



NCMA SPESA™



November 10, 2006

The Hon. J. Dennis Hastert
Speaker of the House
U.S. House of Representatives
Washington, DC 20515
Fax 202-226-1996

Dear Speaker Hastert:

On behalf of the U.S. textile and apparel supply chain, the undersigned organizations are writing to ask your assistance in three critically important areas regarding the U.S./Andean trade partnership.

First, we urge that the U.S./Peru Trade Promotion Agreement be approved and enacted into law during the "lame duck" session of Congress that is scheduled to take place this fall. This agreement has already received hearings and "mock" mark-ups in both chambers.

Second, we urge that the U.S./Colombia Trade Promotion Agreement be approved and enacted into law during the "lame duck" session of Congress that is scheduled to take place this fall. While we understand this agreement still needs

to be signed in late November, we hope there will be sufficient time for this agreement to still be approved and enacted into law this year.

Third, we urge the passage and enactment into law this year of legislation that will bridge the "gap" between the expiration of the Andean Trade Promotion and Drug Eradication Act (ATPDEA) on December 31, 2006 and the entry into force of the U.S./Peru and the U.S./Colombia Trade Promotion Agreements (TPAs), which will likely occur sometime during 2007.

Swift action on all three initiatives this year is vitally important.

As you may know, the textile and apparel sector is one of the largest manufacturing and wholesale employers in the United States - and still employs three-quarters of a million workers (753,200).

Increasingly, those jobs are dependent upon exports. About \$16.7 billion worth of textile and apparel products were exported in the year ending August 2006. About 50 percent of those exports are destined for Mexico, Central America, and the Andean region, where many of these products are incorporated into finished garments and brought back to the United States.

These export markets function primarily because we provide duty free access for their textile and apparel products that incorporate U.S. yarns, fabrics, fibers, and other textile inputs.

The Andean region remains an important and growing market for U.S. textile exports. Unfortunately, the overall prospects of this market remain troubled. Anticipating the imminent loss of duty free access for that region -- in just less than 60 days - many U.S. apparel importers have begun to shift their business elsewhere. Over the last 12 months, U.S. apparel imports from the region have dropped by 11 percent.

Although U.S. textile exports to this region are still up - yarn and fabric exports were up 42 and 11 percent, respectively, during the last 12 months - this success cannot be sustained if the overall market is contracting.

The long term solution lies in the U.S./Peru and U.S./Colombia TPAs, which provide a permanent two-way duty free partnership between the U.S. and Andean textile and apparel producers. But this long term stability cannot be realized if the U.S. does not quickly approve these agreements. Moreover, we face a short term crisis with the imminent and premature expiration of the existing preference programs, on which much of the current partnership is presently based.

Time is of the essence if we hope to retain a strong and economically vibrant textile and apparel industry in this country by ensuring a strong trade relationship with our partners in Peru and Colombia. Please help us by approving

the U.S./Peru and the U.S./Colombia Trade Promotion Agreements in the "lame duck" session of Congress this year and by passing legislation also in the lame duck session that would bridge the impending gap between the expiration of the current ATPDEA trade preference program and the implementation of the Peru and Colombia TPAs.

Thank you for your time and consideration in this matter.

Sincerely,

American Apparel & Footwear Association (AAFA)
American Fiber Manufacturers Association (AFMA)
INDA, Association of the Nonwoven Fabrics Industry
National Cotton Council (NCC)
National Council of Textile Organizations (NCTO)
North Carolina Manufacturers Association (NCMA)
Sewn Products Equipment & Suppliers of the Americas (SPESA)
South Carolina Manufacturers Alliance (SCMA)
Textile Distributors Association (TDA)
The Association of Georgia's Textile, Carpet & Consumer Products Manufacturers (GTMA)