

**December 14, 2009**

Dear Representative/Senator:

The following organizations are writing to urge you to support H.R. 4284, which would extend the Andean Trade Preferences Act (ATPA) and the Generalized System of Preferences (GSP) for an additional year.

It is vitally important that these measures be extended before they expire on December 31 - in just a little over two weeks. Past experience shows that letting these programs lapse with the aim of renewing them retroactively is fraught with serious problems, not the least of which is harm to U.S. employment as well as key U.S. trade and foreign policy goals.

As you know, ATPA has enjoyed bipartisan support since 1992. A centerpiece of U.S. anti-narcotics policy in the region, the ATPA program currently grants preferential trade benefits to Colombia, Peru, and Ecuador. A lapse in these preferences, even for a short period, would threaten to undo many of our economic and foreign policy successes and objectives in the region.

Almost 2 million jobs in the United States and the region depend on ATPA preferences and the region has emerged an important market for U.S. exports.

For example, U.S. apparel imports from the Andean region that enter the United States duty-free under the program utilize U.S. cotton, yarns, and fabrics. In 2008 alone, U.S. cotton exports to the region totaled almost \$150 million, while U.S. yarn and fabric exports to the region in 2008 totaled \$160 million. However, faced with the uncertainty of continued trade benefits, some apparel production has recently shifted out of the Andean countries, depriving the region of much-needed jobs and U.S. cotton growers and U.S. textile workers of valued customers for their products. Extension of the Andean program is critical to ensure this region will regain its footing and provide an important bridge until the free trade agreement with Peru can be fully utilized and a similar agreement with Colombia be considered, approved, and implemented.

At the same time, we remain concerned that Ecuador has announced it will withdraw from the Bilateral Investment Treaty (BIT) with the United States. Such an action is disturbing and raises serious questions about Ecuador's ability to fulfill basic obligations that it has made and its commitment to a sound bilateral economic partnership. We urge continued and heightened attention to this issue by Congress and the Administration and expect that the review process afforded by this law will provide the opportunity to seek and secure needed improvements.

Through the GSP program, which has been renewed numerous times since it was created 35 years ago, the United States provides preferential access to the U.S. market for more than 5000 products that are not import-sensitive from more than 130 developing countries. This program has emerged as an important way for the United States to support economic growth and jobs throughout the developing world, including some of the poorest nations on earth. Because use of the programs is conditioned through eligibility criteria, such as labor, human rights, and intellectual property, the United States is able to advance important economic and foreign policy goals. At the same time, GSP matters to many American companies, including thousands of small businesses and the workers they employ. The duty savings granted by GSP lower costs of production for manufacturers in the United States, and they lower the costs of consumer goods sold to American families. These duty savings frequently make the difference between profitability and survival of American companies in a highly competitive U.S. marketplace. They also help smaller producers compete with much larger companies.

We urge that you support renewal of these programs.

Sincerely,

American Apparel & Footwear Association (AAFA)  
American Manufacturing Trade Action Coalition (AMTAC)  
Business Roundtable  
Coalition for GSP  
Emergency Committee for American Trade (ECAT)  
Fashion Accessories Shippers Association (FASA)  
National Cotton Council (NCC)  
National Council of Textile Organizations (NCTO)  
National Foreign Trade Council (NFTC)  
National Retail Federation (NRF)  
National Textile Association (NTA)  
Outdoor Industry Association (OIA)  
Retail Industry Leaders Association (RILA)  
SPESA (Sewn Products Equipment & Suppliers of the Americas)  
The Hosiery Association (THA)  
Travel Goods Association (TGA)  
U.S. Association of Importers of Textiles and Apparel (USA-ITA)  
U.S. Chamber of Commerce