



May 11, 2007

The Hon. Charles Grassley
Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Senator Grassley:

On behalf of the U.S. textile and apparel supply chain, the undersigned organizations are writing to ask your assistance in ensuring that the U.S./Peru Trade Promotion Agreement and that the U.S./Colombia Trade Promotion Agreement are approved and enacted into law before June 30, 2007. We understand that consideration of these agreements has been delayed pending trade/labor negotiations between the Administration and the Congress. In light of the agreement on those trade policy talks, it is our hope that the Colombia and Peru agreements can be considered and approved before the end of June.

As you know, on December 20, 2006, President Bush signed into law a provision that establishes a two-part extension of the Andean Trade Promotion and Drug

Eradication Act (ATPDEA). That provision automatically extended the ATPDEA until June 30, 2007, with a second extension, contingent partly on Congressional passage of the Trade Promotion Agreements, possible until December 31, 2007. To ensure there is no gap in duty free access for garments made in these countries – made primarily with U.S. textiles – we need the Trade Promotion Agreements (TPAs) approved by June 30, 2007 and implemented by December 31, 2007.

As you may know, the textile and apparel sector is one of the largest manufacturing and wholesale employers in the United States - and still employs more than 500,000 U.S. workers.

Increasingly, those jobs are dependent upon exports. About \$16.7 billion worth of textile and apparel products were exported in 2006. About 50 percent of those exports are destined for Mexico, Central America, and the Andean region, where many of these products are incorporated into finished garments and brought back to the United States.

These export markets function primarily because we provide duty free access for their textile and apparel products that incorporate U.S. yarns, fabrics, fibers, and other textile inputs.

The Andean region remains an important and growing market for U.S. textile exports. Unfortunately, the overall prospects of this market remain troubled. Because of recurring threats over the loss of duty free access for that region, many U.S. apparel importers have begun to shift their business elsewhere. Over the last 12 months, U.S. apparel imports from the region have dropped by about 11 percent.

Although U.S. textile exports to this region are still up during the last 12 months, this success cannot be sustained if the overall market is contracting.

The long term solution lies in the U.S./Peru and U.S./Colombia TPAs, which provide a permanent two-way duty free partnership between the U.S. and Andean textile and apparel producers. But this long term stability cannot be realized if the U.S. does not quickly approve these agreements. Moreover, we face a short term crisis with the imminent expiration of the existing preference programs, on which much of the current partnership is presently based.

Time is of the essence if we hope to retain a strong and economically vibrant textile and apparel industry in this country by ensuring a strong trade relationship with our partners in Peru and Colombia. Please help us by ensuring approval of the U.S./Peru and the U.S./Colombia Trade Promotion Agreements before the end of June 2007.

We also support extension of the current Andean Trade Promotion and Drug Eradication Act (APTDEA), which is currently set to expire in a little less than 60

days. Such extension is needed to eliminate any potential disruption or actual duty free gap that might occur before full entry into force of the Trade Promotion Agreements.

Thank you for your time and consideration in this matter.

Sincerely,

American Apparel & Footwear Association (AAFA)
American Fiber Manufacturers Association (AFMA)
Carpet and Rug Institute (CRI)
INDA, Association of the Nonwoven Fabrics Industry
National Cotton Council (NCC)
National Council of Textile Organizations (NCTO)
National Retail Federation (NRF)
North Carolina Manufacturers Association (NCMA)
Retail Industry Leaders Association (RILA)
Sewn Products Equipment & Suppliers of the Americas (SPESA)
South Carolina Manufacturers Alliance (SCMA)
Textile Distributors Association (TDA)