

<p><b>Completed NCTO Leadership Transition &amp; Hosted Listening Sessions</b></p>	<p>As new NCTO President &amp; CEO, Kim Glas led regional industry roundtables and listening sessions of fiber, yarn, fabric and industry support council members. New staff additions were introduced to members: Kristi Ellis, VP of Communications, Rebecca Tantillo, Digital Projects Manager and Don Vavala, Director of Procurement and Technical Affairs. The new NCTO staff heard from members on industry opportunities and challenges and their suggestions for NCTO's overall strategy moving forward. We thank the membership for their support throughout this transition.</p>
<p><b>Secured Congressional Passage of USMCA</b></p>	<p>NCTO led efforts to improve textile provisions in the NAFTA renegotiation and engaged heavily in the push to bring the U.S.-Mexico-Canada Agreement (USMCA) to a vote. NCTO advocacy produced new usage requirements for regional components, such as sewing thread and pocketing; tariff preference level reductions; closure of the Kissell Amendment Buy-American loophole; and stronger customs enforcement tools. The revamped agreement was signed into U.S. law in January 2020 and awaits ratification in Canada prior to entry into force.</p>
<p><b>Advocated for a Strong Berry Amendment</b></p>	<p>During consideration of the 2020 National Defense Authorization Act, NCTO pressed Congress to adopt provisions that would strengthen the Berry Amendment. As a result, the House Armed Services Committee has required DoD to review the domestic non-availability determination (DNAD) waiver process and brief the committee on the program's current levels of effectiveness and transparency. We also marshalled strong bipartisan, bicameral support for fixing the Berry threshold.</p>
<p><b>Fought Expansion of GSP to Textiles &amp; Apparel</b></p>	<p>In 2019, brands and importers revived a concept to extend duty-free preferences on textiles and apparel to developing countries through the Generalized System of Preferences (GSP) program. NCTO joined with Western Hemisphere allies to voice strong, united opposition to undermining our negotiated FTA structure. Our active lobbying efforts produced op-eds; letters of opposition from Congress, regional industries and embassies; and numerous meetings with stakeholders—successfully preventing a bill from being introduced.</p>
<p><b>Engaged in China 301 Tariff Process</b></p>	<p>NCTO supported the Trump administration's Section 301 case against China's intellectual property abuses, testifying on and submitting written comments documenting the damaging effects of China's IP theft on U.S. textile manufacturers. NCTO advised placing tariffs on finished products, such as apparel and home furnishings, which would bring greater benefit to the North American textile supply chain. NCTO also advocated for an exclusion process for manufacturing inputs not available domestically. USTR reached a Phase 1 deal with China in December 2019.</p>
<p><b>Continued Industry-Wide Public Relations</b></p>	<p>NCTO expanded its efforts to amplify the voice of the American textile industry through a multi-pronged communications strategy. Through internal efforts, NCTO generated an ad equivalency value of more than \$3.6 million in earned media. Adding to important assets such as NCTO.org and the weekly Textiles in the News (TIN) newsletter, NCTO launched a new blog at <a href="http://www.textilesinthenews.org">www.textilesinthenews.org</a> and debuted a weekly press roundup.</p>
<p><b>Fostered Improved Textile Customs Enforcement</b></p>	<p>CBP Executive Assistant Commissioner Brenda Smith spoke to attendees of NCTO's Annual Meeting in March, highlighting the agency's renewed engagement with the domestic textile industry on customs enforcement. This engagement includes regular meetings between NCTO and CBP personnel to improve industry-agency communication and collaboration on e-allegations and improve dialogue on CBP's enforcement efforts.</p>
<p><b>Joined Formaldehyde Toxic Substance Control Act (TSCA) Consortium</b></p>	<p>In early 2019, the EPA proposed formaldehyde, an important ingredient in textile finishing, as one of 20 high priority chemical substances for upcoming risk evaluations and potential regulation. In response, the American Chemical Council formed the Formaldehyde TSCA Risk Evaluation Consortium, which has been coordinating industry interests, providing a discussion forum and ensuring that industry participation is coordinated and complete. Consortium participation is open to all NCTO members.</p>
<p><b>Grew NCTO Military Activities</b></p>	<p>NCTO continues to engage directly with the Defense Logistics Agency (DLA), the DoD procurement arm that buys almost \$2 billion in clothing &amp; textiles annually. NCTO participated in numerous DLA planning and information-sharing forums including DLA Troop Support's Clothing &amp; Textiles partners meetings and DLA Industry Day at DLA headquarters in Virginia. NCTO was one of only six associations invited by the DLA Director to join his industry association advisory group.</p>
<p><b>Raised Profile with TextilePAC</b></p>	<p>The TextilePAC is a vital aspect of NCTO's advocacy efforts in Washington. Thanks to the active participation of NCTO member companies, the TextilePAC raised \$135,661 and contributed a combined \$111,500 to candidates for the House and Senate in 2019.</p>
<p><b>Supported MTB Process &amp; Petition Vetting</b></p>	<p>NCTO members were encouraged to engage in the new MTB cycle by filing petitions. NCTO worked with member companies, the Commerce Department, and International Trade Commission to review hundreds of MTB petitions and register objections to petitions that would directly hurt U.S. textile manufacturers. In 2020, NCTO will continue to work on behalf of its members to advance petitions on needed inputs while blocking harmful petitions on end items.</p>