



## **First Quarter Legislative Update February 2008**

As the second session of the 110<sup>th</sup> Congress begins, Washington encounters an environment where the press of “must-pass legislation” and the distractions of a Presidential election will work at cross purposes to drive the agenda until November. Concrete action and compromise on many pending issues, although possible, will grow increasingly elusive as electoral politics gradually dominate the agenda in the run up to the Presidential and Congressional elections – now less than 8 months away.

One of the major disputes between the Bush administration and the democratically controlled Congress has centered on the level of federal spending. Although both parties push for more discipline in federal spending, they do so in a manner that emphasizes their own priorities and which often make deficit cutting difficult to achieve. Democrats continue to commit themselves to pass a budget resolution in the next couple months. Among other things, Democrats will push to make sure that all tax cuts comply with the so-called PAYGO rules, which require all losses in federal revenues (such as tax cuts) to be offset by measures that provide a comparable increase in federal revenues. Republicans balk at the PAYGO rules, which they believe constitute a hidden effort to enact new tax increases. In truth, neither party really likes these rules, as seen by the fact that the recent stimulus package and temporary patch for the Alternative Minimum Tax (AMT) did not include PAYGO measures. Likewise the President and many in Congress have staked out an aggressive position to scale back the system of Congressional earmarks. Yet, many of those same Members will also work to ensure that their own projects funded so they can show voters that they are steering federal dollars back to their districts. With many policy and budget issues unresolved from 2007, and with continued concerns being expressed by the size of the federal deficit, pressing budget demands, and the expense of the War in Iraq, it seems likely that another budget battle will dominate Congressional politics this year.

One of the first major political fights this year in Congress has been over an extension of the Foreign Intelligence Surveillance Act (FISA), which has already expired. The law governs how federal officials may investigate terrorism cases and establishes the rules by which they operate and spy on suspects. Politically charged, Republican senators are gearing up for an all fight, while many Democratic senators have pledged to filibuster any bill that will extend the program further.

In the world of health care, Congress will be tasked with ensuring that Medicare reimbursement rates do not drop as scheduled in June. This bill could easily be the vehicle for other health care-related legislation, such as the Democrats’ version of State Children’s Health Insurance Program (SCHIP), which the President vetoed twice in 2007.

Recently, the House and Senate moved on a bipartisan stimulus package showing that, even in an election year, bipartisan and bicameral compromise is possible. The House and

Senate will most likely also come together in conference committee to hash out their differences on two other important issues – the 2009 Farm bill and consumer product safety legislation. Other matters that may also see action are the reauthorization of No Child Left Behind, legislation on greenhouse gas emissions, Intelligence authorization, international trade, and patent reform. Final action on many of these items remains unclear.

Although the Presidential election is almost to the point of being a two-man (or one man-one woman) contest, the race now seems to be a contest between the “political maverick,” Arizona Senator John McCain, and Democratic Senators Hillary Clinton (NY) and Barack Obama (IL). In recent weeks, Senator Obama has surpassed Senator Clinton with his number of delegates officially taking the lead as the frontrunner. Nevertheless, at this point, no one should consider Clinton to be out of the race, though her campaign’s recent setbacks have certainly challenged her competitiveness in the race for the democratic nomination.

In this setting, AAFA is tracking a number of issues relating to:

- **International Trade**
- **Government Contracting**
- **Labor**
- **Tax**
- **Regulatory Matters**

Recent developments of note on some of these issues include:

### **International Trade**

1. ***Key Bilateral/Regional Trade Initiatives:*** Trade Promotion Authority (TPA), which authorizes and provides guidance to the U.S. government for new trade negotiations, expired on June 30, 2007. Although the Administration [supports](#) TPA renewal, the Democratic Congressional leadership has opposed renewal and has expressed interest instead on other trade related priorities, such as renewal of job retraining programs. Moreover, in the aftermath of the 2006 mid-term elections, many Members of Congress in both chambers have expressed wariness over the trade agenda. As a result, Congressional approval of a TPA extension remains very much in doubt and is likely to see little or no action until public perceptions on trade shift or until there is a new trade deal, such as the multilateral Doha trade round, that may merit TPA renewal. Pending FTAs relating to Panama, Korea, and Colombia are already grandfathered in under the expired TPA provisions. ***AAFA supports immediate action to approve pending trade agreements and renewal of TPA. AAFA is a member of the multi-association and multi-company coalition – [Trade For America](#) – formed to push for TPA renewal.***
- ***Central America/Dominican Republic:*** On August 2, 2005, President Bush signed into law the [U.S./Central America - Dominican Republic Free Trade Agreement](#) (CAFTA-DR) with five countries in Central America (Costa Rica, El

Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic. Attention has since turned to carrying out the CAFTA-DR. The Administration decided to implement CAFTA-DR on a “rolling” basis, in which each country accedes once it has completed all necessary domestic approval measures. Under this program, CAFTA-DR entered into force for El Salvador on March 1, 2006, Honduras and Nicaragua on April 1, 2006, Guatemala on July 1, 2006, and the Dominican Republic on March 1, 2007. Costa Rica approved CAFTA-DR during a referendum in early October 2007, and is now working to approve various implementation laws by March 1, 2008. Recently, President Arias indicated that Costa Rica will not meet that deadline and will ask the CAFTA-DR parties for an extension. The rolling implementation process created considerable disruption, particularly in scenarios involving co-production of an article among several Central American countries. In early August 2006, the President [signed into law](#) a bill that provides retroactive duty free treatment to rectify some of the co-production problems. That bill also provided proclamation authority so the President could make future modifications to CAFTA-DR dealing with such areas as pocketing, the Nicaragua TPL, socks, and short supply. A multilateral package on pocketing was [proclaimed](#) in late 2007 and could take effect in early 2008. Work also continues on the agreement’s cumulation provisions, which permit the use of Mexican inputs in certain CAFTA-DR garments. Already, one of the prerequisites for cumulation to take effect – a customs cooperation deal between the United States and Mexico – was [completed](#) in January 2007. The second requirement – modifications to individual FTAs between CAFTA-DR countries and Mexico – is expected to be finalized soon. The above referenced proclamation on pocketing also addressed cumulation implementation. This provision could take effect by mid-2008. Facing strong political pressure from the domestic hosiery industry, the Administration has announced it has [requested consultations](#) on a potential safeguard against Honduran socks. The process is expected to result in the imposition of a temporary tariff on imports of Honduran socks. Finally, the Administration is now conducting a [review](#) of the CAFTA-DR short supply program. The latest information on CAFTA-DR can be found on the [AAFA web site](#). ***AAFA strongly supported congressional passage of CAFTA-DR and now urges swift and full implementation of this FTA with all five Central American countries and the Dominican Republic as a way to strengthen the footwear, textile and apparel trade partnership.***

- ***Other Completed and Pending FTAs:*** In addition to the Proclamations made above for CAFTA-DR, the President proclaimed the entry into force of recent FTAs with [Singapore](#) and [Chile](#) effective January 1, 2004, [Australia](#) on January 1, 2005, [Morocco](#) on January 1, 2006 and [Bahrain](#) on August 1, 2006. The FTAs, among other things, provide a combination of duty free and reduced duty treatment for certain qualifying textiles, apparel and footwear. Congress approved an FTA with [Oman](#) in fall 2006, although that FTA has not yet entered into force. On December 14, 2007, President Bush signed into law the [Peru](#) free trade agreement implementation law, although the agreement is not expected to enter into force until sometime during 2008. Next in the FTA queue are agreements that were recently concluded with, [Colombia](#), [Panama](#) and [Korea](#).

The Democrat takeover of Congress initially delayed consideration of these agreements while Administration and Congressional trade officials worked to modify labor provisions in the agreements to address Democratic concerns. A [bipartisan trade deal](#), announced on May 10, 2007, laid the basis for more support among Democrats, although was not sufficient by itself to guarantee passage of any of the agreements this past summer. At this point, conventional wisdom suggests that Panama could be considered by the U.S. Congress during late 2008, provided Panama can resolve a bilateral irritant related to a U.S. fugitive who is now serving in the Panamanian government. Korea and Colombia are both mired in issues (human rights in Colombia; beef and automobile access for Korea) that were not addressed in the bipartisan trade deal, and are therefore causing further delays. As noted above, all three can still be considered by Congress under the recently expired grant of TPA. ***AAFA has issued statements in support of the Colombia and Peru FTAs (and recently signed on to a letter with the entire textile and apparel supply chain in support of these agreements). AAFA has also signed coalition letters supporting the Korea FTA.***

- ***FTAs Under Negotiation:*** Recent initiatives to negotiate FTAs with the [United Arab Emirates](#), the [Southern African Customs Union](#) (Botswana, Lesotho, Namibia, South Africa, and Swaziland) and [Thailand](#) have stalled. As a result, those agreements were downgraded to Trade and Investment Framework Agreements while FTA talks with Switzerland and Egypt have been postponed. However, FTA talks with [Malaysia](#) continue, although it is unclear when the agreement can be finished since a finished U.S./Malaysia agreement depends on renewal of TPA. The Administration recently announced plans to initiate talks on services and investment with the P4 nations (Singapore, Chile, New Zealand, and Brunei) as a precursor to a possible regional free trade agreement with those four countries. In addition, other bilateral and regional trade arrangements continue to be explored. ***AAFA generally supports such initiatives, provided they represent commercially meaningful opportunities to expand trade, and is evaluating each one to determine how they best serve members' needs.***
2. ***Preferential Trade Programs:*** With the proliferation of FTAs and the work on multilateral trade initiatives, attention had shifted away from trade preference arrangements. However, in the coming months and years, as new Democratic trade priorities emphasize unilateral trade preferences with developing countries, trade preference arrangements are again shifting into focus instead of bilateral free trade deals.
- As the CAFTA-DR entered into force for Central American countries, the Caribbean Basin Trade Partnership Act (CBTPA) ceased to be effective for CAFTA-DR countries. Although the CBTPA will still remain in force for some countries, such as Haiti and Jamaica, it is currently set to expire on September 30, 2008. There is Congressional interest in extending this program.

- Similarly, the Andean Trade Preferences Act (ATPA), which contains special benefits for clothing and footwear imports under the Andean Trade Promotion and Drug Eradication Act (ATPDEA), is set to be replaced by individual FTAs with Andean nations as discussed above. The Andean program was scheduled to expire on December 31, 2006. In one of its final acts, the 109<sup>th</sup> Congress approved a bill ([HR 6406](#), which was incorporated into HR 6111) that contains a straight six month extension (through June 30, 2007), linked to a second six month extension (for countries that have approved FTAs). Congress subsequently extended HR 1830, the Andean program, for an additional 8 months (until February 29, 2008). Although Congress approved the Peru agreement this past fall, that agreement will not enter into force before the current ATPA expiration date. Moreover, there is no chance the Colombia FTA can be approved and take effect by then. Thus, there will be pressure on Congress to extend the Andean program again. However, such an extension will be difficult to secure because many believe extension sends the wrong message to the Andean countries who are not FTA partners (Ecuador and Bolivia) and that it relieves pressure on Congress to act on the Colombia FTA. A last minute effort to extend the program for 10 months (until December 31, 2008) was [approved](#) by the House Ways and Means Committee February 14, 2008.
- As part of [HR 6406](#), the 109<sup>th</sup> Congress also approved an extension of the third country fabric provision under the [African Growth and Opportunity Act \(AGOA\)](#) until September 30, 2012. That extension includes a provision that voids the third country fabric provision for components deemed in “abundant supply.” During the initial year, the law designates “denim” as being in abundant supply, potentially complicating the ability of companies to use third country denim if they do not use sufficient quantities of African denim. Congress may revisit that provision in the coming months, as well as one that would extend the third country fabric provisions to Mauritius. In the meantime, the U.S. International Trade Commission is conducting [investigations](#) to determine denim capabilities and usage. (*See AAFA Comments #1 and #2 on [investigations that were conducted during 2007](#)*).
- As part of [HR 6406](#), the 109<sup>th</sup> Congress also approved an expansion of preferences with respect to Haiti to include a new value added rule and a small 3-year TPL for woven apparel. Although this new program sparked strong opposition from the textile industry, it took effect on March 20, 2007. Customs published [interim regulations](#) governing this program in June 2007 (*to which AAFA commented – See [AAFA Comments](#)*). Congress may explore making changes to the Haiti program to fix technical errors and/or expand benefits in the coming months and years.
- Preference programs for the least developing countries (LDCs), and for other countries of interest (such as Sri Lanka and Pakistan), were not enacted by the end of the 109<sup>th</sup> Congress. However, several of these ideas were already introduced this year or are under active development by Members of Congress. For example, Senator Gordon Smith (R-OR) recently introduced the Trade Act of 2007 ([S. 652](#)) to create preferences for least developed countries and Sri Lanka,

echoing a similar bill he sponsored in the previous Congress. Similar legislation – known as the New Partnership for Development Act ([HR 3905](#)) – was also introduced by Representatives Jim McDermott (D-WA).

- The Administration is rumored to be working to provide limited preferences to parts of Pakistan (the border areas near Afghanistan) and Afghanistan as part of a program dubbed Reconstruction Opportunity Zones (ROZs). Although the Administration announced such an [initiative](#) in March 2006, it has not yet submitted a specific proposal to the Congress (since any program would require an Act of Congress to take effect). Current reports suggest this program will include some textile and apparel products under a simple rule of origin, although the precise details are still pending final interagency clearance. Press reports suggest that apparel products covered by the China safeguard will **NOT** be included in this proposal.
- Finally, as part of [HR 6406](#), Congress renewed the Generalized System of Preferences (GSP) program for an additional two years. The GSP program, which provides duty preferences for developing countries, but generally does not apply to footwear or apparel, is now scheduled to expire at the end of December 2008.

Further action on these and other preference measures could occur in the second session of the 110<sup>th</sup> Congress. Democratic leaders in both the House and the Senate have already indicated they expect to conduct reviews of preference programs and may seek an opportunity to make additional reforms (in terms of product coverage, country coverage, duration, and rules of origin) for several of these programs. In particular, several Democratic Members of Congress may introduce legislation – or use bills already introduced – to simplify, harmonize, and make permanent the range of preference programs. In addition, the Administration included funding for the Andean, GSP, ROZ, and CBI programs in its [FY 2009 budget request](#). ***AAFA supported enactment and enhancement of the Africa, Caribbean Basin and Andean trade enhancement programs. AAFA is working closely with Congress and Administration officials on other trade preference legislation and to improve current programs.***

3. ***Vietnam:*** Vietnam entered the World Trade Organization (WTO) on January 11, 2007, completing a gradual period of economic normalization that had taken nearly 10 years. As part of its WTO accession, the U.S. and Vietnam concluded a [bilateral WTO accession agreement](#) in May 2006. That agreement provided that, upon Vietnam's accession to the WTO, the U.S. discontinue imposition of quotas on U.S. textile and apparel imports from Vietnam. The agreement also required Vietnam to discontinue prohibited export subsidies in the textile and apparel industry. Although the U.S. Congress was not able to vote on the agreement itself, it was able to vote on legislation to extend permanent normal trade relations (PNTR) to Vietnam, which is required before the U.S. can benefit from Vietnam's accession to the WTO. Vietnam PNTR was approved as part of the trade omnibus package ([HR 6406](#)) during the final hours of the 109<sup>th</sup> Congress. As required, the U.S. government [eliminated all quotas on U.S. apparel and textile imports from Vietnam](#)

that were exported from Vietnam after January 10, 2007. However, considerable controversy continues to surround a [late September 2006 commitment](#) made by the Administration to Senators Elizabeth Dole (R-NC) and Lindsey Graham (R-SC) to monitor textile and apparel imports and possibly self-initiate anti dumping investigations on apparel products from Vietnam (even though apparel companies have not requested such trade remedies, which is necessary under the tight “standing” rules of trade remedy law). Importers and retailers, as well as several Senators (Senators Dianne Feinstein (D-CA), Gordon Smith (R-OR)) and Congressman (Rep. Earl Blumenauer (D-OR)), have pushed the Administration to clarify how this commitment will be implemented. While the monitoring program was initiated on January 11, 2007 (the day Vietnam joined the WTO), the U.S. government has failed to provide much detail on the implementation program or how it will work. During its first [review](#) -- conducted in October 2007 – the Administration announced that it had insufficient evidence to initiate an anti-dumping investigation, but declined to provide much information on how it had conducted this review. ***AAFA continues to press the U.S. government to ensure that the Vietnam apparel and textile import monitoring program does not burden trade nor exceed U.S. law or WTO obligations. In addition to numerous meetings and discussions with U.S. government officials regarding the program, AAFA has twice submitted comments ([December 27, 2006 comments](#), [January 31, 2007 comments](#)), independently as well as with importers and retailers, in response to U.S. government Federal Register (FR) notices ([December 4, 2006 FR Notice](#), [January 23, 2007 FR Notice](#)). AAFA also [testified at an April 24, 2007 hearing](#).***

4. ***Burma (Myanmar):*** In late July 2003, outraged by the continuing human rights and labor rights abuses of a dictatorial regime in Burma, Congress approved and the President signed into law a new series of sanctions including a [complete 3-year ban](#) on U.S. imports from Burma. The import ban took effect on August 28, 2003 and has been renewed by Congress every year. In July 2006, President Bush signed into law new legislation ([H.J. Res 86/S.J. Res 38](#)) to reauthorize the ban for an additional 3-year period. Under that extension, Congress recently approved a one year ban ([H.J. Res 44](#)) until 2008. Congress has also been considering AAFA-supported legislation ([H.R. 3890](#)) that would further strengthen the import ban and other sanctions on the ruling regime. Although both Houses have taken action, they still need to reconcile differences in this bill. As part of its continuing efforts to isolate the ruling military junta, AAFA convinced the Board of the International Apparel Federation (IAF), which is comprised of the leaders of the global apparel industry, to adopt a statement on Burma at its 2008 annual conference in October. The IAF statement condemns the military junta ruling Burma and calls on the global apparel industry to immediately stop sourcing apparel, either directly or indirectly, from Burma. Canada recently enacted its own import ban against Burma. ***AAFA was one of the first organizations to publicly call for the original import ban. AAFA continues to urge Congress and the Bush administration to work with other countries to renew and multilateralize the import ban.***

5. ***Affordable Footwear Initiative (AFI):*** Over the last five years, a number of actions – through free trade agreements and through targeted duty suspension and elimination bills – have consequently lowered footwear duties. However, while the U.S. imports 99 percent of all footwear sold in the United States (where more than 85 percent of all footwear sold in the U.S. comes from China), U.S. footwear firms still pay the U.S. treasury more than \$1.9 billion in duties every year. With markup, this \$1.9 billion translates into a \$4-5 billion hidden, regressive tax at retail on hardworking American families. In response, a coalition of U.S. footwear companies, retailers and associations created the [Affordable Footwear Initiative \(AFI\)](#) (H.R. 3934/S. 2372). The purpose of AFI is to have Congress approve legislation to permanently eliminate U.S. duties on 60 percent of all footwear sold in the U.S. Specifically, the AFI targets lower-priced and high-duty shoes and all children’s footwear – footwear no longer made in the United States. With nearly 100 bi-partisan co-sponsors in the U.S. House of Representatives, 5 co-sponsors in the U.S. Senate and literally thousands of American consumers who have e-mailed their members of Congress in support of AFI through the AFI coalition’s grassroots website – <http://www.endtheshoetax.org> -- the AFI is in a good position moving into the spring of 2008. ***AAFA strongly supports elimination of duties on footwear no longer made in the U.S. AAFA successfully eliminated duties on virtually all footwear (under liberal rules of origin) in every U.S. FTA during the past five years. Furthermore, AAFA has successfully lobbied for the temporary elimination or reduction of duties on U.S. imports on over 30 specific types of footwear through the U.S. Congress’ Miscellaneous Trade Bill (MTB) process. AAFA was the first association to endorse the AFI and has taken a lead role in developing and lobbying for this important initiative, including identifying and obtaining early co-sponsors and initiating media campaigns to raise public awareness of the initiative, in order to help accomplish AAFA’s footwear duty elimination goals.***
6. ***China Safeguards:*** The United States and China [reached an agreement on November 8, 2005](#) to impose safeguard quotas on U.S. imports of 34 individual categories (21 combined categories) of Chinese apparel and textiles for the period of January 1, 2006 - December 31, 2008. With the agreement now in its final year, speculation grows as to whether there will be a new quota or other protectionist mechanism, or trade remedy, which might replace this agreement. ***AAFA continues to work with the Bush administration and Congress to ensure smooth implementation of the agreement and to track events closely related to the post-2008 environment.***
7. ***EU Antidumping Cases against Chinese and Vietnamese Footwear:*** The European Union (EU) on October 6, 2006 [approved a European Commission proposal](#) to impose final dumping duties (on top of normal duties) of 16.5 percent and 10 percent, respectively, on European imports of certain leather footwear from China and Vietnam for a two-year period beginning October 5, 2006. Meanwhile, in the summer of 2007, the EU proposed a “clarification” of the definition of shoes classified as Special Technology Athletic Footwear (STAF). The proposed clarification would remove most footwear from the STAF custom’s category by

making it virtually impossible to qualify footwear under the “clarified” STAF definition. If the EU is successful, this definition change could have a significant impact on the EU dumping case. Millions of pairs of shoes currently exempted from the dumping case (because they currently fall under the STAF exemption) could suddenly become subject to the punitive dumping duties in the case. A final decision could occur as early as the spring of 2008. In related news, the EU [launched an investigation](#) September 5, 2007 into allegations of possible circumvention through Macau of the anti-dumping measures. If the EU finds that the subject imports from Macau are indeed of Chinese and/or Vietnamese origin and are being circumvented through Macau to avoid anti-dumping duties, EU leather footwear imports from Macau would then be subject to the dumping duties. The investigation should be completed by June 5, 2008. ***AAFA strongly opposes the EU anti-dumping action. In addition to keeping its members informed of the ongoing situation, AAFA is actively working with the U.S. government and AAFA’s European counterparts to fight the anti-dumping cases, and prevent other countries from replicating this action.***

8. ***Other China Issues:*** While both the Senate Banking Committee ([S.1677](#)) and the Senate Finance Committee ([S.1607](#)) each approved China currency legislation during 2007, and more than a half dozen other bills penalizing China continue to float around the Senate and the U.S. House of Representatives, no “anti-China” legislation cleared before Congress adjourned for the first session. The Chair of the powerful House Ways & Means Trade Subcommittee recently reconfirmed his vow that Congress will pass some form of “anti-China” legislation during 2008. However, the future of any such legislation in Congress remains unclear due to a crowded agenda and increased concerns that the legislation may be WTO incompatible. In addition, a jurisdictional dispute between the Senate Finance and the Senate Banking Committees continues to cloud prospects for final passage of any comprehensive China bill in the Senate. ***AAFA is actively working on bilateral issues to ensure its members not only maintain, but also increase market access in China. AAFA is also working to ensure China adheres to its WTO obligations, and to promote China as a predictable business partner. In fact, a significant number of AAFA member CEOs joined the CEOs of over 100 US companies, both big and small, in [sending a November 14, 2007 letter to Congress](#) urging Congress to consider the important relationship the United States has with China and take a rational approach to legislation involving China.***
9. ***Port Finance/Infrastructure Issues:*** On February 23, 2007 California Senator Alan Lowenthal [re-introduced SB 974, AAFA-opposed legislation](#), which called for a \$60 per 40-foot container fee at the ports of Los Angeles, Long Beach and Oakland to pay for goods movement infrastructure investments and goods movement-related pollution reduction programs. The same bill passed the California General Assembly in 2006, but Governor Arnold Schwarzenegger (R) [vetoed the measure](#). Senator Lowenthal [announced September 5, 2007](#) that his legislation would be delayed for a year while efforts are made to develop alternatives

through some newly formed state working groups. However, on November 5, 2007, the Ports of Long Beach and Los Angeles agreed to move forward with their aggressive Clean Truck program designed to reduce emissions at the ports. This deal calls for the prohibition of all pre-1989 model year trucks from coming into the port by October 1, 2008. Subsequently, on January 1, 2010, the ban will not allow 1989-1993 model year trucks and any unretrofitted 1994-2003 model year trucks to enter the port. Finally, on January 1, 2012, any unretrofitted 2004-2006 model year trucks will be denied access. The deal also requires trucks doing business through the ports to be issued an RFID tag that captures information pertaining to the owner and model year of the engine and evidence of the prescribed retrofit technologies. Both harbor commissions recently approved a clean trucks fee to pay for this program, and are now working to implement the truck concession policy, which states that only those trucking companies that use a fleet of at least forty clean burning trucks will receive a “concession” to operate in LA and Long Beach terminals. This policy has and will continue to draw severe criticism and opposition from smaller trucking companies, as it directly threatens their ability to stay in business. Despite the presentation of the economic analysis of the CAAP truck replacement and concession proposal, the ports are regrettably moving forward. In light of the ports’ movements to impose these onerous fees, which undoubtedly will face legal challenges, Senator Lowenthal announced his intention to restart the push for his legislation that, if enacted, would be in addition to the “clean truck fees” proposed by the ports. Regrettably, Governor Schwarzenegger has reversed his previous policy position and now says that he supports both the container fees put forward by the ports and in the Lowenthal legislation. Finally, Rep. Ken Calvert (R-CA) has introduced a [bill](#) to impose an additional tax on all containers – import and export – to help pay for port and related transportation infrastructure projects. No action has yet occurred with respect to that legislation. ***AAFA is now actively working with partners in other industries to defeat cargo and container tax plans that could adversely affect U.S. apparel and footwear firms. AAFA sent a [letter](#) with thirty other trade associations on October 5, 2007 to the mayors of Long Beach and Los Angeles to express opposition to the plan in its current form.***

10. ***Customs Issues:*** Customs and Border Protection (CBP) issued a series of proposals during the early weeks of 2008 which will create significant changes and challenges for the trade. After an extensive consultative process with the trade community, CBP finally issued its long awaited proposal – the so-called “[10+2 proposal](#)” – to require more data elements for goods imported into the United States. Several weeks later, CBP issued a [surprise proposal](#) to revoke a provision in HTS 9801 that provides for offshore warehousing in Canada and Mexico. Finally, in a move that both surprised and angered many in the trade community and in Congress, CBP issued a [revised interpretation](#) on the value code that would eliminate the First Sale rule – a popular valuation accounting method that companies use to reduce their tariff burden. ***AAFA plans to submit comments on all three items. AAFA has assembled a [coalition](#) of 100 trade associations and companies opposed to the First Sale revocation and is working with interests in Canada and Mexico to oppose the elimination of 9801.***

11. ***EU Retaliation:*** The European Union (EU) in April 2007 [expanded retaliatory duties](#) of 15 percent (on top of normal duties) on European imports of certain U.S.-made footwear, apparel and textile exports in connection with a dispute settlement case on the Byrd Amendment – which provided for distribution of anti dumping and countervailing duties to trade remedy petitioners (U.S. manufacturers) – an action the WTO ruled was in violation of international trade agreements. Although the Byrd Amendment was repealed in 2005, that repeal did not take effect until late 2007. Because of the delayed repeal, and because of concerns that there would be last-minute efforts to reinstate this provision, the EU successfully petitioned the WTO to keep retaliatory duties in place. This situation is a perfect example of how an action that is supposedly meant to protect U.S. manufacturers (i.e. petitioners in an anti-dumping case) actually hurts U.S. manufacturers (i.e. the U.S. apparel, footwear and textile products manufacturers whose exports to Europe, their biggest export market, are now subject to sanctions in the form of 15 percent punitive duties). ***AAFA has been working to help remove members' products from retaliation lists and supports legislation to remove the underlying trade disputes. AAFA recently joined with other organizations in fighting off a last minute effort by certain members of Congress to re-impose the Byrd Amendment before Congress adjourned for the year.***
  
12. ***Doha Round:*** In a last ditch attempt to save the faltering Doha Round of global trade talks, the World Trade Organization (WTO), on July 17, [issued draft negotiating texts](#) on the crucial non-agricultural market access (NAMA) and agriculture aspects of the trade negotiations. The draft texts attempt to forge a compromise between the competing interests of the 152 WTO member countries, particularly among the so-called G-4 countries – the United States, the European Union (EU), Brazil and India. Under the proposed NAMA text, which includes footwear and apparel, all non-agricultural tariffs on imports entering the United States and other developed countries would be reduced to a maximum of 8 or 9 percent over a period of five years while developing country tariff rates would be reduced to a maximum of 19-23 percent over a period of nine years. Regrettably, the draft text would allow developing countries to either exempt five percent of their imports outright from the tariff reductions or subject 10 percent of their imports to smaller tariff cuts. Least-developed countries are exempted from the tariff reductions altogether. Those countries, however, would still receive duty-free, quota-free access to the United States and other developed country markets for at least 97 percent of their products. The proposed negotiating texts received a very mixed response from WTO member countries, leaving the future of the global trade talks in doubt. Revised [agricultural](#) and [non-agricultural market access](#) texts were issued during February 2009 in an attempt to jump start the process so the round could be concluded before the end of 2008. Those texts, however, were widely criticized by many negotiating partners, including the United States. AAFA joined 40 other major agricultural, manufacturing and services organizations and companies in [sending a letter December 12 to the Bush administration](#) expressing their opposition to the [first draft of the Rules text](#) released at the end of November as part of the ongoing Doha Round of World Trade Organization (WTO)

negotiations. The letter urges the Bush administration to seek the necessary and required clarifications and improvements in the Rules text that will benefit US farmers, US manufacturers, US service providers, US workers, US consumers and the US economy. ***AAFA supports the successful completion of the Doha round as long as it substantially reduces and/or eliminates tariff and non-tariff barriers in key markets worldwide. AAFA remains opposed to efforts that would use these talks to create new trade barriers or safeguards, particularly with respect to textiles and clothing.***

13. ***Farm Bill Reauthorization:*** Facing a possible presidential veto and calling into question the U.S. commitment to a successful conclusion of the ongoing Doha Round of global trade negotiations, the U.S. House of Representatives on July 27 [approved legislation \(HR 2419\) authorizing a new five-year farm bill](#) on a largely partisan vote of 231 to 191. The bill, which has a price tag of almost \$286 billion, would preserve the existing system of subsidies for commercial farmers and add billions of dollars for conservation, nutrition, and new agricultural sectors. Many of these subsidies are already being challenged at the WTO. The sheer size of the subsidies included in the legislation further jeopardizes global trade talks already stalled, in large part, by the United States' refusal to reduce its agricultural subsidies. A companion measure remained bogged down in the U.S. Senate for much of the year, although was able to clear that chamber on a [vote](#) of 79 to 14 in mid December. A conference to reconcile these two vastly different versions has already shown momentum and could yield a final agreement by mid-2008. ***AAFA continues to track this legislation to monitor its implications for the Doha Round.***
  
14. ***Anti-Counterfeiting and IPR Issues:*** In 2007, Congressmen William Delahunt (D-MA) and Bob Goodlatte (R-VA) reintroduced legislation from the 109<sup>th</sup> Congress that would allow for a three year copyright on fashion design entitled the [Design Piracy Act \(H.R. 2033\)](#). Senators Chuck Schumer (D-NY) and Orrin Hatch (R-UT) then introduced a virtually identical companion bill in the Senate. This bill continues to receive harsh criticism from parts of the industry for potentially opening up a Pandora's Box of litigation. AAFA [sent a letter](#) October 10, 2007 to the sponsors of the legislation expressing support for the goals of the legislation while expressing strong reservations about its provisions that could unintentionally cause major legal issues for the industry. AAFA has been working with the Council of Fashion Designers of America (CFDA) to address these and other issues to ensure that this legislation accomplishes its goal – the protection of ***original*** designs – without causing any unintended harm to the industry. Although the bills have seen no action, this may change following a February 2008 hearing before a House Judiciary Subcommittee. In other IPR news, In February 2007, Senators Evan Bayh (D-IN) and George Voinovich (R-OH) introduced S. 522, the Intellectual Property Rights Enforcement Act. This bill would create the Intellectual Property Enforcement Network (IPEN) that will work to establish policies concerning international intellectual property protection and law enforcement. To date, S. 522 is awaiting action in the Senate Committee on the Judiciary. On December 5, 2007 a bipartisan group of House members led by Judiciary Committee Chairman John Conyers, Jr. (D-MI) and Ranking Member Lamar Smith (R-TX) joined together to

introduce H.R. 4279, the Prioritizing Resources and Organization for Intellectual Property (PRO IP) Act of 2007. This legislation recognizes the need for increased law enforcement attention to intellectual property rights (IPR) infringements by doubling penalties for those careless counterfeiters whose illicit activity results in injury or death. The bill also provides more resources for enforcement at U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement and creates a permanent position at the White House dedicated to IPR protection. ***AAFA supports legislation that specifically seeks to bring greater government focus on IPR violations. AAFA is actively working to develop and promote legislation that will truly protect innovation without causing legal havoc and severe litigation issues for the industry.***

### **Government Contracting Issues**

15. ***Preservation of “Berry Amendment” Buy America protections:*** Congressman Robin Hayes (R-NC) sponsored the legislative provisions providing transparency and clarification on the Berry Amendment that were included in the FY 2006 Defense Authorization Act, and continues to be a long-time supporter of these issues. Work continues to make sure these valuable changes are implemented faithfully. In addition, apparel and footwear contractors continue to express concerns over the manner in which contracts are awarded, which prevent adequate business planning. Separately, Hayes has reintroduced legislation, [HR 917](#), to extend Berry Amendment protections to the Department of Homeland Security (DHS), which includes the Border Patrol, the Transportation Security Administration (TSA), and other agencies, in a manner consistent with national security and international trade obligations. The bill does not have a Senate sponsor yet, though there are a few interested candidates. In early May 2007, however, the House approved a FY 2008 DHS Authorization bill ([HR 1684](#)) containing a separate provision that would require uniforms, protective gear, badges, and ID cards to be manufactured in the United States. That provision was included at the request of the House Homeland Security Committee staff and is identified with Rep. Bob Etheridge (D-NC) who has also introduced a stand alone bill ([HR 1686](#)) with that same procurement requirement. Unfortunately, this language does not track with the Berry Amendment and therefore does not require inputs to be of U.S. origin. In addition, the language is not compliant with U.S. international trade obligations. Although Hayes tried to insert his language through a series of parliamentary moves, he was ultimately rebuffed on a [vote](#) of 217 to 199 (the voted needed to fail in order for the procedural tactic to succeed). A separate vote to strip the Etheridge language from the bill entirely also failed on a [vote](#) of 36 to 390. It remains to be seen if this language will survive or if the underlying DHS Authorization bill will even be signed into law. Among other challenges, the Administration [opposes](#) the DHS bill, and has even cited opposition to the Etheridge language as one of the factors contributing to its adverse position. ***AAFA strongly supports the preservation of the Berry Amendment as a national security issue and as a vital way to maintain a warm industrial base for the national defense. AAFA worked closely with Representative Hayes’ staff to ensure that the new legislation introduced on the U.S.***

***Department of Homeland Security was compliant with U.S. international trade obligations while providing new opportunities for government contractors. [AAFA](#) does not support the Etheridge language. AAFA will continue to monitor and guard against any efforts to dilute or weaken Department of Defense (DoD) Berry protections and will work the DHS issue to advance AAFA member interests.***

16. ***Federal Prison Industries (FPI):*** Work continues on efforts to reform Federal Prison Industries (FPI). Efforts in the 109<sup>th</sup> Congress were focused on securing enactment of a comprehensive FPI reform package. AAFA-supported legislation (see [HR 2965](#) - the FPI Competition in Contracting Act of 2006 or [HR 1829](#) – FPI Competition in Contracting Act of 2003) passed the House overwhelmingly in two previous Congresses, but never passed the U.S. Senate. This bill would have instituted far-reaching reforms, building upon legislation approved in 2002 for the military, and extended in 2004 for the entire government, that gave U.S. government contracting officers the ability to require FPI to meet the price, quality and delivery points of the private sector. Efforts in the 110<sup>th</sup> Congress have so far focused on a provision (Section 824) within the FY 2008 Department of Defense Authorization bill ([S 1547](#)) that would accomplish some of the same goals as the comprehensive reform package. Although there were efforts to strip out Section 824, this important provision was ultimately retained in the final bill that was approved by the [House](#) and the [Senate](#) in December 2007. Once enacted into law, Section 824 will level the playing field for the industry mandating that any DOD purchase from FPI now must be bid like any other contract. A similar initiative to effect this change through an unrelated agricultural authorization bill was ultimately dropped for parliamentary reasons. Moreover, that change was duplicative of the provision that was contained in the DoD authorization bill, which was ultimately signed into law in early 2008. ***In July, AAFA [sent a letter in support of Section 824 in the DOD bill.](#) A December 2007 letter supported the effort in the 2007 agricultural authorization bill. AAFA supports permanent and comprehensive FPI reform to make that agency more accountable and subject to greater and more effective oversight in order to level the playing field for U.S. contractors by requiring the same price, quality and delivery time requirements met by the private sector.***

## **Labor Issues**

17. ***Anti Sweatshop Legislation:*** In January 2007, U.S. Senator Byron Dorgan (D-ND) introduced the [Decent Working Conditions and Fair Competition Act \(S. 367\)](#). Congressmen Michael Michaud (D-ME) and Chris Smith (R-NJ) [introduced similar legislation \(H.R. 1992\)](#) in the House on April 18. The legislation would define trafficking in sweatshop goods as an unfair practice before the Federal Trade Commission. It would also create a private right of action for companies (including individual shareholders in those companies) to sue other companies because they are allegedly selling sweatshop made goods. Finally, it would grant new powers to the U.S. Government to investigate contractors to ensure the U.S. government is not

purchasing goods made with sweatshop labor. As currently written, the bill would create a mountain of litigation while doing nothing to improve labor conditions overseas. Because of the bill's wide scope and poorly defined provisions, it is unclear if the legislation will see much action in Congress. However, interest in the legislation has increased dramatically recently – the bill now has over 150 co-sponsors in the House and 18 co-sponsors in the Senate – raising concerns that the legislation is starting to gain traction. Meanwhile, the US Department of Labor has issued [Final Procedural Guidelines for the Development and Maintenance of the List of Goods From Countries Produced by Child Labor or Forced Labor](#), with public comments on what countries and products should be included in the proposed blacklist due March 26. While the Department of Labor has not issued any timeline for publication of the proposed blacklist list, the U.S. House of Representatives overwhelmingly passed legislation ([H.R. 3887](#)) December 4, 2007 that would establish a January 15, 2009 deadline for publication of the list. The U.S. Senate has yet to consider the legislation. ***AAFA supports efforts to eliminate goods produced under sweatshop conditions, but believes S. 367/H.R. 1992 and the proposed child/forced labor black list (as currently proposed) would fail to advance that goal. While AAFA applauded the US Department of Labor's efforts, in [comments submitted](#) on October 31, 2007 to further the goal of eradicating child and forced labor worldwide, there is strong concern that the publication of such a list might not further this goal. In fact, the publication of a product and country on the list would likely be tantamount to "blackballing" the subject industry in that country, leaving tens, if not hundreds of thousands of people, most of them the sole breadwinners for their family, out of work essentially overnight. Further, if children were indeed working in the subject industry, they would be thrown out of work without any transition assistance or support. Most of these children would not end up in school and/or with their family – the prescribed goals of such a list. Instead, they would likely move into industries in the informal sector where they would likely be subject to even worse abuse than the industry they left and even more removed from the public eye.***

18. ***Minimum Wage:*** On May 25, 2007 President Bush signed into law a provision to increase the minimum wage over the next three years. Previously, the minimum wage had not been raised for the past 10 years and played a popular role as part of the Democrats' 100 hour push earlier this year. The 1<sup>st</sup> phase of the three-phase minimum wage increase, raising the minimum wage from \$5.15/hour to \$5.85/hour, was enacted on July 24, 2007. Under the new law, the minimum wage will eventually increase to \$7.25/hour on July 24, 2009. ***AAFA has taken no position on the minimum wage issue but would like to ensure it applies fairly to all Americans, including those employed by Federal Prisons Industries.***
19. ***Card Check:*** The Employee Free Choice Act (EFCA) legislation would replace the current system of federally supervised secret ballots with a simple card check system (which would be triggered if a majority of employees sign a card designating a union

as their preferred collective bargaining representative), potentially subjecting workers to intimidation while preventing employers from presenting their views to employees. The legislation, however, would leave intact the secret ballot necessary to end a union's designation. On March 1, 2007, the House approved its version of the EFCA ([H.R. 800](#)) by a vote of 241 to 185. The Senate version ([S.1041](#)) was introduced on March 29, 2007 by Senator Kennedy (D-MA). On June 26, 2007, however, Senators were unable to obtain the 60 votes needed to stop debate and move to a final vote. The defeat of this bill represents a clear victory for working men and women across the country. ***As a member of the [Coalition for a Democratic Workforce](#), AAFA sent letters to Members of Congress and encouraged AAFA member companies from across the country to become involved and help defeat this undemocratic bill.***

### **Tax Matters**

20. ***New York City Tax:*** In February 2007, an amendment to the tax code for the New York City General Corporation Tax was adopted with the affect that a business performing extensive pre-production activities in the City, but not manufacturing in the City, will be considered a manufacturer. As a manufacturer, a business can double-weight specified expenses in computing their City corporate taxes with the result that taxes could be lowered. The change is retroactive to all open tax years. ***AAFA strongly supported this change. This effort, spearheaded by the AAFA Tax Managers Committee, began in 2005 with the Committee meeting with the City Department of Finance.***

### **Regulatory Matters**

21. ***Product/Import Safety:*** Fueled by several highly publicized recalls on toys and other products (primarily food), several Members of Congress and the Administration have been reviewing the regulatory system governing the safety of imports (and other products). The Administration conducted an interagency review to determine what changes are needed, if any, to import and product recall procedures. The results of the study along with recommendations for improvement were published by the Interagency Working Group on Import Safety in the "[Action Plan for Import Safety.](#)" For much of the past several months, both the Senate and House have been reviewing comprehensive bills ([S. 2045](#) and [H.R. 4040](#)) to overhaul the way the Consumer Product Safety Commission (CPSC) conducts its safety mandate and to impose product safety requirements related to children's products or products that contain hazardous substances. The House was able to take action in mid December, approving the bill on a unanimous roll call vote. The Senate is hoping to take up a version of the bill that was approved in the Senate Commerce Committee, by mid-March. Conventional industry views hold that the House passed version will be less burdensome and do more to advance product and consumer safety than the version now being debated in the Senate. ***AAFA is tracking this issue closely. AAFA supports additional resources for the CPSC, but opposes measures that impose additional burdens on the industry without increasing product safety. AAFA sent its [own letter detailing these objections](#) and signed onto a [broader industry letter](#)***

22. **Children's Sleepwear:** In 1996, the Consumer Product Safety Commission (CPSC) modified the children's sleepwear flammability standards to permit the sale of children's sleepwear made from non-flame resistant material for sizes 0-9 months or that meet certain snug-fitting dimensions. In 1999, the CPSC reaffirmed this rule with additional labeling requirements. Years of data continue to support the facts that this sleepwear is safe. Although efforts were made in previous Congresses to overturn this standard, no such efforts have been made thus far in the 110<sup>th</sup> Congress. ***AAFA strongly supports the retention of the 1996 children's sleepwear amendments. AAFA members and CPSC staff have met periodically to review how these amendments have worked.***
23. **Drawstrings:** The Consumer Product Safety Commission (CPSC) issued a letter on May 19, 2006 to manufacturers, retailers and importers of children's upper outerwear garments, urging them to make certain the garments do not have hood drawstrings that can pose a strangulation hazard to children. The Office of Compliance Director John Gibson Mullan further encouraged related parties to ensure that all children's upper outerwear imported, manufactured, distributed or sold in the United States complies with the current voluntary safety standard, ASTM F-1816 *Standard Consumer Safety Specification for Drawstrings on Children's Upper Outerwear*. The [states of Wisconsin and New York](#) have enacted laws stricter than these federal guidelines. ***AAFA supports national drawstring guidelines, and urges companies to operate in full compliance with them.***
24. **Flammable Fabrics Review:** On September 12, 2002, the Consumer Product Safety Commission (CPSC) issued a notice of Advanced Proposed Rulemaking (ANPR) to review and update the testing standards for the general apparel flammability standard. On February 27, 2007 the CPSC issued a [Federal Register Notice](#) proposing to amend some of its flammability standards and seeking comments or oral presentations. On February 1, 2008, the CPSC voted 2-0 to approve the final technical improvements to the [General Wearing Apparel Flammability Standards](#). ***AAFA filed technical comments on the ANPR and commented on the proposed amendments. On August 14<sup>th</sup>, AAFA, along with other member companies, met with the CPSC to discuss the proposed amendments and address our concerns.***
25. **Labeling Issues:** On December 6, 2006, Congress approved [H.R. 4583](#), titled the "Wool Suit Fabric Labeling Fairness and International Standards Conforming Act," which revised the requirements for labeling certain wool and cashmere products. The Act (which was approved as part of a larger omnibus trade package) amended the wording for the labeling of wool and cashmere products to "facilitate compliance and protect consumers." The changes took effect on January 1, 2007. ***AAFA wrote to Representative Blackburn expressing support for this legislation.***

Numerous governments, including South Africa, Colombia, and S. Korea, continue to propose new rules on labeling of apparel, footwear, travel goods and other consumer products. Moreover, the US and European Union (EU) Governments

have proposed [text](#) to harmonize labeling standards as part of the Doha Round of global trade talks to prevent such non tariff trade barriers in the future. ***AAFA strongly opposes labeling regulations when they act as non tariff barriers, but strongly supports the efforts of the US and the EU to harmonize and standardize labeling for apparel, footwear, textile and travel goods products. AAFA submitted [comments](#) to the South African government expressing opposition. In response to these comments, the South African government made several modifications.***

The EU has been trying to [determine](#) whether to require labeling and product information for products sold in Europe to use metric-only measurements beginning on January 1, 2010. After a thorough review, the EU [decided not](#) to require metric-only measurements, and is now proposing to indefinitely extend current rules that permit the use of English measurements on labels. ***In its comments to the EU, AAFA noted that the continuation of the current policy of allowing dual metric/US measurements would benefit both European and US businesses and consumers and help to keep EU and US labeling requirements in harmony.***

The [Federal Trade Commission \(FTC\)](#) and the U.S. Trade Representative are working with the Canadian and Mexican governments on a draft agreement that would harmonize the meaning of care label symbols across the three NAFTA countries. A final legal agreement is expected sometime soon, although domestic labeling laws of the three countries now largely conforms to this agreement. A similar initiative is occurring under the International Standards Organization (ISO) process, although it has reached stumbling blocks as some European countries maintain a system trademarked in Europe. A separate initiative may be undertaken to permit the FTC and the Canadian government to recognize each other's manufacturers' ID numbers. This initiative requires legislation since the FTC is only statutorily permitted to recognize its own ID scheme. Finally, in response to a legislative mandate, the FTC has issued new labeling guidelines for hosiery that took effect March 2006. ***AAFA is working with the government to ensure new onerous sock labeling rules are the least restrictive possible. AAFA is also working with the FTC to promote harmonization and simplification of labeling rules. In 2005, AAFA and the FTC released the latest edition of the labeling guide, "[Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts.](#)"***

### **Other**

26. ***Funding for NTC/[TC]<sup>2</sup>***: Each year, the [National Textile Center](#) (NTC) and the [Textile/Clothing Technology Corp. \[TC\]<sup>2</sup>](#) receive federal appropriations through an earmark in the annual Commerce/Justice/State (CJS) appropriations bill to support their work to advance the competitiveness of the U.S. textile and apparel industry complex. Over the years, NTC has received about \$10 million in funding while [TC]<sup>2</sup> usually receives around \$3 to \$3.5 million. During consideration of the FY 2008 CJS bill, Congressman Jeff Flake (R-AZ) attempted to strip this funding for these textile programs from the legislation. In response, ***AAFA sent letters*** to each

member of Congress asking for their support in defeating the amendment. [TC]<sup>2</sup> supporters in Congress used AAFA statistics during floor debate to argue against the Flake Amendment and for the industry. After conclusion of debate, the measure was overwhelmingly defeated by voice vote. As the bill cleared the Senate, it contained \$13 million in funding but no funds for [TC]<sup>2</sup>. Ultimately, in an end of session omnibus appropriations bill approved before adjourning for the year, Congress provided \$4.7 million in funding for NTC and [TC]<sup>2</sup>. **AAFA supports continued funding for NTC and [TC]<sup>2</sup> and recently sent a [letter to Commerce Secretary Gutierrez urging full funding and supported a letter sent to Senators Barbara Mikulski \(D-MD\) and Richard Shelby \(R-AL\) asking for full funding.](#)**

27. **Funding for Textile Marker System.** At the request of Senator Elizabeth Dole (R-NC), the Small Business Administration was provided a grant of \$500,000 in FY 2005 to help support development of a [textile marker system](#). During FY 2006, that grant – also in the amount of \$500,000 – was channeled via the International Trade Administration. Officials at the Oak Ridge Laboratory who have received the grant believe the systems will have application for anti-transshipment issues, although it remains unclear if this technology can find an application in this area. **AAFA is tracking this program closely.**

For additional information, please contact the AAFA Government Relations Staff at 703-524-1864 or through the “Legislative/Trade News” section of the AAFA Web Site at [www.apparelandfootwear.org](http://www.apparelandfootwear.org). You can also get more information by clicking on the hot links embedded throughout this document.

*Steve Lamar*  
*Executive Vice President*

*Nate Herman*  
*Director of International Trade*

*Kurt Courtney*  
*Manager of Government Relations*

*Rebecca Mond*  
*Government Relations Representative*