



UNITED STATES
ASSOCIATION
OF IMPORTERS
OF TEXTILES
AND APPAREL

February 26, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable John Boehner
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Congressional Leaders:

On behalf of our member companies, we are writing to alert you to report language accompanying H. R. 1105, the Omnibus Appropriations Act, 2009. The report language (1) was inserted despite the strong opposition the affected apparel, retail, or importing industries presented when similar language was included in last summer's version of the House bill, (2) disregards the monitoring program already established by the Chairman of the Ways and Means Committee last October, and 3) seeks to revive and expand an unwarranted program that would be inconsistent with U.S. law and international obligations and is harmful to an already fragile economy.

At issue is House report language for Commerce, Justice, Science and Related Agencies (CJS) that urges the Commerce Department's Import Administration to "undertake **apparel** [emphasis added] import monitoring, focusing on prices of imports from China and Vietnam and whether their state-run industries are illegally pricing products and dumping in the U.S. market." Similar report language was included in last summer's version of the House report, in response to a request from representatives of the U.S. yarn and fabric industry, without any input from, or consideration of the U.S. apparel industry, the U.S. retail and importing industries, or consumers of apparel. No U.S. apparel maker is seeking monitoring.

In July 2008, we sent letters to the House and Senate Committees on Appropriations, Finance, and Ways and Means to express our strong concerns with this language and ask that it be deleted. We also met with House Appropriations Committee staff as well as with staff for Members on the Senate Appropriations Committee (as well as with staff for the trade-related committees). We request again that this language be deleted from the report before the legislation is approved by Congress.

In October 2008, the Chairman of the Ways and Means Committee instructed the U.S. International Trade Commission (ITC) to begin monitoring apparel imports from China. Under this monitoring program, the ITC is already posting on its website up to date volume and value import data every two weeks. There can be no justification for two monitoring programs. Apparel imports are within the jurisdiction of the Ways and Means Committee. It is inappropriate for the Appropriations Committee to revisit this issue and require a different and duplicative process.

A monitoring system on apparel imports ostensibly for the benefit of U.S. yarn and fabric producers raises serious legal concerns. Congress should not facilitate circumvention of the U.S. antidumping laws by ignoring the standing and injury requirements and launching de facto antidumping analyses outside the context of a formal investigation conducted in full compliance with U.S. law. Such monitoring also violates international agreements.

It is also worth noting that Commerce Department monitoring of apparel imports from Vietnam over a two year period has already confirmed – three times -- that there is no evidence of dumping. That disruptive but short term program expired in January. There is no justification for renewing it.

We also note that the CJS report language also urges the Import Administration to implement “textile safeguard actions with respect to China's World Trade Organization Accession Agreement, bilateral quotas on non-WTO members, and textile provision of the United States preferential programs and agreements, through filling of vacancies in enforcement offices.” The authority for textile safeguard actions expired in December 2008 and is thus inconsistent with U.S. international obligations. The remaining language issues policy that should be considered by the committees of jurisdiction, not the appropriations committee. This language should therefore be deleted as well.

Finally, at a time when consumer prices are increasing and businesses are struggling to make ends meet and keep their workers employed, we urge Congress should not to erect programs that create more uncertainty in the marketplace and spend valuable taxpayer resources on unnecessary and redundant programs that are inconsistent with U.S. law and international obligations.

Sincerely,

American Apparel and Footwear Association (AAFA)
National Retail Federation (NRF)
Retail Industry Leaders Association (RILA)
United States Association of Importers of Textiles and Apparel (USA-ITA)