

News Release

For Immediate Release:
Thursday, July 28, 2005

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**Textile-State Members Provide Critical Margin in CAFTA Vote
NCTO Thanks Congressional Supporters for Saving Textile Jobs
NCTO Looks Forward to Working with Administration on China,
Doha and other Textile Issues**

Washington DC) NCTO hailed the passage of the DR-CAFTA agreement last night and thanked key textile supporters who provided the margin of victory. Jim Chesnutt, Chairman of NCTO, said:

“The passage of DR-CAFTA means that the jobs of U.S. textile workers are more secure today than they were yesterday. U.S. textile companies will now have a permanent duty-free platform to ship billions of dollars worth of yarns and fabric. CAFTA is a key component of the industry’s long term competitive strategy.

NCTO wants to thank our congressional supporters who provided important momentum leading up to the vote. These representatives took the time to analyze the agreement and, where they found flaws, they insisted upon changes that resulted in a much better deal for U.S. textile workers. As a result of these changes, there was no longer a legitimate reason for textile-state members to oppose CAFTA on the grounds that it would be harmful to this industry.

Recognizing that the industry needed this agreement to compete against China, many members of Congress made the right decision and took a courageous step by voting for passage of CAFTA. These members took politically difficult stands on this industry’s behalf and we sincerely thank them for their courage and resolve.

We also want to thank Commerce Secretary Gutierrez and Ambassador Portman for their continued willingness to work with NCTO and its member companies to find constructive ways to address the industry’s concerns. This dialogue has already produced significant results, including the quick implementation of safeguards against China in the largest apparel categories. It was also indispensable in finding solutions to the remaining loopholes in the CAFTA agreement.

Finally, NCTO would like to thank its member companies for working so hard to make this victory possible. NCTO member companies were determined throughout this entire process to find creative solutions to all of these issues that directly affect their livelihood. Their engagement with members of Congress and the Bush Administration has produced decisive results for the entire textile manufacturing base.

We look forward to ongoing engagement with the Administration and our supporters in Congress on the critical issues facing this industry. These include upcoming FTAs, China safeguards and the Doha

Round negotiations. And we also look forward to working closely with all the parties to quickly implement the pocketings and linings and Nicaragua TPL amendments to the agreement.”

Key textile-state members who supported U.S. jobs by voting for this agreement: Reps. Joe Bonner (AL-1), Terry Everett (AL-2), Mike Rogers (AL-3), Robert Aderholt (AL-4), Spencer Bachus (AL-6), Jack Kingston (GA-1), Tom Price (GA-6), John Linder (GA-7), Lynn Westmoreland (GA-8), Nathan Deal (GA-10), Phil Gingrey (GA-11), Robin Hayes (NC-8), Sue Myrick (NC-9), Henry Brown (SC-1), Joe Wilson (SC-2), Gresham Barrett (SC-3), Bob Inglis (SC-4), Bill Jenkins (TN-1), John Duncan (TN-2), Zach Wamp (TN-3), Jim Cooper (TN-5), Marsha Blackburn (TN-7), John Tanner (TN-8).

CAFTA IS IMPORTANT TO THE U.S. TEXTILE INDUSTRY

- The CAFTA region is the second largest market for U.S. yarns and fabrics. The U.S. textile industry exported more than \$4 billion in textiles and apparel to Central America in 2004.
- Apparel imported to the U.S. from this region has on average more than 70 percent U.S. content, while apparel imported from China has less than 1 percent U.S. content. CAFTA will help ensure that apparel makers in Central America continue to use U.S. yarns and fabrics and will help prevent this business from being lost to Asia.

IMPORTANT FACTS ABOUT THE U.S. TEXTILE INDUSTRY

- The U.S. textile industry continues to invest aggressively in capital improvements and this has been a cornerstone of the industry's competitive strategy. Industry has invested \$34 billion in new equipment in the United States over the past ten years.
- The U.S. textile industry is the 3rd largest exporter of textile products in the world - more than \$14 billion last year – with exports to more than 55 countries around the world, including China.

The U.S. textile industry supplies more than 5,000 products to the U.S. military and maintaining the ability to supply these products is critical to our national security