

Sent: Monday, October 29, 2007 11:59 AM
To: Tennille, Alan
Subject: Dear Colleague; Peru: Textiles

The U.S.-Peru Trade Agreement Benefits the Textiles and Apparel Industries: Finally, a Common Thread

Dear Colleague:

The textiles and apparel sector is one of the largest industries in the United States' economy, employing more than 700,000 workers and exporting billions of dollars in goods each year. In 2006, U.S. producers exported over \$23.6 million in textiles and apparel to Peru alone! Under the U.S.-Peru Trade Agreement, all tariffs on qualifying yarns and fabrics will be eliminated, ensuring permanent duty-free market access for U.S. exporters that Peruvian producers have enjoyed unilaterally for years. Voting YES to this agreement will help us level the playing field with our trade partner while facilitating growth and development across the hemisphere.

How does the U.S.-Peru Trade Agreement address the textiles and apparel industry?

- The Andean Trade Promotion and Drug Eradication Act (ATPDEA) has provided textile and apparel articles from Peru duty-free entry into the United States since 2002. However, ATPDEA is a unilateral preference program that extends no benefits for U.S. exports. The U.S.-Peru Agreement will make duty-free treatment a two-way street.
- Textiles and apparel will receive immediate duty-free and quota-free treatment upon meeting the Agreement's rules-of-origin requirements.
- Rules-of-origin are based on the yarn-forward standard, which increases transparency, fairness, and confidence and encourages domestic production and economic integration. It also provides opportunities for U.S. yarn and fabric to be used in duty-free apparel imports.
- Provisions allowing limited amounts of third-country contents help to afford producers flexibility.

- Special textile safeguards incorporated into the Agreement will protect the U.S. and Peru's respective domestic producers from any damage from imports.

The complete elimination of tariffs and barriers between the United States and Peru through this Agreement will help the textiles and apparel sector, among dozens of others, to function smoothly on an international level and to enjoy greater long-term stability and growth.

Sincerely,

s/
Jerry Weller
Member of Congress

Alan Tennille
Chief of Staff