

April 13, 2005

Statement for U.S. Senate Finance Committee by J. Keith Crisco, President of Asheboro
Elastics on the benefits of the proposed DR-CAFTA Free Trade Agreement - April 13, 2005

Asheboro Elastics is a manufacture of knitted and woven narrow fabrics for the apparel, home furnishings, healthcare and industrial industries. We have four manufacturing facilities located in the Asheboro, North Carolina area with eleven distribution locations in the DR-CAFTA region and Mexico. Attached is a listing of our offshore locations.

Since we were founded in 1986 we have grown to be a leader in the manufacturing of various narrow elastic products. Our apparel customers for our elastic waistbands are in many markets. They include Fruit of the Loom, Hanes, VF Corp (Lee and Wrangler), Kellwood, Oshkosh etc. Simply stated we hold up your underwear.

The attached charts show our growth in dollar sales and yards shipped since 1986. A major reason for this growth is the early and consistent way we have aggressively pursued the U.S. apparel firms as they have moved their sewing offshore.

Asheboro Elastics supports the passage of the DR-CAFTA agreement. As we look to the future of the apparel supply chain for companies based in the U.S. it is fundamentally important to have an alternative to Asian manufactures. We need to do everything we can to assure that the economies (sewing industry) of this region are viable. Without the DR-CAFTA agreement and the associated access to the United States markets firms of this region will not be able to compete with Asia. Without the passage of the DR-CAFTA in the near future, Asian manufactures of garments will continue to take market share from Caribbean and Mexican manufactures. The rate of change in garment sourcing has accelerated. You have seen the increases from China just in the first two months of 2005.

Again, I urge you to vote for DR-CAFTA. With this passage, Asheboro Elastics can grow and add jobs in our area. I have with me Ms. Pennie Davidson. Ms. Davidson works at Asheboro Elastics where she "pre-loops" elastic for shipments to our Caribbean customers. Without these customers (Russell Athletic, M.J. Soffe) Ms. Davidson's job would not exist. By the way, we will not be shipping looped elastic to China. Ms. Davidson would be glad to answer any questions you may have.

Asheboro Elastics is an example of a textile firm that has flourished as garment manufactures have moved to Mexico and the Caribbean. These countries are huge markets for us and other U.S. textile and yarn companies. We urge you to pass DR-CAFTA and allow us to continue these long standing positive relationships and participate in the growth of the area. We urge you to pass DR-CAFTA so that economic stability can continue to grow in this region. We urge you to pass DR-CAFTA so that we will have an alternative to Asia as a source of garments made with U.S. manufactured components. Remember, a vote against CAFTA is a vote for China.

Thank you for this opportunity.

J. Keith Crisco