

Congress of the United States
Washington, DC 20515

September 26, 2008

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are writing to ask that you take a critical step necessary to strengthen enforcement of our trade laws regarding China and to prevent a sudden loss of U.S. manufacturing jobs. We are writing specifically in regards to a likely surge in imports of subsidized manufactured products from China once the U.S.-China Textile Bilateral Agreement expires on January 1, 2009.

The need for stronger enforcement of trade with China has never been more evident. From problems with lead and other toxic substances in children's toys to recent trade cases that have revealed dozens of illegal subsidies, China is the leading violator of U.S. trade laws. On July 10, Customs and Border Protection announced the seizure of 1,000 containers of Chinese apparel illegally shipped through 10 different countries. China's behavior has severe consequences for U.S. workers – the U.S. – China Economic and Security Review Commission estimates that China's unfair trade practices have resulted in the loss of 1.5 million U.S. manufacturing jobs.

On January 1, 2009, the remaining quotas on textile and apparel imports from China will expire. We are asking you to increase enforcement efforts by extending the Textile Monitoring Program (TMP) currently in place with Vietnam to textile and apparel products from China, including the categories covered under the expiring bilateral quota agreement.

Less than three years ago, when the current quotas on China were briefly lifted, Chinese manufacturers dropped prices by an average of 40 percent and China's apparel exports surged by nearly 600 percent. Only the quick re-imposition of quotas prevented massive job losses for U.S. textile and apparel manufacturing, an employment sector totaling more than 500,000 workers. The stakes are just as high today and also extend to hundreds of thousands of workers in Africa, Central America and the Middle East who depend on exporting to the U.S. market. All told, over one million workers are at risk if China attempts to once again monopolize the U.S. market due to the removal of quotas. And there is good reason to expect that China will do so – in apparel products where China has not faced safeguards or a monitoring system, China has taken 60 percent of the U.S. market by dramatically under pricing all competition.

The TMP was created to impede countries from using subsidies to subvert the marketplace. When Secretary Schwab and Commerce Secretary Gutierrez announced the TMP, they explained that "Vietnam may continue to offer prohibited subsidies to the state run textile and apparel industry, which could result in unfair competition in this sector." Over the past year, the U.S. textile industry has identified 63 separate subsidy programs that the Chinese government gives to its textile sector. These programs include many new subsidies that China has created since the current safeguards were put in place.

As we have seen, the TMP can serve as a vital early warning system that allows the government to react quickly and decisively if dumping occurs, and we appreciate your commitment to monitoring prices from Vietnam through the remainder of the Administration. As importantly, the TMP can prevent illegal trade from getting started. As experienced with Vietnam, the TMP program injected a level of discipline on textile and apparel pricing practices, and through monitoring, no dumping actions have been necessary. The same rationale applies even more urgently to China, whose vast support for its textile sector has now been thoroughly documented.

We urge you to take this simple enforcement step to ensure that we have a strong and effective trade enforcement program for our workers.

Sincerely,

John Pratt Howard Coble Robin Hayes
Michael D. Michaud Phil Hane Steve Cohen
Jan Schukowsky Todd R. Platts Lynn Allen
Linda J. Sichey Steve Kagen, M.D. Hilda L. Solis
Tim Ryan Robert B. Aderholt Raul M. Grijalva
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