



September 9, 2020

The Honorable Richard Neal  
Chairman  
House Ways and Means Committee

The Honorable Kevin Brady  
Ranking Member  
House Ways and Means Committee

The Honorable Charles Grassley  
Chairman  
Senate Finance Committee

The Honorable Ron Wyden  
Ranking Member  
Senate Finance Committee

Dear Chairmen Neal and Grassley and Ranking Members Brady and Wyden:

On behalf of the National Council of Textile Organizations (NCTO) and the National Cotton Council (NCC), we are writing to reiterate our support for a seamless extension of the Caribbean Basin Trade Partnership Act (CBTPA) in its current form beyond its September 30, 2020 expiration date.

Since its inception in 2000, CBTPA has been an important element of the effort to develop and facilitate trade within the Caribbean Basin region by expanding the pre-existing Caribbean Basin Economic Recovery Act (CBERA) to provide a structured system of textile and apparel duty preferences for certain CBERA countries, most notably Haiti. Specifically, this trade program benefits the U.S. textile industry by providing a reliable, and growing, export market for U.S.-grown cotton, U.S.-spun yarn, and other textile materials of U.S. origin.

Further, this trade preference program is properly structured in that it values the inclusion of U.S. content, providing a mutual benefit to the U.S. industry and the Caribbean Basin region economies. It's important to renew this program in a timely fashion to help ensure that we do not disrupt U.S. yarn spinning operations that supply CBTPA partners, especially in an economic environment that has been challenged as a result of COVID-19.

For a more detailed examination of CBTPA's provisions, trade flows, and impact on U.S. textile producers, see NCTO's [linked submission to the U.S. International Trade Commission](#) as part of their 2019 study of CBERA's "Impact on U.S. Industries and Consumers and on Beneficiary Countries." As emphasized in NCTO's recent testimony before the [Ways and Means Trade Subcommittee on Manufacturing and Critical Supply Chains: Lessons Learned from COVID-19](#), our support of CBTPA renewal is a function of our overall backing of trade policies that strengthen the critical Western Hemisphere production chain.

Our support, however, is contingent upon CBTPA renewal not being tied to other unrelated trade and tariff provisions that would be detrimental to U.S. and regional manufacturers, such as an expansion of Generalized System of Preferences (GSP) benefits to textile and apparel products. GSP expansion would redirect critical

benefits intended for participants in CBTPA and other U.S. preference and FTA partners to foreign competitors in Asia that already enjoy considerable and growing U.S. apparel import market share.

Thank you for your consideration of our comments, and please let us know if we may provide any further information.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly Glas". The signature is fluid and cursive.

Kimberly Glas  
President & CEO  
NCTO

A handwritten signature in black ink that reads "Gary M. Adams". The signature is fluid and cursive.

Gary Adams  
President & CEO  
NCC