

Washington Policy Update

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USINFI Advocacy Efforts

- USINFI engages in the federal policy arena on behalf of domestic technical textile & narrow fabric manufacturers.
- We track and analyze textile policy matters in Congress and within key government agencies:
 - U.S. Trade Representative's Office
 - Commerce Department
 - Department of Defense
 - Customs & Border Protection

USINFI Advocacy

- Once critical policy issues are identified, we work with the USINFI Board and association members to define an organizational position
- We then communicate our policy positions to congressional members, relevant congressional committees & key federal agencies
- We also work with broader industry coalitions to strengthen our effectiveness

USINFI Advocacy Days

- Held in Washington, D.C. - March 5-6, 2024
- Visited with Capitol Hill offices and met with key USTR and U.S. Commerce Department officials
 - 32 Separate Meetings
 - 18 Industry & USINFI Staff Participants
 - 11 Member Companies
 - 8 Different States Represented

Agenda

- Trade Policy
- Government Procurement
- PFAS – “Forever Chemicals”
- Q & A



Textile Trade Policy

Miscellaneous Tariff Bill

- Congress working to renew the MTB, which expired December 31, 2020
- Bill provides duty suspensions/reductions for products not available in the U.S.
- USINFI supports MTB, with retroactivity, due to important provisions related to acrylic and rayon fibers not available domestically
- USINFI opposes the inclusion of fully finished textile products, which is a misuse of the MTB system

Generalized System of Preferences

- GSP provides U.S. duty-free treatment for “Least Developed” countries – program expired Dec. 31, 2020
- GSP has traditionally excluded textiles, importers are requesting their inclusion as part of renewal
- Rep. Carol Miller (R-WV) introduced the Expedited Review of Products for GSP Act, which was passed by House Ways & Means Committee April 17
- Would allow duty-free imports from major textile exporters including Pakistan, Cambodia, Indonesia, and others

De Minimis Tariff Waivers

- Individually-packaged goods valued under \$800 and shipped direct to consumer come in duty free
- E-commerce retailers exploit de minimis to import 4 million packages daily / 1 billion in FY2023
- Superhighway for slave labor goods, IPR violations, unsafe goods, fentanyl
- Over 50% of de minimis imports are textiles and apparel, and China is biggest beneficiary

De Minimis Reform Urgently Needed

- U.S. textile industry is part of a broad coalition pressing Biden administration & Congress to close de minimis
- Working on a range of reforms such as decoupling e-commerce
- Various White House and legislative initiatives being considered
- House Ways & Means advanced bill by Rep. Greg Murphy (R-NC) to exclude goods subject to 301 tariffs; approach has shortcomings

Customs Enforcement

- Lack of enforcement contributing to current poor business climate / decreased demand for U.S. textiles; 14 plants have closed
- DHS Secretary Mayorkas unveiled plan in April for stepped up enforcement:
 - Robust inspections and enforcement of UFLPA;
 - Expanding audits and foreign verifications of our FTA rules of origin;
 - Increasing inspections/testing of small packages claiming de minimis;
 - Expanding UFLPA Entity List to publicly identify bad actors in textile sector; and
 - Building stakeholder awareness.
- Welcome plan as a first step and committed to ensuring its success

China Section 301 Tariffs

- 4-year statutory review underway – decision overdue
- USINFI positioning has been to support continuance and ramping up of 301 penalty tariffs, while allowing for exclusions on inputs and machinery not available elsewhere
- Support letting the remaining PPE finished product exclusions expire given U.S. and nearshore PPE capacity (exclusions currently expire May 31)
- Tariffs on Chinese textiles are important partial offset to unfair trade practices and incentivize diversification



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Government Procurement

USINFI Procurement Priorities

- Preserve the Berry Amendment – Defense
- Preserve the Kissell Amendment – Homeland Security
- Create Buy-American PPE Preferences
- Prevent Contracting Preference Concessions in Trade Negotiations

Procurement Victories

- Simplified Acquisition Threshold (SAT)
 - Decreased Berry threshold from \$250K to \$150K; \$50 million in contacts
 - Included in FY 2021 National Defense Authorization Act (NDAA)
- Make PPE in America Act
 - Berry rule for PPE for DHS, HHS, VA with minimum 2-year contracts
 - Signed into law in \$1 trillion Infrastructure bill approved in Dec. 2021
- Homeland Procurement Reform Act
 - Small business set-aside for 1/3 of DHS purchases of apparel, PPE, and footwear
 - Signed into law in as part of FY 2023 NDAA

FY 2025 NDAA

Our priorities in FY 2025 NDAA:

- Support Berry Amendment (\$1.8 billion annually in military textile purchases)
- Support measured approach to PFAS regulation

NDAA Outlook

- Drafting underway in both chambers
- House normally advances a bill first, with target of Memorial Day
- In recent years Congress has routinely missed the NDAA's Sept. 30 deadline

Make PPE in America Act

- HHS, DHS, VA required to buy U.S.-made PPE since Feb. 2022
- Implementation is virtually non-existent
- House Veterans Affairs Committee held oversight hearing in Sept. and letters have gone to VA

Per- or Polyfluoroalkyl Substances (PFAS)

What are PFAS?

- PFAS are organic, fluorinated chemicals
- Nearly 9,000 types of PFAS
- Used by virtually all manufacturing sectors including textiles
- Some PFAS are linked to serious environmental issues
- Growing calls to ban all PFAS treatments in products procured by the federal government, including DOD

PFAS – Industry Response

- In textiles, PFAS provide durability, heat-resistance, oil and water repellency, & enhanced cleanability
- Textile sector does not use the specific types of PFAS directly tied to environmental issues
- Essential for many military, PPE & first responder products
- Requesting a precise approach that regulates those PFAS found to be harmful as opposed to the entire PFAS family



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Questions



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Thank You!

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