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## **NCTO Hails Introduction of Textile Enforcement and Security Act of 2011**

*17 Members of Congress Re-introduce Textile Specific Customs Enforcement Legislation*

Washington, DC) – Congressmen Larry Kissell (D-8<sup>th</sup>; NC) and Walter Jones (R-3<sup>rd</sup>; NC), along with U.S. Representatives Howard Coble (R-6<sup>th</sup>; NC), Peter DeFazio (D-4<sup>th</sup>; OR), Renee Ellmers (R-2<sup>nd</sup>; NC), Virginia Foxx (R-5<sup>th</sup>; NC), Tim Holden (D-17<sup>th</sup>; PA), Marcy Kaptur (D-9<sup>th</sup>; OH), Daniel Lipinski (D-3<sup>rd</sup>; IL), Jim McGovern (D-3<sup>rd</sup>; MA), Patrick McHenry (R-10<sup>th</sup>; NC), Mike McIntyre (D-7<sup>th</sup>; NC), Mike Michaud (D-2<sup>nd</sup>; ME), Sue Myrick (R-9<sup>th</sup>; NC), Mike Rogers (R-3<sup>rd</sup>; AL), Betty Sutton (D-13<sup>th</sup>; OH), and Lynn Westmoreland (R-3<sup>rd</sup>; GA) reintroduced the Textile Enforcement and Security Act (TESA), H.R. 2754, in the House yesterday.

“We applaud Representatives Jones (R-NC) and Kissell (D-NC) for taking the lead on this important issue. Strong enforcement of our trade laws is imperative to the creation and preservation of jobs in the small towns and rural communities where our members operate,” said NCTO President Cass Johnson. “And we look forward to working with Senator Hagan (D-NC) over the recess to introduce the companion bill in the Senate,” added Johnson.

The TESA legislation seeks to increase U.S. Customs and Border Protection enforcement activities as well as trade facilitation through improved targeting, increased resources, and enhanced authority.

“Our industry and its workers have seen job losses due to Customs fraud grow dramatically over the last decade as unscrupulous importers and producers have progressively discovered the loopholes in our enforcement rules and regulations. At the same time, U.S. Customs has significantly reduced resources dedicated to fighting textile fraud. Fraud schemes include undervaluing goods, illegally claiming FTA preference, illegally transshipping goods, as well as front or ghost companies that pose as U.S. manufacturers. These schemes cost textile jobs at home while also cheating the U.S. government out of more than a billion dollars in uncollected duties and penalties every year,” said Johnson.

CBP collects over \$30 billion in revenue annually, making it the second largest revenue generator for the U.S. government. Forty two percent of all duties, more than \$12 billion, are collected by CBP from textile imports.

The TESA legislation addresses many of these key concerns by providing U.S. Customs with expanded authority to better target these goods, while also giving them additional tools and resources to increase their commercial enforcement efforts and reduce the prevalence of fraud that is occurring and damaging the U.S. textile industry sector.

The bill includes provisions that would:

- Increase the number of trained import specialists in textile and apparel verifications at the 15 largest U.S. ports.
- Mandate the government publish names of companies that intentionally violate the rules of trade agreements.
- Allow Department of Homeland Security and Department of Treasury to use amounts from the fines and penalties collected to pay for expenses directly related to investigations and/or training.
- Instruct the U.S. government to establish an electronic verification program that tracks yarn and fabric inputs in free trade agreement countries.

- Establish a Textile and Apparel New Importer Program and a Nonresident Importer Program
- Establish a Textile and Apparel Manufacturing and Supplier Registry.

### **Key Facts about the U.S. Textile Industry**

- The U.S. textile industry is one of the largest manufacturing employers in the United States. In 2010, the overall textile sector, from fibers to final garments and other textile products, employed nearly 600,000 workers. Textile companies alone employed 255,000 workers.
- The U.S. textile sector is the third largest exporter of textile and apparel products in the world with exports growing 19 percent in 2010 to more than \$20 billion.
  - U.S. textile exports support a textile and apparel platform created by the NAFTA/CAFTA/Andean free trade areas that now employs nearly two million workers.
- The U.S. textile industry supplies more than 8,000 different textile products each year to the U.S. military.
- The U.S. textile industry has a long history of creating innovative, hi-tech products, from heart valve prosthesis and nanotube body armor to non-iron apparel and moisture wicking athletic wear.
- The U.S. textile industry invested more than \$15 billion in new plants and equipment from 2001 to 2009. U.S. textile shipments totaled \$51 billion in 2010.
- The U.S. textile industry increased productivity by 45 percent over the last 10 years, making textiles one of the top industries among all industrial sectors in productivity increases.
- In 2010, textile workers on average earned 155% more than clothing store workers (\$559 per week vs. \$219) and received health care and pension benefits.

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