



June 30, 2010

The Honorable Max Baucus
United States Senate
Senate Finance Committee

Dear Senator Baucus,

We are writing to urge you to support legislation (S. 1141) introduced by Senator Dianne Feinstein (D-CA) and Senator Kit Bond (R-MO), which would extend new trade preferences to least developed countries (LDCs). The so-called TRADE Act would grant 14 of the world's poorest countries the same trade benefits currently enjoyed by African Growth and Opportunity Act (AGOA) beneficiary countries.

Given the tremendous disparity in the tariff treatment LDCs face and the need for additional economic development in these countries, we welcome the TRADE Act as an important step toward enhancing trade with LDCs. Some of the most restrictive trade barriers remaining in the trading system today, such as high tariffs on agricultural and textile and apparel products, are particularly damaging for LDCs since their primary exports are commodities and clothing.

Our companies have developed important supplier relationships in many LDCs. Enacting the TRADE Act would provide limited duty-free market access to these countries, adding an important element of stability and predictability to our business relationship with them. Extending additional trade preferences to LDCs will also help bolster our relationships with all of our suppliers in the countries in which we operate.

We recognize that work on broader U.S. preference reform is underway in earnest, and we believe that the TRADE Act is an important element of that effort. We support the goal of comprehensive preference program reform that provides the most predictable terms of trade, simplified rules of origin and long term certainty. By enacting the TRADE Act to provide duty-free access for products from LDCs, including the apparel products which constitute these countries' primary exports, we believe that Congress can play an important role in helping to lift the LDCs out of poverty.

We stand ready to work with you and your colleagues on the Finance Committee to pass this important bill as soon as possible. Once enacted, we feel confident that the TRADE Act will help attract new investment and quality employment opportunities in the LDCs, which will not only benefit the LDCs themselves, but also our companies, suppliers and U.S. consumers.

Thank you for your assistance in advancing this important legislative initiative.

Sincerely,

American Apparel & Footwear Association
National Retail Federation
Retail Industry Leaders Association
United States Association of Importers of Textiles and Apparel