereby reducing our production capacity and jobs within NAFTA.

We are also aware, that the use of this off-shore fiber in excess of 7% content in our finished textile products, requires a duty of \$.495/kg + 7.5% on entry into the USA. This is a cost our American customers are currently absorbing.

Brand Felt of Canada Ltd. supports the efforts of the National Textile Association as stated in their letter of October 16, 2007, addressed to the Chairman, Committee for the Implementation of Textile Agreements (copy attached). By allowing the rayon viscose commodity to be treated similarly as a NAFTA product, we would think it beneficial and of interest to United States industry and as well, Brand Felt of Canada Ltd.

We look forward to the decision following your review and the consultation process. Should further information be required to our recommendation, please contact the undersigned.

We remain with best regards,

  
J. Brand  
Director

encl.