



December 2, 2009

The Honorable Max Baucus
United States Senate
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

RE: NCTO Opposition to S. 2173

Dear Chairman Baucus:

The National Council of Textile Organizations (NCTO), a trade association representing the U.S. textile industry is strongly opposed to S. 2173. Most importantly, S. 2173 covers an apparel product already made in the United States or which is assembled using yarn made in the United States.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of quotas on textile and apparel imports from China in January 2009. Since the global economic crisis began, China has increased its textile and apparel export subsidies by \$40 billion. Such duty reduction will exert downward price pressure on competing products made in the United States which will harm an already weakened domestic textile and apparel industries.

The Miscellaneous Tariff Bill is intended to promote manufacturing in the United States by providing limited tariff relief (up to \$500,000 for any specific tariff line) to domestic manufacturers who use inputs that are not available from a domestic source, not as a vehicle to vastly increase the profit margins of importers and retailers of finished goods to the detriment of U.S. manufacturers.

Finally, the United States is currently participating in the Doha Round of World Trade Organization talks. In part the purpose of the Doha round is for the United States to negotiate reductions in textile and apparel duties in exchange for certain trade liberalizations with our trading partners. In the current context it makes little sense to unilaterally suspend tariffs without U.S. industry receiving benefits from our trading partners.

Thank you for the opportunity to submit comments on the bills included as part of the Senate Miscellaneous Tariff Bill.

Sincerely,

Cass Johnson
President