



February 12, 2007

Gloria Blue  
Executive Secretary  
Trade Policy Staff Committee  
By email: [FR0704@USTR.EOP.GOV](mailto:FR0704@USTR.EOP.GOV)

Re: Comments Concerning the 2005 WTO Ministerial Decision on Duty-Free Quota-Free Market Access for the Least Developed Countries

Dear:

On behalf of the Board of Directors of Consumers for World Trade (CWT), I am writing to express our concerns with the current "Duty Free Quota Free" proposal adopted during the Sixth Ministerial Conference of the WTO in December 2005. CWT supports elimination of tariff protection in multilateral negotiations, and applauds the pledge by many WTO members to eliminate tariffs and quotas on goods immediately from Least-Developed Countries (LDCs). We are, however, concerned that a figure of 97% duty-free and quota-free may be manipulated to create a program that offers little value to least-developed countries and American consumers. We therefore urge the administration to implement the duty-free, quota-free pledge meaningfully, with a good-faith program that abolishes the extraordinarily high tariffs on textile, apparel, footwear and some agricultural products now imposed on many LDC goods.

By way of background, CWT is a national, non-profit, non-partisan organization, established in 1978 to promote the consumer interest in international trade and to enhance the public's awareness of the benefits of an open, multilateral trading system to everyone's daily life. CWT is the only consumer group in America whose sole mission is to educate, advocate and mobilize consumers to support trade opening legislation.

As a consumer group, we strongly support the elimination of tariffs and non-tariff barriers to trade as a vehicle for providing Americans with a wide variety of competitively priced goods. Rapid duty-free and quota-free treatment for LDC goods can be an important step toward this goal. In 2003, Consumers for World Trade authored a study to examine the impact of high tariffs on the American consumer. That study, entitled "Protectionism in America: Watch your Wallet", found that non-agricultural tariff peaks were applied to

many textile and footwear products. For example, the tariff applied to a cotton T-shirt is 32% while the tariffs applied to low-priced rubber soled tennis shoes ranges from 37.5% to 48%. Our study further determined that spending on these textile and footwear products represents a larger share of spending by retirees (15%), families of four (14.6%) and minority households (14.5%).

With these statistics in mind, Consumers for World Trade advocates the elimination of all textile, apparel and footwear tariffs as part of a much needed policy to support struggling American families and seniors. However, we note that the current duty free quota free proposal offers duty free access on 97% of tariff lines from less developed countries (LDC). The vast majority of imports from least developed countries, as much as 98% by value, fall into a narrow range of about 250 tariff lines, or about 2.5% of the tariff lines in the HTS system. Some of these, principally natural resource products, have no tariffs or only minimal duties. Most of the rest are high-tariff products such as apparel and footwear. Depending on its implementation, this could exclude virtually all tariffed goods now imported from least-developed countries, and therefore yield little benefit for either LDCs or American consumers. If implementation of the duty-free-quota-free pledge is to have meaning, therefore, these latter goods must not be excluded.

As the Office of the United States Trade Representative develops its proposal for the DFQF we urge you to support the American family and consumers at large by including tariff lines for textile, apparel and footwear products.

We thank you for providing us with the opportunity to provide you with our comments on this proposal.

Yours truly,

Robin Lanier  
Executive Director  
Consumers for World Trade