

July 11, 2012

Shethir M. Riva
Chief, Research and Promotion Staff, Cotton and Tobacco Programs
AMS, U.S. Department of Agriculture
100 Riverside Parkway, Suite 101
Fredericksburg, VA 22406

**Re: Docket No. AMS-CN-11-0091
Cotton Board Rules and Regulations: Adjusting Supplemental Assessment on
Imports**

Dear Ms. Riva:

On behalf of the Retail Industry Leaders Association (RILA) and our members who import cotton, I am writing in opposition to the proposal to amend the Cotton Board Rules and Regulations by increasing the assessment on imported cotton. 77 Fed. Reg. 34855 (June 12, 2012).

By way of background, RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

In light of a similar increase and expansion of scope of the number of Harmonized Tariff Schedule (HTS) lines from 706 to 2,371 for the assessment late last year, RILA members question the need for yet another increase. An increased assessment on imported cotton so soon after the last increase would only serve to further escalate costs and unfairly burden the many companies within the cotton supply chain. RILA members estimate that this latest proposed increase and the September 2011 increase together would add an additional 30 percent to the fee that retailers pay for imported cotton, costing up to hundreds of thousands of dollars a year per company.

Adding yet another cost to the cotton supply chain so soon after the last assessment increase could have the unintended consequence of making the cost of cotton uncompetitive versus alternative materials for textiles and apparel. RILA appreciates the good work that the Cotton Board has done in advocating the use of U.S. cotton, but we believe that this proposal would have the opposite effect. An increased supplemental assessment on imported cotton, when added to already inflated cotton costs, creates an incentive for companies to rely less on cotton altogether—which runs counter to the Cotton Board's mission and basic mandate of encouraging its use. Companies who source cotton in foreign countries are presumably doing so for financial

and logistical reasons, and increasing assessment fees on top of the current cost of cotton could make using man-made fibers much more appealing.

RILA appreciates the opportunity to share our concerns with the Agricultural Marketing Services (AMS) on the proposed increased assessment on foreign cotton. We look forward to continuing to work with you on this and other important issues related to the Cotton Board. If you should have any questions about these comments, please contact me at stephanie.lester@rila.org or by phone at (703) 600-2046.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Lester". The signature is written in a cursive, flowing style.

Stephanie Lester
Vice President, International Trade