

EU Tariff on US Women's Jeans – Action Alert

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Weeks before the US and the EU began negotiations for a free trade agreement (T-TIP), the EU made a decision to increase tariffs on specific US-made goods, including women's denim jeans. Increasing dramatically from twelve percent to nearly forty percent, this tariff has much of the US garment industry panicked. Premium denim manufacturers, who are largely stationed in southern California, have taken a big hit. Putting thousands of jobs at risk, the effects of this tariff are already being felt. Successful California denim manufacturers, like True Religion, have already begun to relocate.

In fear of forcing US manufacturers to move overseas, Democratic Reps. Xavier Becerra, Linda Sanchez, Lucille Roybal-Allard and Grace Napolitano recently wrote a letter to U.S. Trade Representative Miriam Sapiro urging the USTR make reducing tariffs on American-made denim a top priority in T-TIP negotiations. "The first blue jeans were made in California and apparel manufacturing plays an important role in our state's economy...Californian premium denim brands...support thousands of jobs and hundreds of small businesses...[they] have demonstrated that American apparel manufacturers, using American-made materials, can thrive in the intensely competitive global marketplace... this California success story has been imperiled by the imposition of new EU tariffs on American women's jeans." No official statements have been made from the Obama administration.

The letter can be found here:

<http://roybalallard.house.gov/news/documentsingle.aspx?DocumentID=335738>

For more information, contact Carlos Valderrama, 213.580.7570 or cvalderrama@lachamber.com

ACTION ALERT LETTER:

As a member of the L.A. Area Chamber, I am pleased to support our denim manufacturers push for reductions in the EU's newly imposed tariff. A tariff of almost forty percent, the actions taken by the EU greatly impedes the ability of our local premium denim manufacturers to succeed on American soil. As a highly successful industry in southern California, it is imperative that we keep these companies local and preserve the thousands of jobs and hundreds of businesses this industry has created.

Implemented on May 1st, 2013, successful California denim manufacturers, like True Religion, have already begun to relocate.

With fears of forcing US manufacturers to move overseas, Congressmen Xavier Becerra, Linda Sanchez, Lucille Roybal-Allard and Grace Napolitano recently wrote a letter to U.S. Trade Representative Miriam Sapiro pushing the USTR to make reducing tariffs on American-made denim a top priority in the upcoming EU-US Free Trade Agreement (T-TIP) negotiations scheduled to take place in early July.

I urge you, and the rest of City Council, to vocalize your support for our denim manufacturers and congressmen in the fight against this EU tariff.

See letter below:

Ambassador Miriam Sapiro
Acting United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Sapiro:

We appreciate and strongly support the Administration's efforts to bolster American manufacturing and boost American exports to markets around the world. Recognizing your interest in protecting and growing this critical sector of our economy, we write to express our serious concerns regarding the European Union's (EU) recent decision to impose new tariffs on women's jeans. These increased duties will unfairly disadvantage American denim makers, including popular denim brands based in California, and could lead to the loss of valuable manufacturing jobs. For that reason, we respectfully request that you work to end these tariffs and to ensure American denim manufacturers fair access to the European market in all future trade negotiations with the EU.

The first blue jeans were made in California and apparel manufacturing plays an important role in our state's economy. In recent years, Californian premium denim brands have grown in popularity, both domestically and internationally, and have successfully expanded to new markets in Europe and Asia. Collectively, these brands support thousands of jobs and hundreds of small businesses from sewing contractors to cutting services to dye and wash facilities to textile suppliers. California denim producers have demonstrated that American apparel manufacturers, using American-made materials, can thrive in the intensely competitive global marketplace.

Unfortunately, this California success story has been imperiled by the imposition of new EU tariffs on American women's jeans. On May 1st, the duties assessed by the EU on this category of products increased dramatically, jumping from 12 to 38 percent. The resulting price increase will push these jeans out of the reach of many European consumers, hurting American denim producers and putting California manufacturing jobs at risk. We fear that unless the new EU duties are rescinded, these businesses may be forced to consider relocating overseas. For these reasons, we strongly encourage you to seek a reduction in these duties and request that you make fair market access for American-made denim and other apparel products a priority in your upcoming trade negotiations with the EU.

We share President Obama's belief that given a level playing field, American businesses and workers can outcompete anyone. Unfortunately, the EU's actions have denied American denim makers a fair opportunity to succeed in the European market. Jeans are a quintessentially American product and we strongly believe they should continue be made here in America. We look forward to working with you to address the competitive barriers our denim producers face and to advance our shared goal of revitalizing American manufacturing.

Sincerely,

Rep. Lucille Roybal-Allard

Rep. Xavier Becerra

Rep. Linda Sanchez

Rep. Grace Napolitano

cc: Irving A. Williamson, Chairman, U.S. International Trade Commission