

October 27, 2009

The Honorable Hillary Clinton
Secretary of State
United States Department of State
2201 C Street, NW
Washington DC 20520

Dear Secretary Clinton:

One month ago, we wrote to you regarding the impact that the continuing crisis in Honduras was having on fiber, textile and apparel jobs in the United States, Honduras and around the CAFTA region. We asked that the United States government “take public steps to ensure that commercial ties are not interrupted” and that crisis be resolved through “normal diplomatic means.” As primary stakeholders in the fiber, textile, apparel, import and retail chain which is responsible for billions of dollars in annual trade with Honduras and the larger CAFTA region, we would like to update you on what has occurred during the last thirty days.

While commercial traffic has been restored through the port of Puerto Cortes, textile and apparel trade in and out of Honduras has continued to fall as the political situation in Honduras remains unresolved. Imports of textiles and apparel from Honduras fell by 38 percent in June, July and August with preliminary numbers from September showing a 39 percent drop. Moreover, exports of textile products from the United States, which are leading indicator, continue to be sharply depressed with exports down by 38 percent during the last three months, a total of \$165 million.

We are increasingly concerned that with the continued uncertainty regarding the political situation that the U.S.–Honduran textile complex - one of the most vibrant in the Western Hemisphere - is in danger of being permanently damaged. Our members report that credit, insurance and other financing costs associated with moving goods into and out of Honduras are now at record levels as the financial sector has lost confidence that the crisis will be resolved soon. In particular, the United States government’s position of refusing to recognize future election results even if the elections are conducted in a free and open manner appears to have sent an unfortunate message that Honduras could be reduced to a pariah state for an indefinite period.

The costs of the continuing uncertainty are the continuing loss of textile jobs in the United States and of apparel jobs in Honduras. Damage is increasing to a fiber to retail chain that has been an essential stabilizing factor in the CAFTA region. While factories can be closed or run on short orders for weeks, they cannot do so for months on end. The end result is increased plant closures, job losses and the crippling of a once booming trade sector. We again urge you to consider the critical impact that U.S. government actions have on the livelihoods of tens of thousands of textile and apparel workers in the United States and in Honduras.

Sincerely,

American Apparel and Footwear Association (AAFA)

American Fiber Manufacturers Association (AFMA)

American Manufacturing Trade Action Coalition (AMTAC)

The Hosiery Association (THA)

National Cotton Council (NCC)

National Council of Textile Organizations (NCTO)

National Textile Association (NTA)

National Retail Federation (NRF)

US Association of Importers of Textiles and Apparel (USA-ITA)

Cc: The Honorable Ron Kirk, United States Trade Representative

The Honorable Gary Locke, Secretary of Commerce

The Honorable John Kerry, Chairman, Senate Committee on Foreign Relations

The Honorable Richard Lugar, Ranking Member, Senate Committee on Foreign Relations

The Honorable Howard Berman, Chairman, House Committee on Foreign Affairs

The Honorable Ileana Ros-Lehtinen, Ranking Member, House Committee on Foreign Affairs