



UNITED STATES
ASSOCIATION
OF IMPORTERS
OF TEXTILES
AND APPAREL

June 15, 2009

Wal Merriman
Chairman of the Board
Australian Wool Innovation Ltd.
GPO Box 4177
Sydney NSW 2001
Australia

Dear Mr. Merriman:

We are writing as the four associations in the United States representing U.S. companies that account for the vast majority of wool apparel manufactured, imported, and sold in the U.S. market.

Over the past few months, renewed concerns have been raised regarding the continued practice in the Australian wool industry of mulesing merino lambs as a preventative measure against potentially fatal infestation by blow-fly maggots. As a result, an increasing number of companies in North America and Europe have signed letters, proffered by the People for the Ethical Treatment of Animals (PETA), that direct their suppliers not to use Australian wool.

This is a particularly unfortunate trend given that apparel retailers and brands rely heavily on Australia as the world's largest source of wool for the textile and apparel industries, and particularly as a critical supplier of finer-gauge wool. As such, it is very much in our respective interests to ensure a strong and supportive relationship between American textile and apparel manufacturers, importers and retailers, and the Australian wool industry.

On this point, we very much appreciate the cooperation AWI has shown in the past to address the mulesing issue by promulgating the statement of commitments, in which Australian wool producers promised to replace the practice of surgical mulesing with a commercially-viable alternative by the end of 2010. AWI and the Australian Veterinary Association also provided our member companies quarterly updates on progress toward that goal. Therefore, it is particularly puzzling and worrisome that, as we approach the 2010 date, we have not received any further updates in nearly a year. As a result, we are unclear whether other alternatives, even clips, will be widely available by the target date. In addition, the emphasis from the information we have received from AWI seems to have shifted from alternatives to surgical mulesing to touting the benefits of surgical mulesing with the analgesics program developed by Bayer Australia.

As retailers and manufacturers, we are in no position to judge the conflicting claims between AWI and PETA over the merits of particular animal-husbandry techniques. However, we are concerned that any appearance that the Australian industry no longer remains

committed to ending surgical mulesing by the target date as promised will only reinforce the allegations of animal-rights activists and spur more aggressive action against your customers - U.S. retailers and brands. This is particularly troubling as it is unclear whether the amount of fine-gauge wool from ceased-mulesed or non-mulesed sources is sufficient to meet market demand.

To forestall a broader campaign and ensure that Australia will continue to be a viable and key supplier of wool to the U.S. market, we urge you to take all necessary action to diffuse this situation and buttress confidence in the Australian wool brand. We also urge AWI to meet as soon as possible with our associations and member companies to address these concerns.

We look forward to hearing back from you at your earliest convenience.

Sincerely,



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