



December 8, 2008

Sandy McKinzy
Office of the U.S. Trade Representative (USTR)
600 17th Street, NW
Washington, DC 20508

RE: Proposed U.S. Retaliation List in WTO EU Beef Case – *Federal Register* 73 FR 216, p. 66066

Dear Ms. McKinzy:

On behalf of the American Apparel and Footwear Association (AAFA) – the national trade association representing the apparel and footwear industries – I am writing to express opposition to a proposal by USTR (published in the *Federal Register* on November 6, 2008) to include European Union (EU)-produced rayon staple fiber (HTS 5504.10) on the retaliation list for use in the latest phase of the long-standing WTO beef hormone dispute with the European Union. Inclusion on this list would subject this product, when imported from Europe, to an added 100 percent U.S. tariff.

Rayon staple is no longer produced in the United States, so all commercial needs must be satisfied by imports. EU producers have long been the most reliable and highest quality suppliers to the U.S. market. Many U.S. manufacturers operate in reliance upon this vital supply line for rayon staple required to manufacture goods such as textile yarn, non-wovens and many other consumer and industrial products.

Imposition of an additional 100 percent tariff on rayon staple fiber would seriously disrupt these businesses. Many U.S. manufacturers would have to cease production, forcing them to lay off hundreds, if not thousands, of U.S. workers, since the quality they need simply cannot be met from non-EU sources. Those remaining would be forced to turn to other international sources, most notably in Asia.

We fully understand and commend the U.S. trade policy objective in the beef hormone dispute with the European Union. However, we urge that this worthy end not be pursued by inflicting serious damage on U.S. manufacturers that rely upon rayon staple fiber from EU producers.

Thank you for your attention to this important issue. Please contact Steve Lamar of my staff at 703-797-9041 or via email at slamar@apparelandfootwear.org if you have any questions or would like additional information.

Please accept my best regards,

Kevin M. Burke
President & CEO