



December 4, 2007

The Hon. Max Baucus  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

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

Dear Chairman Baucus and Senator Grassley:

Our organizations have communicated with you several times in the past year to indicate the strong support of the entire U.S. textile and apparel supply chain for the Andean trade partnership. We are writing to you today to restate the support.

Specifically, we are asking your assistance in ensuring that the U.S./Peru Trade Promotion Agreement and U.S./Colombia Trade Promotion Agreements are quickly

considered and approved by the U.S. Congress. In addition, we urge that the Andean Trade Preference program, which is currently set to expire in less than three months on February 29, 2008, is quickly extended for at least a year so that there is no break in duty free coverage.

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 more than 11 percent.

This has translated into a 17 percent drop in U.S. textile and apparel exports to the region – the first decline in more than 3 years.

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 soon and by taking action this year to extend the Andean Trade Preferences Act.

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)  
Georgia Traditional Manufacturers Association (GTMA)

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)