



February 29, 2016

Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E Street SW
Washington, D.C. 20436

Re: Post-Hearing Summary Regarding for USITC Hearing on Investigation No. 332-556, Generalized System of Preferences: Possible Modifications, 2015 Review

Dear Secretary Barton:

On behalf of the American Apparel & Footwear Association (AAFA), the Travel Goods Association (TGA), and the Fashion Accessories Shippers Association (FASA), I am providing this post-hearing summary in connection with the subject investigation around the possible designation of certain travel goods articles to be eligible for the Generalized System of Preferences (GSP) program:

The American Apparel & Footwear Association (AAFA), the Travel Goods Association (TGA), and the Fashion Accessories Shippers Association (FASA) collectively represent many U.S. companies that make, market, and sell travel goods for the \$36.5 billion market. Many of our members submitted petitions, either individually or collectively, to add travel goods to the Generalized System of Preferences (GSP) program. These organizations strongly support adding travel goods – items like luggage, backpacks, purses, and wallets – to the list of products eligible to be imported duty-free from all GSP beneficiary countries.

We support this move for all the following reasons:

First, the addition of these products will provide opportunities for U.S. companies to diversify their sourcing. Such diversification will provide important development benefits for GSP beneficiary countries. This is especially true given the wide variety of products under consideration and given that most travel goods are currently made in just a handful of countries. The top four countries – China, Vietnam, Italy, and France –

account for approximately 86 percent (by value) of all U.S. travel goods imports.

Second, these products are not considered import-sensitive. With import penetration at 98 percent, very few travel goods are currently made in the United States. Products that are, or could potentially be, made in the United States are for Berry Amendment or niche markets that do not face import competition. Therefore, making these goods GSP-eligible does not adversely affect domestic production of these articles. In fact, other trade agreements, including the forthcoming Trans Pacific Partnership (TPP) agreement, already provide duty-free access to the U.S. market with flexible rules of origin for these same products.

Third, granting these products GSP eligibility will confer important benefits to the U.S. economy. Among other things, GSP status for these products for all countries will:

- Support the more than 100,000 high-value-added travel goods industry jobs in retail, design, brand management, and distribution throughout the United States.
- Reduce approximately \$75 million in duty costs, freeing up resources that can be used to increase employment, spur innovation, or promote competitiveness of our member companies.
- Benefit U.S. consumers through lower prices or more choices on such basic, everyday items as purses or children's backpacks.

Thank you for your time and consideration in this matter. Please feel free to contact me at (202) 853-9347 or slamar@wewear.org if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Lamar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Lamar
Executive Vice President
American Apparel & Footwear Association