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August 5, 2010

Textile Industry & SEIU Urge Renegotiation of Textile Text in KOREA FTA

- Bias In Original Bush Text Favors Korean Exporters – Would Lead to US Job Losses

Washington DC) A coalition of textile groups and the Service Employees International Union (SEIU) urged the Obama Administration to re-open the textile portions of the Korea FTA in order to avoid large scale job losses. The National Council of Textile Organizations (NCTO) and other groups pointed out that the hurried conclusion of the talks in 2007 led to critical errors that would hurt U.S. textile manufacturers and cause large scale job losses in the United States. The industry pointed out that as a major supplier to the auto industry it shares concerns regarding the auto text and that the textiles text is also critically flawed.

NCTO Vice Chairman Bill Jasper, CEO of Unifi, Inc. noted that his company would be hurt if the Korean FTA passed with the current provisions intact. Jasper said, "Today, Unifi, as well as many other textile companies, are hiring back workers and increasing our investments in our U.S. plants and equipment. However, as they stand now, the textile portions of the Korea FTA are fundamentally tilted in favor of the Korean industry and would hurt my company and many others. We urge the Obama Administration to correct these mistakes and preserve employment in this country."

Jasper pointed out three critical errors that were made in the textile portions of the text: 1) Large and competitive Korean producers were given immediate and sometimes asymmetric duty free access to the U.S. market in sensitive textile categories; 2) the customs enforcement text is weak and will encourage massive fraud, and 3) the rule of origin for textiles and apparel gives benefits to China and other countries for a number of important products. In urging the renegotiation, Jasper explained that "exposing sensitive portions of the industry to immediate duty phase-outs is simply a recipe for rapid job losses and plant closings in the United States."

In a joint letter by NCTO, the American Manufacturing Trade Action Coalition (AMTAC), the American Fiber Manufacturers Association (AFMA), the National Textile Association (NTA), the United States Industrial Fabrics Institute (USIFI) and the Service Employees International Union (SEIU) to Ambassador Ron Kirk, the group pointed out that the Bush Administration textiles text does not meet the high standards that President Obama has set for a 21st century trade agenda and therefore should be renegotiated.

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