

## USA-ITA Oral Testimony

Good morning. My name is Gary Ross and I am appearing here today on behalf of the U.S. Association of Importers of Textiles and Apparel – USA-ITA – of which my company, Liz Claiborne Inc., is an active member.

USA-ITA members include manufacturers, distributors, retailers, importers and related service providers, such as shipping lines and customs brokers. Member companies source from around the world.

As a sourcing executive who started my career as a knitter in an apparel factory in Philadelphia some 31 years ago, I know a thing or two about both making apparel here in the United States and importing it. I personally witnessed the progression from domestic production to 807 manufacturing to pure imports as the size of the U.S. consumer market expanded and the need to provide affordable product created demand for alternative sourcing options. For over 40 years our industry has been protected and it has not stopped the migration of production or helped the industry to compete. Protectionism has failed. It has bred inefficiency.

The basic law of successful retailing is to offer what the customer wants. If the garments American consumers wanted to buy were still made here in the United States, USA-ITA member companies would be buying those garments. We would not be spending our time and resources crossing the Atlantic, the Pacific and the Indian Ocean to reach factories thousands of miles away.

Yet, the Administration has established an Import Monitoring Program covering all the pants, shorts, knit shirts, woven shirts, sweaters, underwear and swimwear produced in Vietnam, with the supposed purpose of identifying whether those imported products might be unfairly traded and materially harming U.S. producers. Clearly, this makes no sense. The Administration has broadly identified the imports it is targeting, but no one has identified the

U.S. manufacturers or particular products an antidumping investigation would supposedly help and protect.

We need to turn this picture around. The Commerce Department, which for decades has administered the U.S. textile quota program, and which houses the Bureau of the Census, surely has the basis to survey U.S. producers of apparel and to identify the specific products made for the commercial market. We assume that you already have this at your fingertips based upon the agency's mandate as chairman of the Committee for the Implementation of Textile Agreements (CITA), but at the very least that is what it should be doing now. That should have been the first step in developing a monitoring program. It cannot be the last step, especially when the implications of a monitoring program are so significant.

The monitoring program has very real consequences. By targeting broad categories of products made in Vietnam, it forces USA-ITA member companies to reconsider Vietnam as a sourcing option. At the very least, importers and retailers are looking at the calendar and mapping out worst-case scenarios, deciding what the earliest possible point in time is when Vietnamese products brought into the U.S. market could be subject to an additional bonding requirement or a dumping duty. It is not that any of us believe for one minute that the prices we have negotiated with our suppliers are dumped prices. Let me be clear: none of the prices are dumped. Yet we also know that Vietnam has been targeted and the Administration will be the subject of untold political pressure to take action.

One of the reasons such pressure can exist is that there is a vacuum of meaningful facts regarding the U.S. apparel industry. Instead, as a result of the Import Monitoring Program, there will be reams of information about the imports from Vietnam and that is the information that will be subject to analysis, speculation and allegation. According to your website, you are monitoring trade in 180 different tariff classifications. That is a lot of different products, although I have to note that in 22 of those classifications, it is already obvious that the monitoring is totally senseless. For those lines, less than 100 dozen garments – in some instances, a lot less (it's more like five dozen) -- were imported from Vietnam in January and February, making it a particularly absurd use of resources.

USA-ITA strongly urges the Department to act now to identify whether there is any basis for the monitoring program by focusing on what is produced in the United States, on a specific basis, namely on terms that parallel the classifications we are used to working with under the Harmonized Tariff Schedule. Therefore, before proceeding with monitoring imports, use your years of experience in the apparel sector and your resources to determine:

1. who makes what apparel products,
2. how much each of those entities makes,
3. for which market does each entity produce particular garments,
4. what is the economic condition of each of those entities, and
5. whether any company experiencing material injury at any point competes with products made in Vietnam and if so,
6. whether they believe that monitoring products of Vietnam or initiating an antidumping investigation against product of Vietnam will bring any benefits to their business.

Only when you have that base of information can you determine whether there is even a reason to conduct a monitoring program on a particular apparel product made in Vietnam. Perhaps there is, but if so, it is surely only for a much, much smaller universe of products than are currently being monitored.

My final point is simple. Neither import monitoring nor antidumping duties will bring one textile or apparel manufacturing job back to the United States. Futile measures that will only hurt U.S. businesses and American consumers without creating any benefits for U.S. manufacturers and workers should not – indeed, must not – be pursued. To head down the path of antidumping investigations against apparel made in Vietnam would be a dangerous step backward.