



**June 27, 2011**

## **TPP Apparel Coalition Calls for Market-Opening Apparel Agreement**

Washington, DC – As the seventh round of negotiations on the Trans-Pacific Partnership (TPP) concludes in Ho Chi Minh City, Vietnam, the TPP Apparel Coalition, a group of U.S. apparel and retail industry stakeholders, expressed strong support for a 21<sup>st</sup> century agreement that helps to create and sustain U.S. jobs U.S. exports, and U.S. value-added; spur innovation and investment; facilitate trade through harmonized and simple customs rules; and generate trade-based economic growth throughout the region. As part of that effort, the coalition called for TPP negotiators to work towards an agreement that results in meaningful market access for apparel and accommodates today’s global value chains that create and sustain millions of well-paying American jobs.

The coalition – a group of U.S. apparel and retail industry stakeholders including the American Apparel and Footwear Association, the National Retail Federation, the Outdoor Industry Association, the Retail Industry Leaders Association and the United States Association of Importers of Textile and Apparel – issued the following statement:

“It is clear that the apparel rules of origin are a key element in the overall success of the Trans-Pacific Partnership. Without a solid agreement on apparel that generates new trade and investment opportunities, U.S. workers, businesses, and families will not be able to realize the full potential of the TPP.

“To ensure that all voices were represented in last week’s negotiations on textile and apparel provisions of the TPP, key stakeholders representing the full spectrum of the U.S. apparel and retail industry were on site in Ho Chi Minh City to discuss with negotiators and local industry the various aspects of our industry’s modern global value chain.

“Coalition members met with TPP delegations and stakeholders. They were pleased to hear strong support for a simple, flexible, and predictable approach that will create new trade and investment opportunities for companies in all TPP countries importing and exporting textiles and apparel, and for customs procedures that will facilitate trade.

As part of today’s announcement, the TPP Apparel Coalition released the following position paper to TPP negotiators and stakeholders.

### ***TPP Apparel Coalition***

The TPP Apparel Coalition includes American retailers, apparel brands, apparel manufacturers, and importers, and the millions of American workers they employ. Our member companies design, market, and retail products manufactured in and imported to the United States, as well as market and retail products throughout the TPP partner countries. We support the negotiation of a 21<sup>st</sup> Century TPP agreement, which offers a potential growth platform for economic integration, trade

and investment that could provide tremendous new opportunities for our members to buy and sell goods and services and to sustain and grow well-paying U.S. jobs and provide high value add for the US and TPP economies. We endorse the fifteen core negotiating principles developed by the U.S. Business Coalition for TPP.

To help achieve an ambitious TPP and in recognition of the benefits that American companies, consumers, and workers stand to gain, we firmly believe that negotiators should apply the traditional data-driven approach used for all other products to textiles and apparel in the TPP and adopt rules of origin, meaningful market access, and regulatory harmonization that reflect and accommodate today's global value chains. Following are some of the basic priorities that we believe should be included in the TPP, not only to garner our support for a final TPP agreement, but also to achieve the best overall agreement for American businesses, American workers, American farmers and American consumers:

- **Integrate textile and apparel products into the Market Access negotiations similar to any other product:** with no separate chapter or separate provisions. This includes no separate Safeguard process for textile and apparel products, and no separate customs enforcement measures. There is no longer a need for different apparel customs enforcement provisions.
- **Liberalize and simplify the Rules of Origin** so that any restrictive rules are applied only to individual products when data show it is necessary and appropriate. At a minimum, these liberalized and simplified rules should:
  - Embrace a new approach in crafting flexible product-specific rules for apparel in the TPP negotiations;
  - Harmonize the Rules of Origin among all TPP countries to accept this new approach for the Rules of Origin, including those that currently have FTAs with the United States;
  - Guarantee “cumulation” among all TPP partner countries to facilitate regional integration;
  - Establish a transparent and commercially meaningful “Commercial Availability” [Short Supply] process; and
  - Create a process to allow “cumulation” with other countries that have FTAs with all TPP countries.
- **Implement immediate and reciprocal duty-free treatment** for all qualifying products.
- **Harmonize and streamline customs procedures among all TPP countries and incorporate account-based processing** to facilitate the flow of goods among parties to the agreement.
- **Harmonize the rules and regulations** – such as product safety and labeling – among all TPP countries, including those that currently have FTAs with the United States.
- **Strengthen intellectual property rights (IPR) protections among all TPP countries** to better enable American apparel brands, manufacturers and retailers to protect their brands from counterfeiters and trademark violators.

- **Create a "living" agreement** that welcomes additional parties and can evolve to address new textile and apparel issues as they arise.

## **Background**

### ***Trans-Pacific Partnership***

The TPP is an Asia-Pacific regional trade agreement currently being negotiated among the United States and eight other partners -- Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

### ***American Apparel & Footwear Association***

The American Apparel & Footwear Association (AAFA) is the national trade association representing apparel, footwear and other sewn products companies, and their suppliers, which compete in the global market. AAFA's mission is to promote and enhance its members' competitiveness, productivity and profitability in the global market by minimizing regulatory, commercial, political, and trade restraints.

### ***National Retail Federation***

As the world's largest retail trade association and the voice of retail worldwide, the National Retail Federation's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the U.S. and more than 45 countries abroad. In the U.S., NRF represents the breadth and diversity of an industry with more than 1.6 million American companies that employ nearly 25 million workers and generated 2010 sales of \$2.4 trillion.

### ***Outdoor Industry Association***

Outdoor Industry Association® (OIA) is a national trade association whose mission is to ensure the growth and success of the outdoor industry. OIA provides trade services for over 4000 manufacturers, distributors, suppliers, sales representatives and retailers in the outdoor industry. OIA programs include representation in government/legislative affairs, market and social research, business-to-business services and youth outreach initiatives. Educational events include the annual Rendezvous, Outdoor University, and the Capitol Summit. Outdoor Industry Association is based in Boulder, Colorado, and is the title sponsor of the Outdoor Retailer tradeshow. For more information go to [outdoorindustry.org](http://outdoorindustry.org) or call 303.444.3353.

### ***Retail Industry Leaders Association***

The Retail Industry Leaders Association (RILA) promotes consumer choice and economic freedom through public policy and industry operational excellence. RILA members include the largest and fastest growing companies in the retail industry which together provide millions of jobs and operate more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

*United States Association of Importers of Textiles and Apparel*

The United States Association of Importers of Textiles and Apparel (USA-ITA) was established in January 1989 by nine companies with a vision to create a unified voice for textile and apparel importers across the country. USA-ITA provides education, information, and advocacy to executives active in textile and apparel sourcing, importing, compliance, and logistics. Headquartered in Washington, D.C., USA-ITA represents the needs of American retailers, brands and importers, as well as related service providers, with the objective to remove barriers to business and to trade.

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