



**UNITED STATES  
ASSOCIATION OF  
IMPORTERS OF  
TEXTILES AND  
APPAREL**

HEADQUARTERS  
13 EAST 16<sup>TH</sup> STREET, 6<sup>TH</sup> FL.  
NEW YORK, NY 10003  
212-463-0089  
FAX: 212-463-0583  
  
2100 L STREET, NW  
SUITE 210  
WASHINGTON, D.C. 20037  
202-638-7640  
FAX: 202-419-0487

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February 26, 2009

Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20501

Dear Senator Feinstein:

On behalf of the member companies of the U.S. Association of Importers of Textiles and Apparel, I am writing to urge you, as a member of the Appropriations Committee (and the Subcommittee on Commerce, Justice, Science) to firmly reject a provision in the House FY09 Appropriations Report that would express an “expectation” that the Commerce Department monitor apparel imports from China and Vietnam. We respectfully request that you ensure that this provision is not included in the Senate version or the final version approved by the Congress.

In September, USA-ITA representatives met with Rich Harper of your staff to explain why this provision is unjustified and inappropriate, and greatly appreciated the support he provided. Permit me to repeat those points and to provide you with an update on additional developments that further call into question any basis for a Commerce Department monitoring program.

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.

Although the earlier appropriations bill was not acted upon, in October 2008, the Chairman of the House 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. That means that the textile industry has already gotten the monitoring program it sought, despite the opposition of the U.S. importer and retailer community. There can be no justification for two monitoring programs. It is inappropriate for the Appropriations Committee to revisit this issue and require a different and duplicative process.

As you well know from your efforts to stop its establishment, a previous program under which the Commerce Department monitored 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 that Bush Administration initiative, other than harassment. Because of the possibility that a decision would be made on the basis of politics rather than objective facts, the monitoring program forced our member companies to reconsider sourcing plans,

Honorable Dianne Feinstein  
February 26, 2008  
Page 2

diverting apparel orders to other suppliers, losing efficiencies and increasing costs, but did not bring a single order or job to the United States.

A monitoring system on apparel imports ostensibly for the benefit of U.S. yarn and fabric producers raises serious legal concerns. The demand for a monitoring program is a thinly-disguised attempt to evade U.S. trade laws and violate U.S. obligations under the Antidumping Agreement. U.S. producers concerned that imports may be dumped or subsidized can use existing trade remedy laws; the textile industry is no exception. 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.

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 sales have slumped 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 protectionist and unnecessary programs that are inconsistent with U.S. law and international obligations. Instead, we look forward to a focus on positive initiatives, including helping to retrain workers and to develop export programs that will make capital-intensive U.S. yarn and fabric firms, as well as apparel brands and retailers, more globally competitive.

Sincerely,



Laura E. Jones  
Executive Director

cc: Richard Harper

*USA-ITA is the major trade association of the U.S. apparel and home furnishings importing and retailing community. Our membership includes the top brand name importers and retailers, as well as many smaller firms and service providers, many of which have offices, distribution facilities and stores in California, as well as throughout the United States.*