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Via email mtb2009@finance-dem.senate.gov and fax **(202) 228-0567**

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Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC, 20510

Attention MTB S. 1981

To Whom It May Concern:

I write on behalf of the National Textile Association ("NTA"), the oldest and largest association of companies who form, dye, print, or finish woven, knitted, and non-woven textiles in the U.S.

NTA opposes S.1981 to provide for the liquidation of certain entries of garments form Costa Rica.

The bill seeks duty relief on the entry of these garments due to the fact that they did not qualify for tariff free treatment under the terms of CAFTA. These products were obviously denied CAFTA duty preferences because they are made from fabrics that were formed outside of the CAFTA region. There are major U.S manufacturers of the very fabrics that are used in these types of garments. Production facilities for these fabrics are located in a number of states including Connecticut, North Carolina and Oregon. If the U.S. government provides duty rebates for garments made in Costa Rica from fabrics formed outside of the CAFTA region, these U.S. manufacturers and their workers will suffer.

The CAFTA is very specific in that it requires garments of this type to be constructed of fabrics that were either formed in the United States or in one of the other CAFTA countries. This requirement is critical to U.S. and Central American fabric makers. The elimination of this fabric requirement would severely undermine any potential benefits for fabric producers in this region. Instead passage of the bill would allow for fabric to be manufactured in China or India, shipped to Central America for simple assembly and then exported duty free to the United States.

In addition, we believe that S.1981 violates the basic prerequisites for consideration under the MTB process. The bill seeks to eliminate tariffs on entries from Costa Rica retroactively. Finance committee guidelines for the MTB process prohibit such bills. Moreover, while the bill did not provide duty payment data for entries listed in the bill, we assume that the monetary loss to the U.S. Treasury would far exceed the normal $500,000 benchmark established for bills under the miscellaneous tariff process.

Yours,

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