



TRANS-PACIFIC PARTNERSHIP APPAREL COALITION

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COMMON MYTHS ABOUT THE TRANS-PACIFIC PARTNERSHIP AND THE YARN FORWARD RULE OF ORIGIN

THE U.S. DOMESTIC TEXTILE INDUSTRY

Myth: *The U.S. domestic industry needs protection from all apparel imports.*

Fact: The U.S. domestic textile industry needs apparel imports to survive. With 98 percent import penetration, the customers of the domestic textile industry are largely overseas. As is the case for all globalized industries, the customers of the textile industry are located all over the world, including Asia. Restrictive rules will merely act as a disincentive for the use of U.S. content – by embracing a failed all or nothing approach – cutting off U.S. textile companies with many of their customers.

Myth: *High tariffs protect the domestic industry.*

Fact: High tariffs add costs to consumers. U.S. tariffs result in thousands of dollars of costs to U.S. consumers. Moreover, the persistence of high U.S. tariffs encourages foreign countries to maintain high apparel tariffs themselves, constituting a trade barrier to U.S. exports. Indeed if the objective of high tariffs is to protect jobs in this sector and help make U.S. companies more competitive, it has been an abject failure in achieving these goals.