

January 31, 2007

David M. Spooner
Assistant Secretary for Import Administration
Room 1870
Department of Commerce
14th Street and Constitution Ave., NW
Washington, DC 20230.

COMMENTS Regarding Textile and Apparel Products for Vietnam Import Monitoring Program.

Dear Mr. Spooner:

On behalf of the National Textile Association I applaud the Administration's commitment to monitor U.S. imports of textile and apparel articles from the Socialist Republic of Vietnam and to initiate prompt action should that monitoring discover that Vietnam engages in illegal subsidization of its textile and apparel industries.

The administration's commitments to monitor and, if indicated, act to control, imports from Vietnam are certainly warranted by the rapid rise in imports; by Vietnam's potential for even greater volume of textile and apparel exports by the propensity of non-market economies to engage in WTO-illegal subsidies; and by the potential for damage to the domestic U.S. industry.

Immediately upon the U.S. granting, December 10, 2001, normal trade relation to Vietnam, shipments of apparel articles to the U.S. surged. Quotas, which were first imposed on May 12, 2003, under the U.S.-Vietnam Bilateral Textile Agreement, did little to stanch the rising flood of imports, so that by 2006, Vietnam had grown to be the fourth largest, in dollar value, shipper of apparel articles to the U.S. For the year-to-date November 2006, U.S. imports of textile and apparel articles of Vietnamese origin totaled \$3.2 billion, of which \$3 billion was apparel. Meanwhile the domestic U.S. industry has hemorrhaged jobs at an alarming rate. In 2006 the textile mill and textile products mill employment dropped by 30 thousand to 352 thousand. Since 2001 total employment is down by 230 thousand, a drop of 40%.

Specific Comments:

Beyond the five product groups - trousers, shirts, underwear, swimwear and sweaters - that have been identified as being of special sensitivity, we urge the Department to place special priority on wool and wool blend products. The domestic wool industry has, historically, been recognized as an especially import-sensitive industry sector. Imports of wool products from Vietnam are large

in volume and growing. We particularly direct your attention to import categories 434, 435, 436, 438, 440, 442, 443, 444, 445, 446, 447, and 448, imports of which from Vietnam have been subject to quota restraints -- recognition by our government that Vietnam has been, and continues to be, a threat to the U.S. wool textile and apparel industries.

It is also important the program be based on the current textile category system. The existing category system provides the most efficient means of grouping like products into simple and definable categories. Because the categories are broad groupings of tariff lines, they recognize implicitly that a single apparel producer can, and often times does, produce a wide range of apparel products at a single facility. The initial list of categories covered under the monitoring program should at least include the following:

- -All product categories covered under the existing US/Vietnam textile bilateral.
- -All product categories covered under the existing US/China textile bilateral.

In addition, the process should allow for the addition of items based on Vietnam's export performance. Product categories should be added if at any point Vietnam becomes one of the top ten suppliers to the US or they exceed 1% of total US imports in a given category. These calculations should be based on Major Shipper's data and listings published by the DOC.

Sincerely,

Karl Spilhaus
President
NTA

KS/jl