United States Senate
WASHINGTON, DC 20510

September 28, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear President Biden:

We write to raise the alarm regarding troubling trade and economic trends with devastating implications for U.S. textile and apparel manufacturing. In response, we request that you immediately convene an interagency meeting with key leadership from the U.S. Trade Representative, Department of Commerce, Department of Homeland Security, Department of the Treasury, and the National Security Council to identify the root problems, develop robust and urgent solutions, and engage directly with U.S. industry and our regional allies.

Specifically, this high-level interagency engagement should be immediately focused on:

1) Stepping up enforcement of forced labor-subsidized textiles and apparel flooding into the U.S. marketplace from China and other Asian suppliers, and reported customs fraud undermining manufacturing in our Western Hemisphere free trade agreement regions;
2) Reviewing all available executive authorities and rulemaking processes to end duty-free treatment for Section 321 de minimis e-commerce shipments of textiles and apparel that are the product of forced labor supply chains, especially given the import sensitivity of this sector to U.S. and regional suppliers; and
3) Identifying readily available trade remedies and safeguards that can be utilized to mitigate the damage to U.S. and regional textile manufacturers by China's predatory trade practices and provide expedited relief to U.S. manufacturers and workers.

We and other congressional leaders are willing to join this meeting and engage with the administration on this critically important initiative.

The U.S. textile industry is a vital domestic industrial base for key U.S. national security, health care, and economic priorities, and has been designated a Priority Trade Issue by Congress. U.S. textile production is the foundation of our Western Hemisphere textile and apparel co-production chain, responsible for over 500,000 U.S. jobs with $39 billion in annual shipments. Domestic producers are a critical part of the military's warm industrial base, supplying over 8,000 items of mission critical gear and clothing annually to our war fighters, and are an essential component of U.S. health care security as our only domestic supply chain for critical personal protective equipment and other health supplies. Without a domestic textile industry, a vulnerable U.S. would be reliant on third parties to supply all of these essential products.

Unfortunately, after decades of victimization by Chinese economic and trade predation, today our domestic textile manufacturers and workers find themselves attempting to recover from the pandemic while facing unprecedented demand destruction. This is largely a result of China's aggressive and illegal practices of transshipment, undervaluation of cheap products, forced labor, skirting tariffs and penalties, and countless other tactics that are undermining U.S. supply chains. Without urgent action, we will be unable to head off a coming disaster that will substantially undermine textile and apparel production and employment in the U.S. and throughout the Western Hemisphere.

U.S. and regional manufacturers are also increasingly being forced to compete against duty-free shipments of Chinese goods made with forced labor that enter the U.S. under our de minimis tariff waiver system. Although forced labor products and Xinjiang cotton are both explicitly prohibited from entering the United States commercial marketplace, these items not only enjoy streamlined access to the U.S. but do so duty-free when sent under Sec. 321 de minimis provisions, a wide-open loophole in Uyghur Forced Labor Prevention Act (UFLPA) enforcement. Currently, nearly 3 million de minimis packages arrive in the U.S. daily, paying no duties and bypassing inspection. Half of those packages are estimated to contain textile and apparel products, and news reports indicate that these items include apparel made from Xinjiang cotton and forced labor.[1]

Furthermore, U.S. textile manufacturers maintain longstanding concerns regarding both the general enforcement of our trade laws under our various free trade agreements, and what many see as a troubling decline in enforcement activities. For example, in FY 2022 CBP reported roughly half as many total on-site and hybrid visits to conduct verification inspections of global textile and apparel production facilities, as well as for CAFTA-DR countries, as in FY 2019. In addition, UFLPA enforcement activities for textiles, apparel, and footwear appear to be slowing.

The economic situation facing domestic and regional textile and apparel supply chains is an urgent priority. We stand ready to engage with the administration through a high-level interagency process that develops an immediate, whole-of-government action plan necessary to address this serious situation.

Sincerely,

Thom Tillis
United States Senator

Sherrod Brown
United States Senator

Ted Budd
United States Senator

Tim Scott
United States Senator

JD Vance
United States Senator

Lindsey O. Graham
United States Senator

[1] See https://www.bloomberg.com/news/features/2022-11-21/shein-s-cotton-clothes-tied-to-xinjiang-china-region-accused-of-forced-labor

United States Senate

WASHINGTON, DC 20510

Raphael Warnock
United States Senator

Ben Ray Luján
United States Senator

cc: Treasury, Commerce, USTR, NSC, DHS