



UNITED STATES
ASSOCIATION OF
IMPORTERS OF
TEXTILES AND
APPAREL

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January 13, 2012

Mr. Doug Bell
Chair
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Mexico's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations,
Docket No. USTR-2011-0020

Dear Mr. Bell:

The United States Association of Importers of Textiles and Apparel (USA-ITA), on behalf of its member companies, respectfully submits the following comments in response to the Office of the U.S. Trade Representative's Request for Public Comment on Mexico's expression of interest in joining the Trans-Pacific Partnership trade negotiations (TPP). Thank you for the opportunity to provide comments as the Administration works to complete a commercially significant TPP agreement.

USA-ITA represents more than 200 apparel manufacturers and brands, retailers, distributors, importers, and related service providers, such as shipping lines and customs brokers. USA-ITA member companies include large, nationally-recognized brands and smaller companies. Our members represent the most successful, global American companies, accounting for approximately 2.9 million jobs and exporting goods to more than 170 countries.

USA-ITA members not only import apparel into the United States. Our member companies manage supply chains that span the globe, providing our companies with hands-on familiarity with market access barriers -- a familiarity that, perhaps, purely domestic manufacturers lack. We are acutely aware of the need to aggressively challenge foreign trade barriers, both to boost U.S. exports and to facilitate global trade generally.

USA-ITA strongly supports the ongoing TPP negotiations. If the Administration concludes a TPP agreement that represents a concrete and aggressive plan to reduce foreign trade barriers, our companies, our employees, and the American consumer will benefit from new job opportunities and enhanced access to a more affordable and diverse supply of goods.

USA-ITA and its member-companies also strongly support the inclusion of Mexico in the TPP negotiations. Indeed, the size of the Mexican retail apparel market approximately equals the size of the Canadian market. In 2009, retail apparel sales in Mexico were \$20.5 billion, while retail sales in Canada were \$20.4 billion. Meanwhile, fewer American retail brands have established a presence in Mexico than in Canada. Mexico simply presents attractive opportunities for American retailers and apparel brands.

Mexico's applied MFN tariffs on imported apparel, meanwhile, are an extremely high 30% for all products in HS Chapters 61 and 62, according to the latest data available from the WTO. Inclusion of Mexico in the TPP would permit American brands and retailers to eliminate these peak tariffs and to serve the Mexican market duty-free from any TPP member-country, supporting thousands of jobs in the United States' best known global brands.

Perhaps as importantly, inclusion of both Canada and Mexico in the TPP would help harmonize the rules of origin and customs requirements of the United States' free trade agreements. USA-ITA has supported each U.S. trade liberalization initiative since the NAFTA in 1994. Nevertheless, the United States' now 14 separate free trade agreements have resulted in a "spaghetti bowl" of differing rules of origin and customs requirements, making it increasingly difficult for apparel producers to utilize and to comply with the United States' free trade rules. It is time for the United States to begin to harmonize and to simplify these trade agreements. Inclusion of Canada and Mexico in the TPP would provide an excellent opportunity to do so.

For the above-mentioned reason, USA-ITA and its member-companies strongly support the inclusion of Mexico in the TPP negotiations. Mexico offers significant potential growth and diversification opportunities.

USA-ITA appreciates your consideration of the foregoing comments. Should you have any questions or require clarification, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Julia K. Hughes". The signature is written in a cursive, flowing style.

Julia Hughes
President
USA-ITA