

TOM McCLINTOCK
4TH DISTRICT, CALIFORNIA

2331 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2511

2200A DOUGLAS BOULEVARD, SUITE 240
ROSEVILLE, CA 95661
(916) 786-5560

Congress of the United States
House of Representatives
Washington, DC 20515-0504

COMMITTEE ON
NATURAL RESOURCES
SUBCOMMITTEE ON FEDERAL LANDS
CHAIRMAN
SUBCOMMITTEE ON
WATER, POWER, AND OCEANS
COMMITTEE ON THE BUDGET

July 23, 2015

The Honorable Michael Froman
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Froman:

We write today to express our concerns that the current apparel chapter of the Trans-Pacific Partnership will not provide meaningful commercial opportunities for American apparel retailers. As a consequence, we ask that you push to include additional immediate duty reductions and more flexible rules of origin for certain apparel products prior to concluding the Trans-Pacific Partnership negotiations.

We appreciate the need for you to achieve a balanced apparel package that takes into account the divergent U.S. interests. Yet, we are concerned that the current package may not achieve that balance. Long duty phase-outs of 10-12 years for many apparel products combined with a restrictive yarn-forward rule of origin for nearly all products mean that a sizeable share of current trade from TPP countries would not likely qualify for TPP benefits. Additionally, the tariff cuts for some products may not incentivize additional U.S. direct and indirect investment in the TPP region.

As you approach the end of TPP negotiations, we believe there are ways to improve the apparel package for U.S. apparel retailers. For example, you could:

- Fully liberalize key products, such as cotton sweaters, with immediate duty-free treatment and a flexible rule of origin.
- Further increase duty cuts to 50 percent for other products that are currently subject to smaller duty reductions. Such cuts may help incentivize investment in the TPP region while still protecting Western Hemisphere trade, with 14-16 percent duties remaining in place for 10-12 years.
- Include a list of products eligible for cut and sew rules of origin. The TPP should be no different than most other U.S. free trade agreements and should include a number of categories to be eligible for cut and sew.

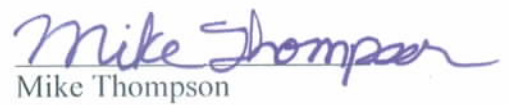
Simply put, we believe that the United States must negotiate an agreement that more fully liberalizes trade in apparel and accommodates the industry's growth and change in future years. U.S. apparel retailers pay hundreds of millions of dollars in duties each year; they have higher tariff liability than nearly any other sector in the U.S. economy, and their tariff liability is a hindrance to their global competitiveness.

Should the TPP fail to provide meaningful and immediate commercial opportunities for U.S. apparel retailers, it would be a lost opportunity to benefit the millions of American workers whose jobs are sustained by the apparel trade. We appreciate your attention to our request and look forward to closely reviewing the Trans-Pacific Partnership with an eye toward how it would benefit American apparel retailers.

Sincerely,



Tom McClintock



Mike Thompson



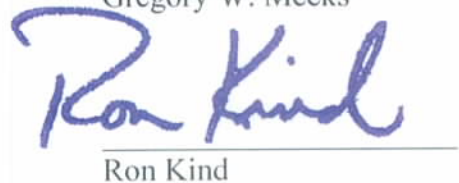
Jeb Hensarling



Gregory W. Meeks



Charles W. Boustany, Jr., M.D.



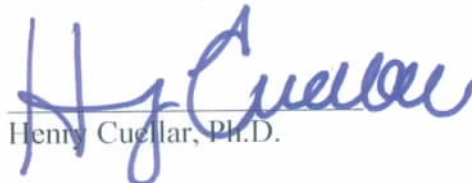
Ron Kind



Jared Polis



Mimi Walters



Henry Cuellar, Ph.D.



Suzan K. DelBene




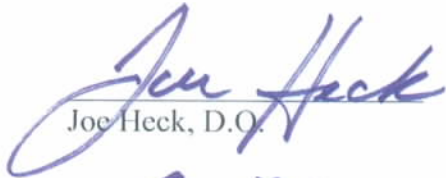
Ami Bera, M.D.



Adam Smith


Peter J. Roskam


Adrian Smith



Joe Heck, D.O.


Earl Blumenauer


Gerald E. Connolly


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Doris Matsui


Andy Harris, M.D.


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