

<p>Pressed for Key Industry Objectives in NAFTA and Broader U.S. Trade Policy Reviews</p>	<p>NCTO supplied advice to U.S. government agencies renegotiating the North American Free Trade Agreement (NAFTA). Our input focused on the importance of eliminating unnecessary exceptions to the yarn-forward rule of origin, properly applying existing Buy American provisions like the Kissell Amendment in government procurement practices and increasing focus on customs enforcement. Six formal negotiating rounds were held in 2017. In addition to NAFTA, NCTO engaged in a number of trade policy reviews initiated by the Trump administration including causes of the U.S. trade deficit, U.S.-China trade relationship, trade agreement abuses, and the U.S.-South Korea Free Trade Agreement.</p>
<p>Blocked Harmful Changes to the Berry Amendment</p>	<p>The FY2018 National Defense Authorization Act process had an unprecedented number of attacks on the Berry Amendment due to Sen. John McCain and his allies who view Berry unfavorably. Original Senate proposals included a simplified acquisition threshold increase to \$1 million; an exemption for “wearable electronics” from Berry; and a grant of authority to the Secretary of Defense to waive Berry when only one domestic source is available. As part of the final bill approved by House and Senate, NCTO, our coalition partners, and Capitol Hill allies were successful in eliminating all harmful provisions, with the exception of the SAT increase, which was pared back considerably to \$250,000.</p>
<p>Supported Renewal of MTB Process and Fought Damaging Petitions</p>	<p>Having lapsed in 2012, the Miscellaneous Tariff Bill (MTB) process was renewed by Congress in 2016 with the strong support of NCTO. NCTO members were encouraged to take full advantage of the new process by filing MTB petitions for necessary manufacturing inputs not available from U.S. producers. As part of this process, NCTO worked directly with member companies, the Commerce Department, and International Trade Commission to thoroughly review hundreds of MTB petitions and register objections to petitions that would directly hurt U.S. textile manufacturers. Final passage of the legislation is pending.</p>
<p>Continued an Industry-Wide Public Relations Campaign</p>	<p>NCTO reoriented its “American Textiles: We Make Amazing™” campaign to a brand journalism model. Under this effort, NCTO published a 2017 edition of Textures magazine, garnered an ad equivalency value of more than \$3 million in earned media, engaged in a Twitter, Facebook, and LinkedIn social media campaign, produced a quarterly NCTO Newsletter, and moved the weekly blog Textiles in the News to a new platform powered by Meltwater. Finally, NCTO built a new brand journalism website with newsfeed and original content scheduled for launch in early 2018.</p>
<p>Represented Industry with DLA; Supported Commerce Department Competitiveness Report</p>	<p>NCTO introduced the industry to the new Director, Defense Logistics Agency (DLA), and Commander, DLA-Troop Support in Philadelphia, which buys more than \$1.7 billion in clothing, textiles and equipment annually for Warfighters. NCTO represents the industry on the Commander’s “C&T Partners,” a group of suppliers that fosters open discussion to improve the acquisition process. NCTO also worked with DLA on a potential shortage of high tenacity polyester yarn, a component in critical items such as shelters. NCTO held a webinar for the Commerce Dept. Bureau of Industry and Security to present initial findings of its study on the competitiveness of the domestic textile industry, especially as it relates to the Berry Amendment. Earlier NCTO provided industry tours for BIS investigators and access to key industry leaders for details about the industry. The final report is expected to be released in early 2018.</p>
<p>Supported AFFOA</p>	<p>As a charter member of the Advanced Functional Fabrics of America (AFFOA), NCTO participated in meetings showcasing AFFOA’s state-of-the-art advanced manufacturing facility for prototyping fabrics. Two new commercial-ready product platforms were revealed: 1) a programmable backpack that allows the user to associate and share content-dependent information through the backpack using a smart phone app, and 2) fabric in a cap to deliver information beamed from ceiling lights and converted into sound directed to the wearer through earbuds. NCTO continues to work closely with AFFOA staff to provide vital information about the textile industry and responds to industry questions about membership in AFFOA.</p>
<p>Engaged on Regulatory Issues</p>	<p>At the request of the Board, the NCTO Regulatory and Standards Committee continued to provide timely updates about chemical and other regulations that impact the industry. State-level regulatory activity affecting textiles is increasing rapidly, due in part to the administration’s reduced emphasis on federal regulations. Over half of the state legislatures have either finalized or considered regulations impacting the textile industry and its customers. NCTO continues to monitor state and federal regulatory activities and alert members when key issues arise.</p>
<p>Customs Enforcement Efforts</p>	<p>Building on the Trump administration’s stated intention to focus on commercial customs enforcement, NCTO’s Capitol Hill allies sent a letter signed by 11 House Members asking the Department of Homeland Security and Customs and Border Protection (CBP) how they plan to increase textiles and apparel customs enforcement.</p>
<p>TextilePAC Raised Industry Profile in Washington</p>	<p>The TextilePAC is an important aspect of NCTO’s advocacy efforts in Washington. Thanks to the active participation of NCTO member companies, the TextilePAC raised \$157,000 and contributed a combined \$124,500 to candidates for the House and Senate in 2017.</p>