



December 14, 2010

The Honorable Sander Levin
Chairman Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Levin:

On behalf of the undersigned organizations, we write in strong support of H.R. 6517, the Omnibus Trade Act of 2010. Simply put, this important piece of legislation supports U.S. manufacturing. With record unemployment, the focus of Congress should be on creating jobs and stimulating the U.S. economy, approval of this legislation demonstrates Congressional commitment to achieving both aims.

H.R. 6517 does this by extending the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the Generalized System of Preferences (GSP) and Trade Adjustment Assistance (TAA). The bill extends and provides funding for these important programs for 18 months. In addition, the legislation contains the second tranche of the Miscellaneous Tariff Bill and addresses important issues associated with the Wool and Cotton Trust Fund programs.

Each of these programs is important to the domestic textile industry. The following outlines the significance of each program to the industry:

Andean Trade Promotion and Drug Eradication Act (ATPDEA):

The legislation extends the ATPDEA for 18 months. The Andean region remains a critical market for U.S. textiles, supporting thousands of U.S. textile jobs. These export markets function primarily because in the United States provides duty free access to the U.S. Andean textile and apparel products provided that they use U.S.-made yarns, fabrics, fibers, and other textile inputs. This business, however, is at risk if the Andean program is allowed to lapse.

Generalized System of Preferences (GSP):

The Generalized System of Preferences traditionally exempts textile and apparel products. The domestic textile industry supports a straight 18-month extension of GSP.

Miscellaneous Tariff Bill (MTB):

Of particular import to the domestic textile industry in this MTB bill is a duty reduction on rayon fiber. This important duty reduction was accidentally left out of the first Miscellaneous Tariff Bill, H.R. 5098/S. 2400. We urge both the House and Senate to pass the bill without delay. Rayon fibers are no longer produced in the United States and have been at zero duty for many years. Today, imports of these essential fibers are now being taxed at five to ten cents per pound of fiber, a significant burden for U.S. manufacturers. Rayon fibers have a wide-range of applications including apparel, home furnishings and industrial fabrics. An extension of the current duty suspension would improve the competitiveness of the U.S. textile industry.

Technical Corrections to the Wool and Cotton Trust Fund:

The bill includes a technical modification to the funding source for the wool program in order to rectify the duty shortfall problem experienced earlier this year. This technical change will not increase the cost of the program, but will simply insure that the program's obligations are adequately met. This provision has been scored as zero by the Congressional Budget Office.

The cotton provision extends an important program that would otherwise expire at the end of 2010. Without this extension, a highly specialized area of yarn, fabric and apparel production will be destabilized. We support this extension in order to avoid domestic job losses in the cotton shirting sector.

Extension of Trade Adjustment Assistance (TAA):

H.R. 6517 extends Trade Adjustment Assistance to workers impacted by increased imports for an additional 18 months. The domestic industry supports this extension as U.S. manufacturers continue to face unfair competition from countries that engage in predatory trade activities.

Chairman Levin, the domestic industry strongly supports enactment of H.R. 6517, the Omnibus Trade Act of 2010 immediately. It is our understanding that the House is scheduled to consider H.R. 6517 under Suspension of the Rules as early as December 15, 2010. We urge all members of the House to vote in favor of this legislation and we look forward to working with the Ways and Means Committee to ensure its passage.

Sincerely,

American Manufacturing Trade Action Coalition
American Fiber Manufacturers Association, Inc.
National Council of Textile Organizations
National Textile Association

Cc: Members of the U.S. House of Representatives