



February 17, 2012

The Honorable Dianne Feinstein
331 Hart Senate Office Building
U.S. Senate
Washington, DC 20510

Dear Senator Feinstein:

The undersigned organizations are writing to express support for consideration and enactment of the Asia-South Pacific Trade Preferences Act (S. 1443).

This legislation is needed to address current gaps in U.S. trade preference programs and to create a foundation for sustainable trade partnerships with some of the poorest developing countries.

Once enacted this legislation would, among other things, provide duty free access for U.S. imports of textiles and apparel from 13 least developed countries, including Afghanistan, Bangladesh, Cambodia, and Nepal. Similar legislation has been proposed in each of the previous three Congresses.

The United States currently maintains similar duty preferences for dozens of other countries that are at a similar stage of development. Inexplicably, the patchwork of preference programs has not yet been extended to the countries covered by S. 1443 even though textiles and apparel are among their most important exports to the United States. This is particularly damaging because tariffs on apparel are among the highest tariffs still charged by the United States.

As a result, these exclusions mean that US tariff policy falls heaviest on those countries that can least afford the burden. For example, the US collects more in tariffs from either Bangladesh or Cambodia than from most European countries. Bangladesh currently ranks as the 9th largest contributor of US tariffs even though it is the 46th largest source of US imports. Cambodia, the 12th largest source of US tariff revenue is the 60th largest source of US imports.

Because their main export to the United States - apparel - remains fully dutiable, these countries are locked into paying a disproportionate share of the annual US tariff bill. This is especially troubling since historic protections for the apparel industry have largely been dismantled while import penetration exceeds 98 percent. It would seem that we are still shielding an industry, which no longer needs protection, from countries that do not present a threat.

The Asia-South Pacific Trade Preferences Act (S. 1443) would fix this problem supporting a more comprehensive trade-based partnership with all developing economies.

Moreover, it would round out our preference programs to be comparable to those run by other major developed economies - all of which provide duty preferences for apparel for least developed countries like Bangladesh and Cambodia. US consumers would benefit from lower prices and greater choices while the 3 million US workers whose jobs depend on apparel imports stand to gain as well.

Finally, through conditionality provisions, it would provide important new tools to help address and promote solutions in key policy goals such as labor rights and protections for intellectual property rights and investors.

Thank you for your leadership in advancing this important measure.

Sincerely,

American Apparel & Footwear Association (AAFA)
National Retail Federation (NRF)
Outdoor Industry Association (OIA)
Retail Industry Leaders Association (RILA)
U.S. Association of Imports of Textiles and Apparel (USA-ITA)