

American Apparel & Footwear Association (AAFA)
American Chemistry Council (ACC)
Emergency Committee for American Trade (ECAT)
Footwear Distributors & Retailers of America (FDRA)
INDA, Association of the Nonwoven Fabrics Industry
National Association of Manufacturers (NAM)
National Retail Federation (NRF)
Outdoor Industry Association (OIA)
Retail Industry Leaders Association (RILA)
Sporting Goods Manufacturers Association (SGMA)
U.S. Association of Importers of Textiles & Apparel (USA-ITA)
U.S. Chamber of Commerce

November 5, 2010

The Honorable Ronald Kirk
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Kirk:

As trade associations that have been heavily involved in the Miscellaneous Tariff Bill (MTB) process for many years on behalf of our member companies, we are writing to express our deep concern with USTR's opposition to a number of pending duty suspensions proposed for inclusion in the next MTB.

As you know, Congress has provided temporary tariff relief through the MTB process for several decades. This legislation, which typically consists of hundreds of individual duty suspension provisions on finished and intermediate products not produced or otherwise available domestically, is subject to a meticulous and non-partisan vetting process, including by the U.S. International Trade Commission, to ensure that no domestic producers of the affected product exist or would be harmed by this legislation. MTBs are only eligible to be included in this legislation if they are limited in duration to typically two to three years and they have a scored loss to the Treasury of no more than \$500,000. While each duty suspension is just a small provision compared to the totality of U.S. trade, the cost-savings created by these duty suspensions allow U.S. companies across multiple sectors to maintain competitive U.S. operations, invest in new U.S. facilities, support and grow U.S. jobs and expand U.S. exports into foreign markets.

We are, therefore, very concerned by USTR's evident opposition to a number of the proposed duty suspensions on the basis that they may either undermine trade negotiations, or U.S. trade preference programs. We all share USTR's goals of negotiating strong, market-opening trade agreements and administering fully the U.S. trade preference programs, but we simply do not see any basis through which the MTB process could seriously undermine those objectives.

Indeed, concerns that tariff suspensions might create potential conflicts with trade negotiations and preference programs are already addressed by the design of the MTB process. By requiring that tariff suspensions be very limited in their duration and in their revenue impact, the MTB process was developed so that the suspensions would not have any measurable impact on trade negotiations or preference programs. The provisions individually and as a whole represent a very small portion of trade and have been accepted on that basis by every Democratic and Republican Administration over the past decades.

To suddenly reject that rationale would undermine the entire MTB process and its benefits to U.S. companies, U.S. competitiveness and U.S. employment - benefits which President Obama recognized in signing the last MTB package in August. This additional hurdle being imposed has created unnecessary uncertainty and complexity that may well drive the MTP process to a halt.

For all of these reasons, we are most concerned that the MTB process and its benefits to U.S. companies that President Obama lauded when he signed the last MTB in August are now at risk of being undermined by unnecessary criteria being applied against certain duty suspensions proposed for inclusion in the next MTB. We strongly urge you to work in support of the MTB process that Congress has developed in consultation with Democratic and Republican Administrations over the past decades so that it can continue to spur American manufacturing, competitiveness, exports and jobs in meaningful and concrete ways. We stand ready to work with you in this important endeavor.

Thank you for your time and consideration in this matter.

Respectfully,

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CC: The Honorable Gary Locke, U.S. Secretary of Commerce