



we wear® legwear

July 2, 2014

The Honorable Michael Froman
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th St, NW
Washington, DC 20508

Dear Ambassador Froman,

On behalf of the American Apparel & Footwear Association's (AAFA) Legwear Committee, representing the U.S. legwear industry, we are writing to ask you to ensure that the production of U.S. legwear exports and imports is supported through the Trans-Pacific Partnership (TPP).

As the TPP negotiations begin transitioning to their "end game", we are greatly concerned that legwear production in the TPP region will be adversely affected by the U.S. government ignoring the supply chain realities of U.S. domestic and international manufacturing.

The AAFA Legwear Committee formed when previous members of the dissolved The Hosiery Association (THA) joined AAFA. The Legwear Committee is now the only organized spokesperson for the industry, which is one of the most vibrant domestic apparel manufacturing bases, numbering 10,000 Americans working in U.S. sock and hosiery factories. Additionally, our members help employ more than 14,000 Americans in wholesale trade, dealing with both exports and imports of essential sock and hosiery products. All in all, the U.S. legwear industry represents a \$7.6 billion consumer base, and is a significant portion of the U.S. apparel economy.

There are several issues of importance being negotiated in TPP that could provide great benefit, or great loss, to the U.S. legwear industry, depending on the positions advanced by the U.S. government and the outcome of the overall agreement.

One of these issues is the Rule of Origin (ROO) that will be required for legwear products to qualify for duty-benefits under TPP. Our industry's supply chain has undeniably diversified over the last few decades. A universe of yarns and fibers are now sourced from all over the world, and used directly in U.S. domestic and international production. This diversification has occurred for a number of reasons, including, but not limited to, the fact that some of these inputs are not available in many countries at all, including the countries within the TPP region. Additionally, in some cases where there is availability, the quality is not comparable. Much domestic and international production depends on the ability to globally source certain yarns and fibers – and our industry's overall production (along with the number of Americans employed) will excel given greater ability to globally source inputs.

A ROO that relies on a knit-to-shape provision for legwear would increase actual production and employment in TPP countries, by stipulating that all inputs could be globally sourced but that production from the knit to shape process forward must take place in the TPP region. In this way, the many U.S. legwear companies that already produce both domestically and internationally could reap the benefits of the TPP by increasing their production in the TPP region, without having to move production to non-TPP regions in order to keep up with international competitors.

1601 North Kent Street
Suite 1200
Arlington, VA 22209

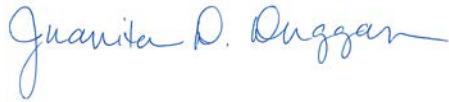
(703) 524-1864
(800) 520-2262
(703) 522-6741 fax
www.wewear.org

A knit-to-shape ROO would also ensure that the allowance of global sourcing for certain yarn and fiber inputs, including gimped yarn, as has been done in every FTA since NAFTA, will continue. Requiring gimped yarn to originate, as is the current U.S. negotiating position, would end up disqualifying many U.S. legwear products, undercutting several key U.S. export platforms.

We want to preserve existing jobs in the United States. We want to give U.S. manufacturers a fair shot at exporting their goods to other TPP countries. Therefore, we are asking you to consider the benefits of increased, sustainable production within the TPP region when reviewing the merits of a knit-to-shape ROO, for the legwear HTS codes indicated in the attached appendix.

Thank you for your attention to this important matter. Please direct any questions to David Lapidus of my staff at DLapidus@wewear.org.

Sincerely,

A handwritten signature in blue ink that reads "Juanita D. Duggan". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Juanita D. Duggan
President and CEO
American Apparel & Footwear Association (AAFA)

Attached: Appendix of Legwear HTS Codes

Appendix of Legwear HTS Codes

6111.20.6050 – Babies Socks & Booties of Knit Cotton

6111.30.5050 – Babies' Socks & Booties of Knit Synthetic Fibers

6111.90.5050 – Babies' Socks & Booties of Knit Artificial Fibers

6115.10 – Graduated compression hosiery (for example, stockings for varicose veins)

6115.21 – Other panty hose & tights of synthetic fibers, measuring per single yarn less than 67 decitex

6115.22 – Other panty hose & tights of synthetic fibers, measuring per single yarn 67 decitex or more

6115.29 – Other panty hose & tights of other textile materials

6115.30 – Other women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex

6115.94 – Socks & Stockings of Wool & Fine Animal Hair

6115.95 – Socks & Stockings of Cotton

6115.96 – Socks & Stockings of Synthetic Fibers

6115.99 – Socks & Stockings of Other Textile Materials