

September 25, 2009

The Honorable Hillary Clinton  
Secretary of State  
United States Department of State  
2201 C Street, NW  
Washington DC 20520

Dear Secretary Clinton:

As trade associations representing the fiber, textile, apparel, import, and retail industries whose members do billions of dollars in trade with Honduras and employ tens of thousands of workers who are dependent on this trade, we are writing to ask you to take immediate steps to help restore stability in that country. The crisis has caused commercial traffic to falter dramatically and textile and apparel plants in United States and Honduras are already being idled and workers told to go home. We urge the U.S. government to work with the Honduran government in order to ensure that commerce is fully restored in the region before the textile and apparel sectors of the U.S. and CAFTA region are further harmed.

The U.S.-Central America textile complex is a large interconnected textile platform where yarns, fabrics and other components often cross multiple country borders before the final garment is produced. A typical example is that within days of a retail order being placed, a cotton bale from Texas will be opened and spun into cotton yarn in a North Carolina textile mill, that yarn will then immediately be shipped to Honduras for knitting and then that knit fabric will be sent to a garment plant in El Salvador for sewing and shipping to the United States. The entire process takes only a matter of weeks – this quick turnaround time is a key strategy that textile and apparel producers have adopted to compete against Asia.

If any one of these segments is significantly interrupted – as has been occurring in Honduras - work quickly stops everywhere. Dozens of U.S. textile mills have already reported that work has been curtailed and plants have been partially or completely shut down. In the CAFTA region, the same impact is being felt at apparel plants across the region because they cannot get components from Honduras or get products through the port of Puerto Cortes, which is the principal port for CAFTA trade in the region.

To give you a sense of the size of the damage being inflicted, Honduras normally ships 39

million garments a week to the United States. These garments are almost exclusively made from yarns and fabric made in U.S. textile plants in North and South Carolina, Georgia and Alabama and from cotton grown in the United States. If Honduras cannot ship on a regular basis, then U.S. plants cannot spin yarn, U.S. textile mills curtail production and U.S. cotton cannot be used.

Even worse, because these volumes of trade are enormous, importers and retailers are being forced to make contingency plans to get orders from Asia if the disruptions are not resolved. With competition especially fierce in this economic climate, when an order is moved to Asia, it is often lost forever.

Textile and apparel trade with the CAFTA countries has already fallen sharply because of the global downturn and the region is already suffering tremendously. Since January, the region has lost one billion dollars in textile and apparel orders, forcing layoffs throughout the region and the United States. This new crisis in Honduras could not have come at a worse time. For the sake of U.S., Honduran and CAFTA textile and apparel workers, we strongly urge the United States government to take public steps to ensure that commercial ties are not interrupted and that this crisis be resolved through normal diplomatic means.

Sincerely,

American Apparel and Footwear Association (AAFA)

American Manufacturing Trade Action Coalition (AMTAC)

National Council of Textile Organizations (NCTO)

National Textile Association (NTA)

National Cotton Council (NCC)

US Association of Importers of Textiles and Apparel (USA-ITA)

Cc: The Honorable Ron Kirk, United States Trade Representative

The Honorable Gary Locke, Secretary of Commerce