



NEWS RELEASE

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FOR IMMEDIATE RELEASE

WASHINGTON, D.C. —

FALEOMAVAEGA RESPONDS TO BCTC COMMENTS IN FONO HEARING ON REASONS FOR PLANT CLOSING

Congressman Faleomavaega announced today that he has written to Speaker of the House Maileo Sao T. Nua commenting on BCTC Samoa's recent decision to close their American Samoa garment manufacturing plant. The Congressman said that he wanted to correct the impression left when BCTC officials recently testified in a House committee hearing that their decision was made because Congress had not changed certain federal laws governing apparel imports into the United States. "It is important to clarify this situation," said Faleomavaega.

In his letter, the Congressman wrote, "It has been brought to my attention that...officials from BCTC indicated that because Congress did not provide more favorable treatment for apparel partly made in American Samoa, the company is being forced to close and hundreds of Samoans are losing their jobs." Faleomavaega's letter continued, "I would like to place the events of the past several years into perspective."

The Congressman pointed out that when BCTC began operations, their plan was to cut and sew fabric into finished apparel in American Samoa and ship those finished products to the United States. He said that the manufacture of garments under the original BCTC plan has been available to BCTC under federal law throughout the time BCTC has been in American Samoa and that the key to the continued success of BCTC's operations was training local sewers in order to phase out foreign workers. In his letter, Faleomavaega stated that, "BCTC never trained an adequate number of local sewers to conduct its operations according to its own plan."

The initial phase of the BCTC-ASG plan went well. ASG made every effort to assist BCTC in obtaining permits to begin its operations, and BCTC promptly leased and constructed the facilities it needed, hired hundreds of local workers and began operations.

The Congressman said, "In my view, the period of six months to 18 months after BCTC began operations was critical. For BCTC to succeed in American Samoa it needed local sewers. Absent local

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sewers, BCTC incurred the costs of transporting and paying Chinese workers to American Samoa, housing and feeding them while they were here and then returning them to their home country." The Congressman went on to say, "It was clear to me that the problem was well defined and that it needed attention." However, critical months went by and the problem went unresolved.

When BCTC came to American Samoa and began operations, the rules governing country of origin were in place and known. BCTC's future plan was also to import dyed fabric into American Samoa, and to cut and sew that fabric into apparel in American Samoa. "BCTC could do that when it began its operations in our territory and it can do that today. The law has not changed in that regard, and there is no quota or duty applied to product made in American Samoa and brought into the United States," said Faleomavaega. He continued, "For BCTC to say now that it is leaving because federal law has not been changed simply is not true."

The Congressman stated, "BCTC officials discussed the question of closing its operations in Samoa with the current administration about a month ago, but totally without my knowledge. I did not hear of BCTC's decision to terminate its operations in our territory until the Governor announced it at Starkist's anniversary ceremony over the Labor Day weekend."

Faleomavaega concluded, "With the infrastructure in place, I remain optimistic that another company will be willing to pick up where BCTC has left off and our local employees will be able to regain similar positions with a new company."