



May 25, 2010
Embargoed until 1:30 PM ET

MEDIA INQUIRIES:
Jackie Ray, NCTO
(202) 822-8027 or jray@ncto.org

U.S. Textile Industry Applauds Introduction of Textile Enforcement and Security Act of 2010

*Congressman Larry Kissell and 21 Members of Congress Introduce
First Ever Textile Specific Customs Enforcement Legislation*

WASHINGTON, DC – The Textile Enforcement and Security Act of 2010 (TESA), the first ever textile specific customs enforcement legislation, was introduced today by Congressman Larry Kissell (D-NC), along with U.S. Representatives Walter Jones (R-NC), John Spratt (D-SC), Howard Coble (R-NC), Rick Boucher (D-VA), Phil Hare (D-IL), Mark Schauer (D-MI), Christopher Carney (D-PA), John Duncan, Jr. (R-TN), Patrick McHenry (R-NC), Mike Michaud (D-ME), Robert Aderholt (R-AL), Mike McIntyre (D-NC), Bob Etheridge (D-NC), Michael Rogers (R-AL), Thaddeus McCotter (R-MI), Virginia Foxx (R-NC), Bob Inglis (R-SC), Sue Myrick (R-NC), Betty Sutton (D-OH), Daniel Lipinski (D-IL), and Linda Sanchez (D-CA).

“The Textile Enforcement and Security Act of 2010 is a vital piece of legislation that is greatly needed as textile and apparel fraud is increasing at our ports and borders. This legislation will provide our U.S. customs with the necessary tools, resources and direction to effectively enforce our trade laws and help to bring a level playing field to U.S. workers,” said Bill Jasper, President, Unifi, Inc.

“A decade ago, our industry employed more than one million workers throughout the Southeast. Today, we employ just one-half of those employees and I can testify with absolute certainty that our industry was forced to lay off at least half of those employees due to illegal shipments of yarn and fabric entering into the United States through CAFTA and our other preference regions illegally. Strong and effective enforcement of our trade agreements is paramount to ensuring that the intended beneficiaries of the agreement are afforded the access provided under an FTA,” said Anderson Warlick, President, Parkdale Mills, Inc.

The U.S. textile industry is the third largest exporter of textile products in the world, with over \$13 billion in exports last year. With majority of these exports going to free trade agreement (FTA) and preference program partners, the industry relies heavily on strong customs enforcement for its livelihood. During the last decade, the industry has seen a disturbing increase of fraudulent activity;

from front companies posing as legitimate U.S. companies, to undervalued goods, to illegal preference and free trade agreement claims.

The Textile Enforcement and Security Act of 2010 seeks to address these issues and close the loopholes currently being used by illegal and fraudulent players by providing U.S. Customs with additional resources and expanded authority to better target these bad actors. The bill includes provisions to:

- Establish an electronic verification of textile and apparel imports;
- Allow the Department of Homeland Security to use fines and penalties to help pay for investigations and training;
- Increase staff at high volume ports for textiles and apparel imports; and
- Establish a nonresident importer program to ensure that resident agents are held accountable for products imported under their name.

“This is a case where our U.S. government needs to really evaluate our border security and import verification systems. By better targeting these shipments and players through an effective risk assessment program, you can better facilitate trade and properly manage enforcement,” said Cass Johnson, President, National Council of Textile Organizations (NCTO).

The U.S. Customs and Border Protection currently collects more than \$25 billion in duties annually; with more than 42% of the duties collected through textile and apparel imports. As a result, the U.S. Customs continues to designate the industry as a Priority Trade Issue for the department.

“The entire U.S. textile supply chain benefits when trade enforcement becomes more reliable. This legislation establishes a clear, firm national priority for effective and efficient enforcement, assuring that honest players will not be unfairly disadvantaged by fraudulent competitors. TESA’s passage will bring immediate positive results to companies, workers, and their communities. The American Fiber Manufacturers Association urges swift enactment,” said Paul T. O’Day, President & Counsel, American Fiber Manufacturers Association (AFMA).

“Robust customs enforcement is another ‘must have’ to encourage investment in the United States and elsewhere in North America. TESA provides assurance to U.S. producers that U.S. Customs will have the tools they need to stop job-destroying fraud and other criminal activity. That’s the kind of government action that can help create U.S. jobs,” said Auggie Tantillo, Executive Director, American Manufacturing Trade Action Coalition (AMTAC).

“Too many hardworking men and women in the U.S. textile and apparel industry have lost their jobs to unfair trade practices like customs fraud. For the 400,000 Americans still working in the sector, cracking down on customs fraud would send a strong signal that Congress is serious about jobs,” said Eddie Smith, Chairman, National Cotton Council (NCC).

###