



For Immediate Release

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AAFA Applauds President Bush Signing Tax Bill into Law Should Eliminate EU Sanctions on U.S.-made Apparel/Footwear/Textiles

ARLINGTON, VA - 22 October 2004 – Kevin M. Burke, President and CEO of the **American Apparel & Footwear Association (AAFA)** applauded the news that President George W. Bush signed the American Jobs Creation Act of 2004 (H.R. 4520) into law today. Burke commented, “This is a victory for U.S. manufacturers and businesses, as well as U.S.-based multinational companies.” By reducing the tax rate for U.S. manufacturers and temporarily reducing the rate for U.S. multinational companies, U.S. companies will be more competitive in the global market and multinationals will be encouraged to reinvest in their U.S.-based operations. Burke continued, “Chairmen William Thomas (R-CA) and Charles Grassley (R-IA) have done yeoman’s work to complete this legislation before Congress adjourned earlier this month. AAFA would like to thank the chairmen as well as all the conferees supporting this important and vital piece of legislation and, finally, the President for signing it into law.”

This bill brings the United States into compliance with World Trade Organization (WTO) obligations by repealing an illegal export subsidy. As a result, this legislation should force the European Union (EU) to remove the costly sanctions put into place this past March on shipments of U.S.-made products, including apparel, footwear and textiles, to Europe. Unfortunately, new and unrelated trade disputes between the United States and the EU may delay the removal of the sanctions. Burke noted, “It is important for the sanctions to be removed as soon as possible, particularly for U.S. apparel and textile manufacturers that will be facing added competition on top of the costly sanctions after worldwide quotas are removed on textile and apparel on January 1, 2005.”

Burke concluded, “The United States Congress and the President have now done their part by bringing our tax structure into compliance with the WTO ruling, while introducing new programs to make U.S. manufacturers and U.S. companies more competitive. The EU needs to hold up its end of the bargain and repeal these sanctions immediately.”

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The American Apparel & Footwear Association (AAFA) is the national trade association representing apparel, footwear and other sewn products companies, and their suppliers, which compete in the global market. AAFA's mission is to promote and enhance its members' competitiveness, productivity and profitability in the global market by minimizing regulatory, commercial, political, and trade restraints.