we wear® global markets

October 22, 2013

The Honorable Michael Froman
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Comments Regarding the 2014 National Trade Estimate Report on Foreign Trade Barriers. Docket Number: USTR-2013-0027. Federal Register Vol. 78, No. 160 (pg. 50481-50482) August 19, 2013.

Dear Ambassador Froman:

On behalf of the American Apparel & Footwear Association (AAFA), I am submitting the following comments to the office of the United States Trade Representative (USTR) in response to the request for public comments regarding the 2014 National Trade Estimate (NTE) Report on Foreign Trade Barriers as posted in the Federal Register August 19, 2013.

AAFA is the national trade association representing apparel, footwear, and other sewn products companies, and their suppliers, which compete in the global market. Our membership consists of 533 American companies which represent one of the largest consumer segments in the United States. The apparel and footwear industry overall represents $350 billion in annual domestic sales and sustains more than four million American jobs.

Thank you for this opportunity to submit comments. Our industry is on the frontlines of globalization. AAFA members produce, market, and sell apparel and footwear in virtually every country around the world. As such, we are also in many cases the first industry to be subject to new restrictions around the world. These restrictions serve as barriers to trade and threaten American businesses and more importantly American jobs.

Regrettably, the comments below will likely sound very familiar as they repeat some of the arguments we made in our submissions in 2011 and 2012[1]. We appreciate the work USTR and the rest of the Administration is doing to reduce barriers and facilitate global trade, and encourage you to redouble your efforts so we can chalk up successes which benefit U.S. apparel and footwear companies and the millions of U.S. workers they employ.

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[1] AAFA, *Comments to Compile the National Trade Estimate Report on Foreign Trade Barriers*, Docket Number USTRY-2012-0021 (October 15, 2012): https://www.wewear.org/assets/1/7/AAFA_Comments_on_NTE_Docket_Number_USTR-2012-0021.pdf.

In order to help sustain the Apparel and Footwear industry and many others in the United States, we ask USTR to undertake a global strategy in two parts. First, we urge you to work toward the harmonization of global compliance requirements. Second, the U.S. government must address the litany of tariff and no-tariff barriers facing American companies around the world.

In reference to global harmonization of standards, we urge you to work with other nations and governments toward an alignment on standards compliance including chemical management, product safety, and labeling requirements. In today's global supply chain, goods are often manufactured in bulk for a variety of markets all over the world. When every market has their own specific requirements, it makes it very difficult to deliver products efficiently and adds unnecessary delays and costs on manufacturers which eventually trickle down to the consumer level.

We remain very concerned about the incongruent labeling rules which continue to proliferate regarding apparel, footwear, textiles, and travel goods. We acknowledge and are grateful for recent efforts made by the U.S. Government, and specifically the Federal Trade Commission, to allow the use of International Organization of Standardization (ISO) care symbols within the U.S. market.[2] This is a great step toward a global standard, but only covers one aspect of labeling requirements and does not address the more serious underlying issue of future changes to worldwide regulations which would affect U.S. businesses.

In this regard, we have welcomed the opportunity to work with the governments of the United States and the European Union to find common ground on standards harmonization and reciprocity as part of the Transatlantic Trade and Investment Partnership (TTIP).[3] We encourage USTR to continue this effort in TTIP, in the Trans-Pacific Partnership (TPP) Trade Agreement, and as future opportunities arise.

At the same time, we are concerned about the increasingly aggressive use of trade remedy laws, safeguard measures, and other restrictions against imports of apparel, footwear, and textiles by a fast-growing number of countries. As I mentioned previously, U.S. apparel and footwear companies make and sell everywhere around the world, including selling clothes and shoes made in China, Vietnam and other Asian countries into Europe, Mexico, Brazil, India, Turkey, Argentina, Indonesia, and other major markets around the world. These so-called "third country exports" support thousands of U.S. jobs, employing American workers in design, research and development, sourcing, marketing, sales and logistics. When the U.S. government considers whether to address the restrictions outlined below, we urge the U.S. government to give serious time and consideration to slowing the aggressive use of trade remedy laws, safeguard measures, and other restrictions not only against U.S.-made products, but also against U.S.-branded products made in other countries.

Please find below a sampling of some of the most egregious and arbitrary restrictions U.S.-branded and U.S.-made apparel, footwear and textiles face around the world today.

Argentina

For some time now, Argentina has remained one of the worst offender of trade restrictions in today's global market.[4] Increased protectionist measures on the part of Argentina's government transcend from onerous challenges for importers to trade policies that, not only make the Argentine market nearly

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[2] AAFA, *Comments on Care Labeling Rule*, 16 CFR Part 423, Project No. R511915 (November 16, 2012): https://www.wewear.org/assets/1/7/111612-FTC_Care_Label_Comments.pdf.

[3] AAFA, *Comments on European Union and United States Regulatory Cooperation* (November 8, 2012): https://www.wewear.org/assets/1/16/EU-US_Regulatory_Cooperation1.pdf.

[4] AAFA, *Comments on WTO Dispute Settlement Proceeding Regarding Argentina – Measures Affecting the Importation of Goods*, Docket Number USTR-2012-0023 (September 27, 2012): https://www.wewear.org/assets/1/16/AAFA_Comments_with_Addendum_-_Docket_USTR-2012-0023.pdf.

impossible for importers to penetrate, but harm those who are manufacturing within Argentina as well. These policies range from import quotas to intentionally slow and thorough processing of imports.

Most of Argentina's restrictions stem from an overly burdensome and out-of-date "import-balancing" policy in Argentina which requires companies to export the same dollar amount as they import. The intent behind this policy is to encourage manufacturing within Argentina; however, it is currently doing the exact opposite. Argentine companies, and several U.S. companies who have begun manufacturing in Argentina, are unable to import the raw materials and machinery they need to sustain production because of this policy. Ironically, this "import balance" policy went into effect after Argentina was denied access to international credit markets due to defaulting on its loan obligations to several creditors including several in the United States, which also led to the United States suspending Argentina's GSP benefits in 2011.

Duties on apparel and footwear imported into Argentina must be paid on reference prices rather than actual prices, only specific ports of entry can be used for specific types of goods, and requirements routinely change without prior warning or written notice. It is also important to note that the political and economic environment in Argentina today is almost as worrisome as the policies themselves. In many cases, when U.S. companies have approached the Government of Argentina to express concerns, they face even tougher restrictions on their business in the country. Those smaller companies which cannot afford the risk are forced to swallow unfair practices in fear of even rougher retaliatory actions.

Additionally, as of January 2012, imported shipments must submit a *Declaración Jurada Anticipada de Importación* (DJAI) – advance customs and excise statement – proving they paid the right amount of taxes. While this may not seem too unreasonable, the problems arise in that the declaration must be approved by two different agencies and add additional delays as these agencies often do not communicate and give conflicting answers as to what is required of importers.

AAFA applauds the United States for taking steps to resolve these issues through WTO dispute settlement process[5]. This action was fundamental in encouraging Argentina to remove yet another barrier to trade – the use of non-automatic import licenses. Of course, as you can see from the paragraphs above, many problems still remain. From our perspective, Argentina's current policies seem to violate the regulations set out by not only the WTO, but by the U.S. – Argentina Bilateral Investment Treaty[6] as well by preventing U.S. companies to invest in Argentina. Furthermore, Argentina's actions set a dangerous precedent for other countries in the region and around the world.

Brazil

Regrettably, Argentina's much larger neighbor to the north, Brazil, seems to be taking lessons from its southern neighbor. Brazil's restrictions are most detrimental on imports of footwear. As we noted last year and the year before, Brazil has imposed dumping duties of U.S. $13.85 per pair on virtually all Brazilian imports of Chinese footwear. Much of this footwear is U.S.-branded footwear supporting thousands of U.S. jobs. Brazil, however, did not stop there. Brazil has imposed a non-automatic licensing (NAIL) scheme and certificates of origin requirements on non-MERCOSUR footwear imports. Brazil also requires that footwear imports must be imported directly from the footwear's country of origin, even if the footwear has the correct certificate of origin.

Many of these egregious and arbitrary restrictions, including the use of NAILs, have now been expanded to Brazilian imports of apparel and textiles as well. In August 2011, Brazil imposed new regulations on

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[5] World Trade Organization, Dispute Settlement: Dispute DS444, Argentina – Measures Affecting the Importation of Goods: http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds444_e.htm.

[6] United States Department of State, *Argentina Bilateral Investment Treaty* (November 14, 1991): http://2001-2009.state.gov/documents/organization/43475.pdf.

apparel and textile imports including additional monitoring, enhanced inspection, and delayed release of targeted goods. For good measure, Brazil also imposed new increases in customs fees on imports apparel, textiles, and footwear.[7]

The only intention of these schemes seems to be to make it next to impossible to sell U.S.-made and U.S.-branded apparel, footwear and textiles into the Brazilian market, the largest market in Latin America. I urge the U.S. government to take every effort to stop these WTO-illegal measures. Again, these measures not only affect U.S.-branded product trying to enter Brazil, but exports of U.S.-made product to Brazil.

What is most worrisome in Brazil is the tendency of its government to frequently change import procedures and increase tariffs without prior notice or explanation. For example, in September of 2012, without any prior notice, Brazil increased import duties on 100 HTS lines including footwear parts imported from anywhere in the world. Just as suddenly, in September of 2013, it was announced the increased duty rates would expire. While we are certainly pleased these particular duty rates have been lowered, the whiplash that comes with it doesn't make it easy to plan product shipments.

Indonesia

Following what we fear to be a growing trend, Indonesia also applies a NAIL system on an ever-expanding list of products which includes textiles, apparel, and footwear, which costs importers both time and money to comply. Our main concern with Indonesia arrived in the form of a Ministry of Trade decree issued May 1, 2012 which limits the importation of finished goods. Decree 27 limits importers who hold a General Importer Status to importing goods within only one category of the Indonesian Goods Classification System (i.e. can import only textiles and textile products, or only footwear and footwear products, but cannot import textiles and footwear)[8]. Most AAFA member companies, and most apparel and footwear companies in general, sell a combination of product categories and this decree seriously limits their ability to do business within Indonesia.

Furthermore, in 2009, Indonesia's Ministry of Trade issued new regulations requiring all labeling on apparel, footwear, and travel goods to be in Bahasa Indonesian. While many countries have certain language requirements for labels, Indonesia has gone a step farther and requires the name and address of the manufacturer to also be in Indonesian, a challenge that is often hard to meet and significantly reduces the manufacturer's ability to produce a product for the global marketplace. Finally, Indonesia has begun to limit the ports through which certain products may enter the country. Although this limit has not yet been imposed on the major products of our industry, without interference it is likely to occur very soon.

Mexico

I urge you to address Mexico's arbitrary use of trade remedy laws to close its market to footwear and apparel imported from China. In December 2011, Mexico removed longstanding safeguard duties on imports of apparel and footwear from China. In exchange of the footwear safeguard duties, Mexico reached an agreement with China to implement a price-referencing system for footwear imports. Most of this footwear is produced by U.S. brands, severely impacting their ability to sell into one of the largest consumer markets in Latin America.

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[7] AAFA, *Letter to President Obama Regarding Brazil's Growing Import Restrictions* (April 6, 2012): https://www.wewear.org/assets/1/7/040612_Letter_to_President_Obama_on_Brazil_Import_Restrictions.pdf.

[8] Minister of Trade of the Republic of Indonesia, *Regulation of the Minister of Trade of the Republic of Indonesia Number: 27/M-DAG/PER/5/2012* (May 17, 2012): https://www.wewear.org/assets/1/7/Indonesia_MOT-Reg-27-2012-Eng_5-17-12_(1).pdf

The lack of transparency that exists within many of Mexico's trade policies is outrageous. For example, the Mexican government did not release any public information concerning the aforementioned price-referencing agreement for several months after it went into effect, leaving companies in the dark on how to comply with the requirements of the agreement. We have been told by our members that a similar price-referencing system is in place for imports of apparel, but neither we, nor our members, have received any information on how this process is being implemented.

A final concern with Mexico relates to burdensome import documentation used to substantiate preference claims. There have been numerous instances over the past year when Mexican authorities have performed audits on U.S. companies and sought documentation in excess of that which is required under the North American Free Trade Agreement (NAFTA).[9]

After many complaints from American businesses and the U.S. Government regarding these outlandish requests for documentation, representatives of Mexico's revenue body—the *Servicio de Administración Tributaria* (SAT)—promised to make several changes to their auditing process. Regrettably, however, AAFA members have not seen any of the promised changes. Instead, several AAFA members are still struggling with the burdensome and arbitrary SAT audits and are even facing seizures of their product for not providing documentation they were never told they needed. While we understand the need for proper enforcement, this zealousness, by exceeding the scope of the requirements, has damaged the ability of U.S. textile exporters to ship to Mexico under NAFTA.

Turkey

In 2011, Turkey imposed safeguard duties on apparel and textile imports. The measures impose safeguard duties of 30% on all imports of apparel and 20% on all imports of woven fabrics, including on Turkish imports of U.S.-made fabrics and apparel. Countries with which Turkey has free trade agreements or least-developed countries (LDCs) face somewhat lower safeguard duties. These safeguard duties are imposed on top of Turkey's normal duties of 12% for apparel and 8% for fabrics. The Turkish government has repeatedly failed to demonstrate the need for these safeguard measures and the measures, on their face, violate World Trade Organization (WTO) rules.

Thankfully, the strong efforts of the U.S. Department of Commerce's Office of Textiles and Apparel (OTEXA), in conjunction with the U.S. Embassy in Ankara, succeeded in lowering the final safeguard duties significantly from the Turkish government's initial proposal of 40% duties. However, more must be done to completely eliminate these unjustified safeguard measures. Again, these safeguard measures not only affect U.S. apparel brands selling into Turkey, but U.S. apparel and textile manufacturers selling U.S.-made apparel and fabric into Turkey. For the year ending August 2012, the month the safeguard measures were imposed, U.S. apparel and textile exports to Turkey equaled$86.9 million. These U.S. exports are in serious jeopardy because of these new safeguard measures.

Ecuador

I urge you to work to ensure Ecuador eliminates its continued draconian restrictions on U.S. apparel and footwear imports. As you know, on January 22, 2009, under the guise of an effort to improve its Balance of Payments, Ecuador imposed a $10 per pair duty (on top of normal duties) on all Ecuadorian imports of footwear. At the same time, Ecuador imposed a $12 per kilogram duty on all Ecuadorian imports of apparel. These measures effectively eliminated all access to the Ecuador market for U.S. apparel and

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[9] AAFA, *Letter to President Obama Regarding Mexico's Business Practices on Behalf of American Businesses* (April 23, 2012): https://www.wewear.org/assets/1/7/042312_Letter_to_President_on_Mexico_Business_Practices.pdf.

footwear brands. Fortunately, on July 23, 2010, Ecuador did remove these "Balance of Payment" measures as promised. Unfortunately, Ecuador replaced these measures with something almost as bad, if not worse.

Ecuador instead imposed a "mixed" ad valorem and specific duty on all imports of footwear. The new rate is 10% + US $6 per pair duty on the FOB value of imported footwear. For apparel, Ecuador has established a new minimum pricing scheme to replace the "Balance of Payment" measures. For footwear, Ecuador claims the new "mixed" duty meets their WTO bound tariff rates for footwear, which are 30 percent. However, in the case of footwear based on our calculation, that would mean the FOB price for footwear entering Ecuador would have to be, at a minimum, US $30 per pair.

We are also concerned with burdensome labeling requirements imposed on imports to Ecuador. Ecuadorian law (INEN 013) requires U.S. footwear companies to make a special label on every pair of shoes shipped to Ecuador. All labels have to have identical information in Spanish such as size, upper, sole, lining, and footbed. Although some of these requirements may be mitigated by using internationally accepted pictograms, required information still includes the importer's name, address and RUC # (Ecuadorian tax ID number). This means U.S. footwear companies need to make special production runs for Ecuadorian shipments (because labels are done and applied to the upper during an early part of the footwear assembly) or have to attach on finished product, which also requires a lot of additional labor opening up boxes, and repacking. Similar concerns manifest themselves with respect to apparel. Compounding the problem, such shipments need to be inspected before they leave the country. Among other things, this often requires companies to ship product to a third country – solely for the purpose of inspection – before onward export to Ecuador.

Colombia

At the beginning of 2013, Colombia's Ministry of Commerce, Industry, and Tourism published Decree No. 074/2013 establishing a new system in which products classified under chapters 61, 62, 63, and 64 are subject to a 10 percent ad valorem import duty as well as a specific duty of $5 per gross kilogram (for textiles, apparel, and footwear parts) or $5 per pair (for footwear). The increased tariffs went into effect March 1, 2013 and are expected to last for at least a year. While the United States' recent FTA with Colombia removes tariffs on U.S. direct exports to Colombia, these unnecessarily high tariffs are a significant challenge for U.S. brands who manufacture products elsewhere for the Colombian market.

Colombia is one of the largest markets in Central and South America and these barriers prevent U.S. companies from accessing it. In August, Panama requested the establishment of a WTO dispute panel to address this issue as it believes Colombia's actions violate WTO rules[10]. We were pleased to see the United States, along with China, Ecuador, El Salvador, the European Union, Guatemala, and Honduras, has reserved its third party rights to take part in the panel. We encourage you to continue to press this issue on behalf of U.S. brands.

Venezuela

With respect to Venezuela, we are very troubled by burdensome new regulations which require vendors to supply legalized certifications from each individual factory, replacing established procedures which previously permitted blanket certifications from vendors. The new regulations require the following steps:

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[10] World Trade Organization, Dispute Settlement: Dispute DS461, Colombia – Measures Relating to the Importation of Textiles, Apparel and Footwear: http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds461_e.htm.

1. Letter from each factory, issued by the actual factory itself in the country where the factory is located. Each letter must be issued on stationery paper from the factory and must contain the factory seal.
2. Each letter must be issued in Spanish. If this is impossible, the original letter must be translated by an authorized public translator. Then the letter has to be notarized.
3. Each letter must contain a clear identification of the person issuing the letter including: position, name of company (factory), address, telephone and fax numbers, and email address of the contact of the factory.
4. Each letter must be presented to a public authority with the faculty to authorize such document (i.e., Venezuelan Consulate or Embassy in the country where the factory is located).

In addition to being costly and time-consuming, the factory information for individual companies is proprietary. There is no question that this regulation is meant to deny U.S. companies market access for their exports to Venezuela.

Japan

In regards to what may be the longest ongoing issue for our industry, I urge you to continue including, as has been the case since the report's inception in 1988, a strong reference to an issue of particular concern to AAFA's footwear members –Japan's continued tariff rate quota (TRQ) restricting imports of leather footwear. Further, I strongly encourage the U.S. government to take concrete action on this issue. Despite the efforts of AAFA as well as the U.S. government to address this issue over the last few years, Japan still maintains an extremely restrictive TRQ on imports of leather footwear. This TRQ hurts Japanese consumers, U.S. footwear manufacturers, and U.S. footwear brands alike and is a clear and longstanding violation of WTO rules and norms.

As USTR continues to push to conclude the TPP agreement by the end of 2013, we encourage you to put pressure on Japan to end the TRQ. TPP is an unrivaled opportunity to eliminate this pernicious restraint once and for all.[11]

China

As we noted in comments submitted to USTR just last month on China's WTO Commitments[12], China's membership in the WTO has provided the United States with a well-established framework for addressing specific concerns, yet we recognize problems in the U.S.-China trade relationship still exist today and China is still not fully meeting its WTO obligations. For example, despite repeated Chinese commitments to the contrary, we have had continued reports from our members of factory licensing schemes which prevent our members from selling in China what they make in China. AAFA members must export their "Made in China" product to Hong Kong and then reimport the product back into China in order to sell that "Made in China" product in China. This right to distribute was one of the fundamental commitments China made when it joined the WTO and it is critical to the success of U.S. footwear and apparel brands as they attempt to penetrate the fast-growing Chinese market.

Further compounding these issues, regulations within China are often controlled by state agencies and differ by province leading to inconsistent treatment and enforcement across jurisdictions. Transparency in all transactions and across multiple agencies is limited, and thus a barrier to trade. There is often little

[11] AAFA, Outdoor Industry Association, Footwear Distributers and Retailers of America, Rubber and Plastics Footwear Manufacturers Association, *Letter to Commerce Secretary John Bryson and USTR Ron Kirk on TPP and Japan's Leather Footwear TRQ* (May 16, 2012): https://www.wewear.org/assets/1/7/tppfootwearjapanassnltr120509.pdf.

[12] AAFA, *Comments Concerning China's Compliance With its WTO Commitments* (September 20, 2013): https://www.wewear.org/assets/1/7/092013_China_WTO_Comments.pdf.

or no opportunity to comment on proposed regulations and the time between developing a regulation and implementation is usually miniscule companies have no possible way of complying with it.

For example, when it comes to standards, China's General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ), is in charge of not only import/export commodity inspection, certification, testing, and standardization, but law enforcement as well, creating an entity that can easily and quickly change its standards and policies without needing to provide enough time or information to allow companies to comply. Furthermore, AQSIQ often imposes differing regulations at the province level providing no consistency. Delays related to this lack of transparency can cause shipments to be delayed by up to four weeks in some cases for inspection.

Unofficial reference price lists have been used by the Chinese customs agency and tariffs tend to differ depending on the port of entry and importing agents involved. In addition, the actual tariffs are often negotiated with local Customs agents. Our members have also noted that China has a pattern of enforcing various compliance regulations on imports with a much heavier hand than it uses with domestic made goods, although all goods sold within China are subject to the same regulations.

Apparel and footwear companies still face serious challenges in China, especially with the rapid growth of "rogue" Web sites. These sites tend to be based in China and have been successful in eluding U.S. Customs inspections due to their ability to ship illicit product direct to the consumer. AAFA will be submitting separate comments to USTR later this week on rogue websites in regards to the Special 301 Report. We are cautiously hopeful that expected changes in China's enforcement and legal regimes will also include greater IPR protection on the Internet. We also note that a number of markets in China continue to sell fake apparel and footwear goods throughout the country.

Like many in the business community, we believe China's currency should ultimately be traded at a market determined exchange rate. We believe this is the surest way to achieve the only "correct" value for the Chinese currency and to structure the most predictable and stable trade relationship. With that in mind, we would hope the Administration continues to pursue a multilateral approach to address China's currency policies. We believe this is the most effective way to bring about the kind of long term, gradual, and sustainable changes that are needed.

AAFA believes, however, that addressing China's currency through legislation will not only not create new U.S. jobs, but could actually hurt current U.S. jobs. History demonstrates there is little, if any, connection between a rising Chinese currency and U.S. job creation. In fact, during the last period of China currency appreciation, where China's currency appreciated over 20 percent versus the U.S. dollar between 2005 and 2008, there is no evidence this appreciation affected U.S. jobs one way or another.

Further, proponents argue that, as currency appreciation makes it too expensive to manufacture in China, those manufacturing jobs will necessarily return to the United States. This is extremely unlikely because China and the United States do not trade in a vacuum. In apparel and footwear, and in thousands of consumer and other products, dozens of countries stand ready to pick up any production diverted from China. Apparel is the best example of this situation, where there are suppliers in at least a half dozen other Asian countries alone that today can compete with China on price. Any appreciation of China's currency that makes China less attractive will simply divert production to those other countries –not back to the United States.

Canada

Finally, our industry is subject to a plethora of regulations that are promulgated in the name of "public safety" but amount to nothing more than a trade barrier. The best example of these new regulations in our industry comes from our neighbors up North –Canada. The Upholstered and Stuffed Articles

regulations are actually maintained not by the Canadian government, but by three Canadian provinces (Quebec, Ontario, Manitoba). However, owing to its recognition within the Canadian Agreement on Internal Trade and the nature of modern distribution systems, they represent a de facto national standard, one which is of great concern to our industry.

These regulations require the registration of factories and the payment of annual fees to one or more provincial agencies. While historically they may have been considered as a means of ensuring public safety, since these regulations refer to no objective technical standard they have no current purpose in terms of product safety. More importantly, the Canada Consumer Product Safety Act, which was implemented in 2011, has brought Canada's product safety regime into line with equivalent U.S. legislation, rendering these provincial regulations completely unnecessary.

On a practical level, because the terms "padding" and "stuffing" are loosely defined, the applicability of these regulations to specific products is arbitrary and punitive. To put it simply, our members' companies are continually frustrated in efforts to clarify whether these regulations apply to our products.

The U.S. has a very good trade relationship with Canada, and AAFA specifically has benefited from generally transparent regulations and experiences with our neighboring country. Almost for this reason, nuisance regulations which serve no greater purpose stand out as barriers to what, otherwise, is a great trade opportunity for U.S. companies.

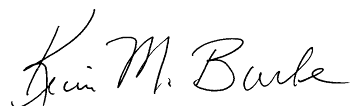
In addition, it should also be noted that imported products (from the United States or any other country) are discriminated against by these regulations. Canadian manufacturers have the ability to register their products in a single province while imported products must be registered in three separate jurisdictions (and pay three registration fees). I urge the U.S. government to aggressively pursue resolution of this critical issue and put other countries on notice that regulations in the name of "public safety" must be transparent, non-discriminatory, and scientifically-based.

In closing, I urge you to work closely with the U.S. Department of Commerce's Office of Textiles & Apparel (OTEXA) in identifying and combating foreign trade barriers. OTEXA has a strong track record of identifying new foreign labeling requirements, safeguard measures, and other restrictions that could affect the U.S. apparel, footwear, and textile industry. OTEXA also partners with our industry to combat and prevent these protectionist measures around the world.

As is often the case, we expect to receive on-going information from members on barriers affecting their exports in key markets around the world. As we develop that information, we will continue to provide that to USTR and other appropriate agencies for action. AAFA will continue to work on overcoming barriers to trade and promoting the growth of American companies. I look forward to continued collaboration with the U.S. government and specifically the office of the U.S. Trade Representative , and your leadership Mr. Ambassador, on these shared goals.

Thank you for your time and consideration in this matter. Please do not hesitate to contact AAFA if we can be of any help to you. Please feel free to contact me or Marie D'Avignon of my staff at 703-797-9038 or by e-mail at mdavignon@wewear.org if you have any questions or would like additional information.

Sincerely,



Kevin M. Burke
President & CEO