



May 30, 2018

Dear Ambassador Lighthizer, Minister Freeland, and Minister Guajardo:

As you draw toward a conclusion of the negotiations to modernize and rebalance the North American Free Trade Agreement (NAFTA), we are writing to underscore our very strong support for several concepts that should be reflected in an updated agreement, particularly with respect to the rules of origin for textiles and apparel.

The agreement should support goods made in the NAFTA region while at the same time allowing flexibility in foreign sourcing so that the North American textile and apparel supply chain is strengthened. For example, the agreement should continue to permit companies to avail themselves of Tariff Preference Levels (TPLs), which support jobs, including union jobs in some cases. While press reports indicate that negotiators are considering adjusting these levels to account for actual trade flows, we ask that such adjustments not reduce market access, since any efforts to do so would come at the expense of North American textile and

apparel jobs. We also encourage that any such adjustments – particularly in the case of the U.S./Canada Northbound TPL – lead to an increase in TPLs that historically fill.

In addition, we remain concerned that the newly negotiated rule of origin may contain new onerous chapter notes, such as requirements that pocketing, elastics strips, or sewing thread now need to originate. Such changes, even though they may seem insignificant, add tremendous sourcing costs and compliance burdens when multiplied across the entire supply chain. They also artificially sever linkages that exist between NAFTA and our Central American partners by requiring companies to silo production to serve different markets. This undermines the competitiveness of North American companies and workers, putting more jobs in jeopardy.

Thank you for your consideration of these important views.

Sincerely,

American Apparel & Footwear Association  
California Fashion Association  
Canadian Apparel Federation  
Council of Fashion Designers of America  
National Retail Federation  
North American Association of Uniform Manufacturers and Distributors  
Outdoor Industry Association  
Promotion Products Association International  
Retail Council of Canada  
Retail Industry Leaders Association  
U.S. Fashion Industry Association  
International Brotherhood of Teamsters  
Teamsters Canada