

QUESTIONNAIRE FOR U.S. PRODUCERS OF WORSTED WOOL FABRICS

Return completed questionnaire to:

UNITED STATES INTERNATIONAL TRADE COMMISSION

Office of Industries, Room 500-I,
500 E Street SW, Washington, DC 20436
Fax: 202-205-2150

So as to be received by the Commission by no later than April 30, 2004

The information called for in this questionnaire is for use by the U.S. International Trade Commission in connection with its investigation No. 332-449, *U.S. Market Conditions for Certain Wool Articles in 2002-04*, under section 332(g) of the Tariff Act of 1930 (19 U.S.C. § 1332(g)), notice of which was published in the *Federal Register* of January 24, 2003. The information requested is needed to supplement data available from other sources and is required under the authority of section 332(g) of the Tariff Act of 1930. This report is mandatory and failure to reply as directed can result in a subpoena or other order to compel the submission of records or information in your possession (19 U.S.C. § 1333(a)).

The commercial and financial data furnished in response to this questionnaire that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as described in the certification paragraph below and on page 2 of this questionnaire, and as may be required by law. See further discussion on Commission treatment of confidential business information on page 2 of this questionnaire.

<p>Name of firm _____</p> <p>Address _____</p> <p>City _____ State _____ Zip code _____</p> <p>World Wide Web address _____</p> <p>Has your firm produced in the United States worsted wool fabrics containing 85 percent or more by weight of wool, suitable for use in men's and boys' suits, suit-type jackets, and trousers, since January 1, 2003?</p> <p><input type="checkbox"/> NO (Sign the certification below and promptly return only this page of the questionnaire to the Commission)</p> <p><input type="checkbox"/> YES (Complete all parts of the questionnaire, sign the certification below, and return the entire questionnaire to the Commission)</p>
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CERTIFICATION

The undersigned certifies that the information herein supplied in response to this questionnaire is complete and correct to the best of his/her knowledge and belief and understands that the information submitted is subject to audit and verification by the Commission.

The undersigned acknowledges that information submitted in this questionnaire response and throughout this investigation may be used by the Commission, its employees, and contract personnel who are acting in the capacity of Commission employees, for developing or maintaining the records of this investigation or related proceedings for which this information is submitted, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3. I understand that all contract personnel will sign non-disclosure agreements. The undersigned also acknowledges that some or all of the information submitted may be included in the confidential reports that the Commission sends to the United States Trade Representative (USTR) in this investigation. USTR has stated that it will provide copies of the Commission's confidential reports to the U.S. Department of Commerce.

Name and Title of Authorized Official

Date

Signature of Authorized Official

() _____
Phone

() _____
Fax

GENERAL INFORMATION, INSTRUCTIONS, AND DEFINITIONS

BACKGROUND.—The information requested in this questionnaire is for use by the Commission in its investigation on *U.S. Market Conditions for Certain Wool Articles in 2002-04*, requested by the United States Trade Representative (USTR) on December 23, 2002. As requested by the USTR, the Commission will provide information on U.S. market conditions, including domestic demand, supply, and production for men's and boys' worsted wool suits, suit-type jackets, and trousers; worsted wool fabrics and yarn used in the manufacture of such clothing; and wool fibers used to make such fabrics and yarn. Also as requested by the USTR, the Commission will provide data on:

- (1) increases or decreases in sales and production of the subject domestically-produced worsted wool fabrics;
- (2) increases or decreases in domestic production and consumption of the subject apparel items;
- (3) the ability of domestic producers of the subject worsted wool fabrics to meet the needs of domestic manufacturers of the subject apparel items in terms of quantity and ability to meet market demands for the apparel items;
- (4) sales of the subject worsted wool fabrics lost by domestic manufacturers to imports benefiting from the temporary duty reductions on wool fabrics provided for in headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States (see "Definitions" on the following page for a description of these fabrics);
- (5) loss of sales by domestic manufacturers of the subject apparel items related to the inability to purchase adequate supplies of the subject worsted wool fabrics on a cost competitive basis; and
- (6) the price per square meter of imports and domestic sales of the subject worsted wool fabrics.

NONDISCLOSURE OF CONFIDENTIAL BUSINESS INFORMATION.—The commercial and financial data furnished in response to this questionnaire that reveal the individual operations of your firm will be treated as confidential business information by the Commission to the extent that such data are not otherwise available to the public and will not be published in a manner that will reveal the individual operations of your firm and will not be disclosed except as may be required by law. Section 332(g) of the Tariff Act of 1930 provides that the Commission may not release information that qualifies as confidential business information (under Commission Rule 201.6 (19 CFR § 201.6)) unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. Some or all of the confidential business information that you provide in response to this questionnaire may be included in the confidential reports that the Commission sends to USTR in this investigation. USTR has stated that it will provide copies of the Commission's confidential reports to the U.S. Department of Commerce. USTR requested that the Commission issue public versions of the reports, with any business confidential information deleted.

FOR FURTHER INFORMATION.— Contact **Jackie W. Jones** (202-205-3466; jones@usitc.gov) or **Laura V. Rodriguez** (202-205-3499; lrodriguez@usitc.gov) of the Commission's Office of Industries. Written inquiries may be mailed to the address on the front page of this questionnaire. For additional copies of this form, you may contact Jackie Jones or Laura Rodriguez, use photocopies of this form, or download a copy from the Commission's website at <http://www.usitc.gov>. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810.

GENERAL INSTRUCTIONS

1. Please prepare one questionnaire for all of your manufacturing establishments located in the United States, including those operated by your firm or wholly owned subsidiaries of your firm, that produce worsted wool fabrics (as defined below).
2. **Answer all questions.** If the answer to any question is “zero,” so state; if it is not available, indicate “N/A”. If the information requested is not readily available from your records, please furnish carefully prepared estimates--designated as such by the letter “E”.
3. Please use **linear yards** when providing data for worsted wool fabrics in quantity terms.

DEFINITIONS

1. **Firm.**--An individual proprietorship, partnership, joint venture, association, corporation (including all divisions, any subsidiary corporations, and parent corporations), business trust, cooperative, trustees in bankruptcy, or receivers under decree of any court, owning or controlling one or more establishments, as defined below.
2. **Establishment.**--Each plant of a firm in the United States in which worsted wool fabrics are produced and all auxiliary facilities operated in conjunction with (whether or not physically separate from) such production facilities (e.g., shipping facilities and warehouses).
3. **Worsted wool fabrics.**--Woven fabrics, containing 85 percent or more by weight of worsted (combed) wool, suitable for use in making men’s and boys’ suits, suit-type jackets, and trousers. The fabrics are reported in the Harmonized Tariff Schedule of the United States under heading 9902.51.11 (having average fiber diameters greater than 18.5 microns) and heading 9902.51.12 (having average fiber diameters of 18.5 microns or less).
4. **Men’s and boys’ tailored clothing.**--Includes **suits** (and tuxedos), **suit-type jackets** (blazers and sport coats), and **trousers** made from worsted wool fabrics. Also includes tailored commercial uniforms made from such fabrics. Does **not** include uniforms for the U.S. military.
5. **Average production capacity.**--The level of production that your U.S. establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup; and a typical or representative product mix).
6. **Production.**--All production in your U.S. establishment(s), including production consumed internally within your firm, production for another firm, and production for export.
7. **U.S. commercial shipments.**--Shipments of products produced in your U.S. establishment(s) and your shipments of products produced by other firms on a contract basis. Commercial shipments exclude shipments to U.S. military, and transfers to related firms and for internal use. **Shipment quantities.**--Quantities reported should be net of returns. **Shipment values.**--Values reported should be net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods), f.o.b. your U.S. producing establishment(s).
8. **Exports.**--Shipments to destinations outside the United States, including shipments to related firms.
9. **Purchases of yarn.**--Report purchases of combed wool yarn intended to be used by your firm in making worsted wool fabrics for men’s and boys’ suits, suit-type coats, and trousers. Report quantities net of returns.
10. **Inventories.**--Finished goods inventory, not raw materials or work-in-progress.

PART I.--GENERAL QUESTIONS

The questions in this questionnaire have been reviewed with market participants to ensure that issues of concern are adequately addressed and that data requests are sufficient, meaningful, and as limited as possible. Public reporting burden for this questionnaire is estimated to average 20 hours per response, including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the questionnaire. Send comments regarding the accuracy of this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Commission at the address on the front page of this questionnaire.

I-1. Please report below the actual number of hours required and the cost to your firm of preparing the reply to this questionnaire and completing the form.

_____ hours _____ dollars

I-2. Please provide a point of contact for inquiries following submission of this questionnaire.

Name and title: _____

Phone number: _____ Fax: _____ E-mail: _____

I-3. Provide the name and address of establishment(s) covered by this questionnaire. If your firm is publicly traded, please specify the stock exchange and trading symbol.

I-4. Is your firm owned, in whole or in part, by any other firm?

No Yes--List the following information.

<u>Firm name</u>	<u>Address</u>	<u>Extent of ownership</u>
_____	_____	_____
_____	_____	_____

PART I.--GENERAL QUESTIONS--Continued

I-5. Please indicate whether your firm has experienced any relocations, expansions, acquisitions, closures, consolidations, prolonged shutdowns, or any other change in the character of its operations or organization relating to worsted wool fabrics since January 1, 2003, and whether your firm has planned any changes for the remainder of 2004 that will significantly affect its worsted wool fabric operations.

No Yes--Supply details as to the time, nature, and significance of such changes.

I-6. How would you describe the financial health of your company? If available, please submit the most recent annual report and check this box.

Annual Report enclosed.

PART II.--INFORMATION ON SUPPLY OF WORSTED WOOL FABRICS

II-1. In the following table, please report the quantity of your firm's production capacity and production of worsted wool fabrics **made in your U.S. establishments** for the specified periods. If the information requested is not readily available from your records, provide carefully prepared estimates (designated by the letter "E").

Please see pages 3 and 4 for definitions of terms used in table.

(Report data in linear yards)

Item	Calendar year 2003	January-March 2003	January-March 2004
AVERAGE PRODUCTION CAPACITY for all worsted wool fabric			
U.S. PRODUCTION of all worsted wool fabric:			
18.5 microns or less, total			
For men's and boys' tailored clothing ¹ . . .			
Greater than 18.5 microns, total			
For men's and boys' tailored clothing ¹ . . .			
¹ Includes fabric produced for commercial uniforms, but not fabric produced for U.S. military uniforms.			

II-2. What share of your firm's production capacity for all worsted wool fabrics goes into the production of worsted wool fabrics for men's and boys' tailored clothing?

In 2002 _____% In 2003 _____% In first quarter 2004 _____%

II-3. Please estimate the percentage share of your firm's domestic production of worsted wool fabrics for men's and boys' tailored clothing that was intended for use in commercial uniforms in 2003?

In 2002 _____% In 2003 _____% In first quarter 2004 _____%

II-4. What are the end uses of worsted wool fabrics produced by your firm that are not used in men's and boys' tailored clothing?

PART II.--INFORMATION ON SUPPLY OF WORSTED WOOL FABRICS—Continued

II-5. Please estimate the percentage share of your firm's domestic production of worsted wool fabrics for men's and boys' tailored clothing in 2003 through March 2004 that was sold to U.S. clothing manufacturers for offshore assembly (cutting and/or sewing). Do **not** include your direct fabric exports.

18.5 microns or less _____ % Greater than 18.5 microns _____ %

II-6. Please indicate the retail price points at which men's worsted wool suits made from your firm's fabrics are sold. If multiple price points are applicable, estimate the share of your firm's fabrics represented at each price point.

- Less than \$400 _____% of total
- \$400 to \$699 _____% of total
- \$700 or more _____% of total

II-7. What are the top 3 countries from which your firm imports worsted wool fabrics?

PART II.--INFORMATION ON SUPPLY OF WORSTED WOOL FABRICS--Continued

II-8A. In the following table, please report the quantity and value of your firm's commercial shipments and exports of worsted wool fabrics **made in your U.S. establishments** and imports of the worsted wool fabrics for the specified periods. **Report quantity in linear yards and value in U.S. dollars.** (Please explain the reasons behind the trends in data in the following table in question II-8 B.)

Please see pages 3 and 4 for definitions of terms used in table.

Item	Calendar year 2003		January-March 2003		January-March 2004	
	Quantity	Value	Quantity	Value	Quantity	Value
U.S. COMMERCIAL SHIPMENTS:¹						
18.5 microns or less						
For men's and boys' tailored clothing						
Greater than 18.5 microns, total						
For men's and boys' tailored clothing						
IMPORTS OF WORSTED WOOL FABRICS:						
18.5 microns or less, total						
For men's and boys' tailored clothing						
Greater than 18.5 microns, total						
For men's and boys' tailored clothing						
EXPORTS OF WORSTED WOOL FABRIC:						
18.5 microns or less, total						
For men's and boys' tailored clothing						
Greater than 18.5 microns, total						
For men's and boys' tailored clothing						
¹ Do not include fabric produced for the U.S. Military.						

PART III.--SUPPLY OF COMBED WOOL YARN

III-1. In the following table, please report the quantity of **your firm's** domestic production, purchases, imports, and inventories **of combed wool yarn suitable for use in making worsted wool fabrics for men's and boys' suits, suit-type jackets, and trousers.**

If the information requested is not readily available from your records, provide carefully prepared estimates (designated by the letter "E").

(Report data in kilograms)

Item	Calendar year 2002	Calendar year 2003	January- March 2003	January- March 2004
U.S. PRODUCTION OF COMBED WOOL YARN FOR INTERNAL USE:				
Of fiber diameter averaging 18.5 microns or less, total				
Of fiber diameter averaging greater than 18.5 microns, total				
PURCHASES OF COMBED WOOL YARN FROM U.S. PRODUCERS FOR INTERNAL USE:				
Of fiber diameter averaging 18.5 microns or less, total				
Of fiber diameter averaging greater than 18.5 microns, total				
PURCHASES OF IMPORTED COMBED WOOL YARN FOR INTERNAL USE:				
Of fiber diameter averaging 18.5 microns or less, total				
Of fiber diameter averaging greater than 18.5 microns, total				
INVENTORIES OF COMBED WOOL YARN INTENDED FOR INTERNAL USE:				
Beginning-of-period inventory:				
Of fiber diameter averaging 18.5 microns or less, total				
Of fiber diameter averaging greater than 18.5 microns, total				
End-of-period inventory:				
Of fiber diameter averaging 18.5 microns or less, total				
Of fiber diameter averaging greater than 18.5 microns, total				

PART III.--SUPPLY OF COMBED WOOL YARN--*Continued*

III-2. Has your firm changed its access to its yarn supply in the period 2003 through March 2004 from its supply in 2001 and 2002?

If yes, please explain.

III-3. Does your firm have a business relationship or otherwise commission domestic yarn spinners to produce yarn and/or dye yarn for your company's fabric production?

If yes, please explain.

PART IV.--MARKET FACTORS AND PRICING

IV-1. How has U.S. demand for worsted wool fabrics changed since January 1, 2003? Please indicate how these changes in demand have affected your firm's production, marketing, and sales of worsted wool fabrics?

Have these changes in demand affected the types of worsted wool fabrics your firm produces (i.e., fabrics having average fiber diameters greater than 18.5 microns or 18.5 microns or less)?

IV-2. How have your firm's product offerings changed during 2003 through January-March 2004 from 2002? Is your firm offering more or less styles of worsted wool fabrics? Is your firm filling more direct customer orders or selling more from your firm's standard product offerings?

About what percentage of your sales of worsted wool fabrics were custom orders (i.e., produced according to customer specification and not part of your standard product offerings)?

For 2003 _____%

For first quarter 2004 _____%

PART IV.--MARKET FACTORS AND PRICING--Continued

IV-3. Please identify below the names and addresses of your firm's five largest customers for worsted wool fabrics containing 85 percent or more by weight of wool **for men's and boys' tailored clothing** during 2003. Indicate the share of your sales to each of these customers that were of fabric having average fiber diameters of 18.5 microns or less. Also provide the name and telephone number of a contact person and the share of the quantity of your firm's total shipments of worsted wool fabric that each of these customers accounted for in 2003.

No.	Customer name	City and state	Contact person	Area code and telephone number	Share of 2003 sales (%)	18.5 microns or less, share of worsted wool fabric sales to customer
1						
2						
3						
4						
5						

PART IV.--MARKET FACTORS AND PRICING--Continued

IV-4. Please discuss how your firm may have changed in the way it meets the needs of its customers—namely, domestic manufacturers of men’s and boys’ worsted wool suits, suit-type jackets, and trousers—since January 1, 2003, in terms of the following factors below. (Attach extra sheets if necessary. Please label extra sheets with the subject factors).

Price _____

Availability of fabric _____

Reliability of supply _____

Ability to reorder _____

Variety of styles available _____

Custom options _____

Flexibility in lot sizes _____

Minimum order requirements _____

Flexibility in lead times _____

Fabric quality and consistency _____

Other (specify):

IV-5. Please discuss how your customers may have changed the degree of importance they place on each of these factors? (For example, flexibility in lot sizes has grown in importance since January 1, 2003.)

PART IV.--MARKET FACTORS AND PRICING--Continued

IV-6. Since January 1, 2003, has your firm turned down any customer requests for orders of worsted wool fabric? If yes, please indicate below the name of the customer, reason for turning down any order, and type of fabric involved (i.e., **fabric having an average fiber diameter of 18.5 microns or less, or greater than 18.5 microns**), and when the order was turned down.

Customer name	Reason	Type of fabric	Month/year

IV-7. Please indicate below whether the worsted wool **fabrics produced by your firm** in the United States are **interchangeable** with **imports** of worsted wool fabrics in the same applications, using the following "letter codes":

- "A" to indicate that the imported product from a specified country is *always* interchangeable with the domestic product;
- "S" to indicate that the products are *sometimes* interchangeable;
- "N" to indicate that the products are *never* interchangeable.

Also, please provide comments in the space indicated below.

Country	Interchangeability with U.S.-produced fabric	Comments
Canada		
India		
Italy		
China		
Mexico		
Other _____		

IV-8. Area **non-price differences** (e.g., quality, availability, transportation network, product range, and technical support) between worsted wool fabric produced in the **United States** and in **other countries** a significant factor in your firm's sales of the fabrics? Please indicate below, using the following "letter codes":

- "A" to indicate that such differences are *always* significant;
- "S" to indicate that such differences are *sometimes* significant;
- "N" to indicate that such differences are *never* significant.

Also, please provide comments in the space indicated below.

Country	Non-price differences with U.S.-produced fabric	Comments
Canada		
India		
Italy		
China		
Mexico		
Other _____		

IV-9. Please describe the process your firm uses in determining prices.

PART IV.--MARKET FACTORS AND PRICING--Continued

IV-10. How have prices changed in 2003 through March 2004 from 2001 and 2002? Please discuss changes in market prices and changes in your firm's prices. Please send price lists for 2003 and for 2004, if available.

V-11. How have any changes in market prices and your firm's prices affected your firm's product mix?

PART IV.--MARKET FACTORS AND PRICING--Continued

IV-12A. **Since January 1, 2003**, did your firm experience a loss of sales of worsted wool fabrics to imports benefiting from the temporary duty reductions under HTS headings 9902.51.11 and 9902.51.12?

Yes No

If yes, please furnish as much of the following information as possible for each affected transaction. Document such allegations of lost sales whenever possible (documentation could include copies of invoices, sales reports, or letters from customers). **Please note that the Commission may contact the firms named to verify the alleged lost sales.**

- Customer name, contact person, phone and fax numbers
- Specific product(s) involved
- Date of your price quotation
- Quantity involved
- Your rejected price quotation (total delivered value)
- The country of origin of the competing imported product
- The accepted price quotation of the imported product (total delivered value)

(If specific information on lost sales transactions is not available, please skip to question IV-11B.)

Customer name, contact person, phone and fax numbers	Fabric type	Date of quote	Quantity (linear yards)	Rejected U.S. price (total value--dollars)	Country of origin	Accepted import price (total value--dollars)

