2018 USIFI/NFI INITIATIVES & GOVT RELATIONS ACCOMPLISHMENTS

2018 was a busy year for USIFI and NFI:

- Held Productive Joint DC Lobby Day
 - USIFI and NFI members joined forces in Washington, DC, April 24-25, 2018, to discuss textile issues
 with Congress and key Department of Commerce and Office of the U.S. Trade Representative
 policymakers.
 - O Lobby Day is an opportunity for USIFI & NFI members to nurture stronger working relationships with officials responsible for crafting, implementing, and administering policies that directly affect domestic manufacturers. These matters include the Berry Amendment, a law requiring the Department of Defense to buy textiles and clothing made only with U.S. content and labor, the renegotiation of the North American Free Trade Agreement (NAFTA), and several other issues in between.
 - O Ten companies participated in the 2018 event and USIFI and NFI Washington representatives Sara Beatty and Lloyd Wood organized 26 individual or group meetings for Lobby Day attendees with 13 House and 13 Senate offices, including a group meeting with <u>Senate Armed Services Committee</u> (SASC) majority and minority staff. Member-level meetings are denoted with an *.

SENATE OFFICE VISITS BY STATE

- 1. Sen. Joni Ernst (R-IA) *
- 2. Sen. Roger Wicker (R-MS)
- 3. Sen. Cory Booker (D-NJ)
- 4. Sen. Robert Menendez (D-NJ)
- 5. Sen. Richard Burr (R-NC)
- 6. Sen. Thom Tillis (R-NC)
- 7. Sen. Sherrod Brown (D-OH)
- 8. Sen. Rob Portman (R-OH)
- 9. Sen. Sheldon Whitehouse (D-RI) *
- 10. Sen. Lindsey Graham (R-SC)
- 11. Sen. Tim Kaine (D-VA)
- 12. Sen. Mark Warner (D-VA)
- 13. Sen. Jack Reed (D-RI) group meeting with SASC staff

HOUSE OFFICE VISITS BY STATE

- 1. Rep. Rod Blum (R-IA)
- 2. Rep. Trent Kelly (R-MS) *
- 3. Rep. Frank LoBiondo (R-NI) *
- 4. Rep. Donald Payne (D-NJ) *
- 5. Rep. Ted Budd (R-NC)
- 6. Rep. Patrick McHenry (R-NC) group meeting with House Textile Caucus staff
- 7. Rep. John Renacci (R-OH)
- 8. Rep. David Cicilline (D-RI) *
- 9. Rep. Jim Langevin (D-RI)
- 10. Rep. Tom Rice (R-SC)
- 11. Rep. Joe Wilson (R-SC) *
- 12. Rep. Phil Roe (R-TN)
- 13. Rep. Morgan Griffith (R-VA)
- Successful Government Procurement Lobbying Efforts

- o Continues to lead Berry Amendment Textile Coalition (BATC).
- Continued coordinated response to DuraFiber closure with respect to any DNAD (Domestic Non-Availability Determination).
- Fought to preserve the Berry Amendment in the FY 2019 National Defense Authorization Act (NDAA), H.R. 5515.
 - USIFI/NFI issued multiple action alerts during course of consideration of the bill.
 - Stopped all efforts to weaken Berry, including defeating proposals to:
 - Remove commercial items from Berry's ambit
 - Remove certain components like zippers, snaps and like items from Berry's ambit
 - BATC coordinated two textile/metals/labor letters opposing Berry attacks.
 - USIFI and NFI also sent their own joint action alerts to Capitol Hill supporting Berry in the NDAA fight.
- O Worked with the Commerce Dept. Bureau of Industry and Security (BIS) to provide information and publicize the first studies of the health, competitiveness, and the contribution of (1) the U.S. <u>textile</u> and <u>apparel</u> industry and (2) the <u>footwear</u> industry to the U.S. economy, respectively, that have been published since 2003.
- Answered questions from the U.S. Government Accountability Office (GAO) as part of the watchdog agency's <u>November 21, 2017 report</u> investigating the implementation of the Kissell Amendment.
- o Continued to support the Advanced Functional Fabrics of America (AFFOA) as part of the National Network of Manufacturing Innovation.
- Outreach to Trump administration and Congress on Trade Agenda
 - USIFI and NFI have been intensively engaging the Trump administration with respect to USIFI and NFI priorities in the NAFTA renegotiations.
 - News reports indicate positive movement on coated fabrics and narrow elastics priorities
 - USIFI is represented on the Industry Trade Advisory Committee (ITAC) 11 for Textiles by USIFI Board Member Patti Bates with Glen Raven. The ITACs advise the U.S. Secretary of Commerce and U.S. Trade Representative on trade policy.
 - USIFI/NFI Washington representatives stay in frequent contact with the U.S. negotiating team (USTR and Commerce) and policymakers to closely track trade policy developments, keeping member companies informed and providing advice on the industry segment's objectives.
 - o USIFI and NFI have been extremely active in working to influence the China 301 tariff process.
 - USIFI and NFI cosigned a comprehensive 24-page public comment on Section 301 tariffs
 - Provided feedback to USTR on proposed tariff lists and kept membership apprised of opportunities to weigh in directly
 - Successful in removing rayon fiber, certain dyes and chemicals, and most types of textile machinery utilized by member companies from the tariff lists
 - Remain focused on convincing the administration to cover textile and apparel end items
- Strong Engagement in Foreign Trade Zone Requests
 - There have been ongoing efforts since 2014 to oppose FTZ tariff savings applied for by Coleman Co for imports of nylon and polyester fabrics used to produce personal flotation devices.
 - USIFI and member companies heavily engaged in efforts to defeat an appeal by Coleman to reverse an initial ruling in our favor.
 - o The FTZ Board staff recently issued a final decision to reject Coleman's application.
- Active Participant in Miscellaneous Tariff Bill (MTB) Process
 - o Informed membership of key deadlines for submitting petitions for duty reductions or suspensions on manufacturing inputs like rayon and acrylic fibers not available in the United States.

- Informed membership of key deadlines and points of contact in the Commerce Department and International Trade Commission throughout the petition vetting process to identify and object to petitions covering products made domestically by USIFI and NFI member companies.
- Submitted letters of public opposition to 19 petitions that covered products made by USIFI and NFI members.
- Successfully argued against all petitions covering textile end items like tents and pet leashes that undergo no further processing in the United States and therefor provide not benefit to domestic manufacturing.
- o MTB, H.R. 4318, signed into law on September 13

Communications

USIFI and NFI Representatives Lloyd Wood and Sara Beatty:

- o Produced the DC Reporter Newsletter and Action Alerts on breaking issues
- Made Presentations at Expo and Outlook on the Divisions' efforts regarding trade and procurement policy
- O Conducted a conference call to prepare attendees for Lobby Day
- Conduced webinars on Berry and Trade
- Serve on an ongoing basis as an informational resource to help members answer questions and solve individualized problems such as clarifying trade agreement rules of origin, government procurement statute, customs enforcement concerns, etc