



U.S. Industrial Fabrics Institute
Narrow Fabrics Institute / May 2021

2021 Advocacy Day Recap

USIFI and NFI members joined forces April 13 and 14 to discuss textile policy issues with Congress and key executive branch policymakers. These dates were chosen to give USIFI and NFI members a chance to impact ripening issues, such as the FY 2022 National Defense Authorization Act (NDAA), and key international trade matters.

Advocacy Day is an opportunity for USIFI and NFI members to nurture stronger working relationships with officials responsible for crafting, implementing, and administering policies that directly affect domestic manufacturers. The two-day schedule began with a policy briefing by USIFI and NFI Washington representatives Sara Beatty and Augustine Tantillo and IFAI staff Janelle Buerkley and Linden Wicklund. This kick-off briefing was designed to orient company attendees as to the structure and logistics of the virtual meeting format used this year, as well as a review of the specific issues to be covered during our various congressional and executive branch meetings.

These matters included the need to bolster domestic PPE production; possible expansion of the Generalized System of Preferences (GSP) to textile products; the Berry Amendment, a law requiring the Department of Defense to buy textiles and clothing made only with U.S. content and labor; China trade issues including Uyghur Forced Labor; and other pressing issues such as renewal of the Miscellaneous Tariff Bill (MTB).

This annual advocacy event is also USIFI and NFI's best opportunity to showcase the dynamism of the U.S. technical textile sector. Policymakers are more receptive to input from industries that are forward-thinking and able to adapt to a changing marketplace. These officials want and need to hear how the U.S. textile industry is recapitalizing itself, innovating new commercial and military products, and exporting around the world.

Companies participating in the 2021 USIFI/NFI Lobby Day included:

- American Cord & Webbing Co. Inc.
- Bally Ribbon Mills

- Burlan Manufacturing, LLC
- e2 - E Squared
- Gehring Textiles
- Glen Raven Technical Fabrics
- Herculite Products Inc.
- Highland Industries
- MMI Textiles
- Murdock Webbing Co. Inc.
- Pivot Consulting
- Seaman Corporation
- Trans-Tex
- UNIFI Inc

Our first formal meeting was a joint session with officials from the U.S. Trade Representative's (USTR) office and the U.S. Department of Commerce (DOC). Special guests included:

- Bill Jackson, Assistant U.S. Trade Representative (USTR) for Textiles
- Janet Heinzen, Deputy Assistant U.S. Trade Representative (USTR) for Textiles
- Maria D'Andrea-Yothers, Director, U.S. DOC, Office of Textiles and Apparel (OTEXA)
- Rich Stetson, Deputy Director, U.S. DOC, OTEXA
- Kim-Bang Nguyen, Director, Export Promotion and Strategic Business Alliances, U.S. DOC

USTR and DOC officials detailed the current state of play with respect to the ongoing China 301 case related to intellectual property theft, import prohibitions of Chinese textiles tied to Uyghur slave labor atrocities, possible U.S. free trade negotiations with Japan, Kenya, and the United Kingdom, pending efforts in Congress related to a potential expansion of GSP to include textile and apparel items, and the need to renew the MTB.

Highlighting the Capitol Hill portion of the 2021 Lobby Day was a group meeting with:

- Alexandra Whittaker, Chief Counsel for the House Ways & Means Committee; and Erika Poitevien and John Catalfamo, House Ways & Means Trade Subcommittee staff

Advocacy Day participants were able to review the 2021 congressional trade agenda, covering both GSP and MTB among other issues with the Ways & Means staff.

After completion of these two initial meetings, USIFI and NFI company representatives worked through an agenda of 19 House and 18 Senate meetings as listed below. Member-level meetings are denoted below with an *.

Senate Office Visits by State

1. Sen. Rubio (R-FL)
2. Sen. Markey (D-MA)
3. Sen. Warren (D-MA)
4. Sen. Burr (R-NC)
5. Sen. Tillis (R-NC)
6. Sen. Menendez (D-NJ)
7. Sen. Gillibrand (D-NY)
8. Sen. Schumer (D-NY)
9. Sen. Brown (D-OH)
10. Sen. Portman (R-OH)
11. Sen. Toomey (R-PA)
12. Sen. Casey (D-PA)
13. Sen. Reed (D-RI)*
14. Sen. Whitehouse (D-RI)*
15. Sen. Scott (R-SC)
16. Sen. Graham (R-SC)
17. Sen. Blackburn (R-TN)
18. Sen. Hagerty (R-TN)

House Office Visits by State

1. Rep. Frankel (D-FL-21)
2. Rep. Keating (D-MA-09)*
3. Rep. Butterfield (D-NC-1)
4. Rep. Foxx (R-NC-5)*

5. Rep. Budd (R-NC-13)*
6. Rep. Manning (D-NC-6)*
7. Rep. McHenry (R-NC-10)*
8. Rep. Van Drew (D-NJ-2)*
9. Rep. Payne (D-NJ-10)*
10. Rep. Delgado (D-NY-19)
11. Rep. Stefanik (R-NY-21)*
12. Rep. Gonzalez (R-OH-16)*
13. Rep. Dean (D-PA-4)
14. Rep. Perry (R-PA-10)*
15. Rep. Cicilline (D-RI-1)
16. Rep. Langevin (D-RI-2)
17. Rep. Duncan (R-SC-3)
18. Rep. Rice (R-SC-7)
19. Rep. Harshbarger (R-TN-1)*

The various policy matters that populated the 2021 Advocacy Day agenda and key takeaways from the nearly 40 separate Advocacy Day meetings are discussed in greater detail as part of the rest of this newsletter.

Thank you to all member companies who participated and to Linden Wicklund, IFAI Director of Events and Member Programs; Janelle Buerkley, Division Manager; Jill Newman, Education & Events Manager; and Megan Firl, Education & Events Coordinator, for their indispensable oversight and logistical assistance in organizing 2021 Advocacy Day.

National Defense Authorization Act

As always, a high priority agenda item for Advocacy Day is support for the Berry Amendment as part of the annual National Defense Authorization Act (NDAA). This year, we were fortunate to have an opportunity to thank our congressional allies for language in last year's NDAA that made a much-needed adjustment to the contracting threshold for the Berry Amendment.

As you are likely aware from previous member reports, the FY 2021 NDAA contained language that reduced the contracting threshold for Berry Amendment purchases from

\$250,000 to \$150,000. In addition, the bill tied future Berry threshold increases to increases to the Consumer Price Index (CPI). Advocacy Day gave us a direct opportunity to express our gratitude to members of Congress who supported this important procurement change and to inform them that we estimate that it will enable the Berry Amendment to capture an additional \$50 million worth of textile and apparel orders annually.

We expanded that discussion to a broader review of the overall value of the Berry Amendment, noting that it ensures the U.S. military's ability to source high-quality, innovative textile materials, apparel, and personal equipment from a vibrant U.S. textile industrial base.

Finally, we engaged congressional offices on the issue of Per-and-polyfluoroalkyl substances (PFAS). Described by some as "forever chemicals" PFAS are used in numerous manufacturing applications, including textiles, where they impart various performance enhancing characteristics to fabrics such as strength, durability, heat-resistance, stability, oil, and water repellency, and enhanced cleanability.

Environmental groups are intensifying calls for greater regulation of PFAS due to links in some instances to water table contamination. Specifically, there is growing pressure to prohibit federal procurement, including defense items of products treated with PFAS.

In our meetings, we explained that there are close to 5,000 different PFAS chemicals, the vast majority of which have not been linked to environmental concerns. As such, we stressed that prohibiting the use of all PFAS, as opposed to those specific chemicals that are problematic, would unnecessarily impair the domestic textile industry's ability to supply materials that meet the high-level performance characteristics demanded by the modern U.S. military. Further, we noted that the U.S. textile industry does not utilize the specific PFAS chemicals that have been associated with significant environmental hazards.

Instead, we urged congressional offices to adopt a science-based process to regulate PFAS on the characteristics of individual chemicals, not as a single class. Doing so will ensure that specific PFAS chemicals actually found to present adverse environmental consequences are individually targeted and removed from DOD procurement activity, rather than the entire family of PFAS as a whole.

International Trade

Once again, various international trade issues comprised a significant component of the Advocacy Day agenda. Three key issues were raised in our various meetings, including:

Miscellaneous Tariff Bill (MTB) – Advocacy Day participants pressed for renewal of the MTB, which temporarily reduces or eliminates import duties on specified raw materials

and intermediate products used in manufacturing that are not produced domestically. This legislation helps ensure that U.S. manufacturers are not unnecessarily disadvantaged compared to foreign competitors when sourcing vital manufacturing components. The previous version of the MTB expired December 31, 2020, and renewal of this program should be considered as part of a broader package of unresolved trade matters that Congress will likely address early this summer.

The MTB is critical to many U.S. manufacturers of technical textiles and narrow fabrics, since they often use components, such as acrylic and rayon, that are unavailable from domestic sources. USIFI and NFI members did caveat that the MTB should not be used to grant duty preferences on finished products. Finished products are fully processed and ready for sale to consumers with no need for further value enhancement through domestic manufacturing. Granting reduced or suspended duty status to finished goods directly undermines U.S. manufacturers of that or a competitive product's upstream component parts and works at cross purposes with the stated intent of the MTB.

Generalized System of Preferences (GSP) - GSP, which also expired at the end of 2020, provides duty-free access to the U.S. market for developing countries on a range of designated products. GSP has historically precluded the vast majority of textile and apparel products; however, importers, brands, and retailers are currently proposing expanding GSP eligibility to include all textile and apparel products.

Advocacy Day participants expressed strong opposition to GSP expansion to textiles and apparel, since this program would give lucrative, duty-free treatment to major textile exporters, such as Pakistan. Doing so would afford non-reciprocal tariff-free treatment for products that compete directly with goods made domestically and by partners in free trade agreement (FTA) countries that use U.S. textile inputs. This approach would severely damage U.S. and FTA-regional manufacturing and hamper the U.S. government's ability to negotiate improved market access for U.S.-made products in future FTAs.

In their various meetings, USIFI and NFI members pressed Congress to oppose any expansion of GSP eligibility to include textile and apparel products and instead recommended that GSP be approved only as a straight renewal, without change in its existing terms. Similar to the MTB, Congress is likely to consider some version of GSP renewal when it addresses a broader package of trade related matters, possibly this summer.

China Forced Labor – Rounding out the trade-related agenda, USIFI and NFI members expressed strong support for U.S. Customs and Border Protection's (CBP) recently-issued ban on imports of cotton produced in the Xinjiang Uyghur Autonomous Region (XUAR) as well as downstream products containing XUAR cotton.

The Chinese government has been found to be engaged in a systemic program of atrocities against Uyghur and other Muslim minority groups in XUAR ranging from forced labor camps to genocide. The XUAR is the major cotton, textile, and apparel production center in the country, accounting for 84 percent of China's total cotton production and 20 percent of the entire world's cotton crop. Further, China is far and away the largest global producer and exporter of textile products. The U.S. government has determined that the region's government-controlled industries systematically employ forced labor to manufacture goods in the XUAR, including medical personal protective equipment.

USIFI and NFI members called for additional assertive action to eradicate forced labor from all global textile supply chains.

Medical Personal Protective Equipment (PPE)

In light of developments over the last year, Advocacy Day participants highlighted industry efforts to retool to produce PPE to assist in the COVID-19 response and address the severe shortages that occurred due to an overreliance on China for these products.

The pandemic has opened eyes to the need for a recalibration of our federal policies around PPE, and we shared recommended changes to support industry efforts to reshore this product sector and create long-term self-sufficiency in this space:

- Approve a buy-American rule for medical PPE similar to the Berry Amendment used by the Department of Defense
- Require long-term federal PPE contracts with U.S. producers for PPE to provide contract stability and incentivize capital investments needed to expand domestic production
- Establish a "Best Value" contracting basis for federal PPE procurement, rather than the lowest price
- Create federal incentives, such as tax credits and improved Medicaid reimbursements, for private sector purchases of American-made PPE

There are a number of proposals circulating on Capitol Hill incorporating these ideas, and the U.S. textile industry has been directly involved in supplying input to shape these proposals. We specifically urged that House members cosign H.R. 1466 – the American Supply Chain Integrity Act – introduced by Patrick McHenry of North Carolina and Bill Pascrell of New Jersey, who are also the co-chairs of the House Textile Caucus. This bill takes a whole-of government approach to domestic PPE procurement and would extend a Berry Amendment-like rule to all PPE purchased by the Departments of Health and Human Services, Homeland Security, and Veterans Affairs

If you have any questions regarding Advocacy Day 2021 or USIFI and NFI's Government Relations program, please reach out to Division Manager, [Janelle Buerkley](#).

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