

January 29, 2021

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

We, the undersigned, are writing in support of your COVID-19 efforts and onshoring initiatives intended to establish and strengthen U.S. personal protective equipment (PPE) supply chains. We appreciate your strong commitment to onshore these critical supply chains and want to be an active partner in these critical efforts. Together with organized labor, we represent the entirety of the U.S. textile and nonwovens production chain from fiber to finished products, which employs nearly 600,000 workers nationwide, and produces almost \$76 billion in domestic output annually.

When our country faced devastating challenges in responding to COVID-19, U.S. industry answered America's call. Our industry and its workers quickly mobilized to find innovative solutions to the crisis by proactively retooling production lines and retraining workers to provide American-made PPE to front-line medical workers. At a time when global supply chains broke down and left healthcare workers without ready access to desperately needed medical gear and supplies, these domestic manufacturers stepped up, retooling supply chains overnight to manufacture and supply millions of urgently needed textile and nonwoven components and end items, such as face masks, surgical gowns, isolation gowns and testing swabs.

The heroic efforts of the U.S. textile industry and its exemplary workforce throughout this crisis clearly demonstrate that domestic industry has the technical capabilities and capacity to make the United States self-sufficient in terms of our national PPE needs. However, the permanence of this self-sufficiency is dependent on the development of government policies designed to help domestic manufacturers survive the current economic crisis and incentivize the long-term investment needed to bring PPE production back onshore. If appropriate policies are not implemented, the valuable and substantial progress made over the past year to onshore a vibrant PPE industry will evaporate in the face of China's global manufacturing dominance in the PPE sector.

We strongly support the Biden administration's commitment to onshore these critical supply chains and help provide the robust funding necessary to ensure our healthcare workers have the lifesaving products they need. Consequently, we believe that any overarching COVID-19 legislative relief package should include the following policy initiatives to construct a self-sufficient PPE industry in the United States:

Establish a "Berry Amendment for PPE": We must create strong domestic procurement rules for federal PPE purchases substantially similar to the existing Berry Amendment, which is utilized by the Department of Defense. The Berry Amendment, a domestic procurement law which ensures a warm U.S. industrial base capable of servicing our men and women in uniform, is the model America needs to follow to establish a permanent public health industrial base that will adequately safeguard our public health. Taxpayer dollars should not go to China and other offshore PPE producers, only to have those same producers withhold access to vital supplies and equipment in the face of global shortages. Applying strong procurement rules across all

government purchases of PPE will unequivocally lead to substantial investment in this sector and help continue the onshoring of this industry.

In that regard, we strongly endorse a bipartisan bill, the American PPE Supply Chain Integrity Act (H.R. 7841), which was sponsored by Rep. Patrick McHenry (R-NC) and Rep. Bill Pascrell (D-NJ) last year. This bill, which will be reintroduced in the 117th Congress, creates a Berry Amendment-like procurement rule for all federal PPE purchases. We view this bill as essential to help onshore some of these critical supply chains.

Incentivize private sector purchases of U.S.-made PPE: While federal purchases certainly support domestic production, the marketplace for American-made PPE must be as broad as possible to build and sustain our capacity. Once the current pandemic subsidies, our private sector has every incentive to chase the cheapest price for Chinese-made PPE. China's state-owned and subsidized PPE sector will use exploited labor and unfair pricing advantages to dominate the U.S. market and disincentivize PPE investment on the part of American companies. Without federal incentives, such as tax credits or tying larger health providers' Medicaid reimbursements to domestic PPE purchasing commitments, our hospitals and communities will face the same PPE shortages when the next public health emergency arrives.

Provide funding assistance for companies to reconstitute domestic PPE supply chains: As previously stated, many American textile companies moved swiftly to recalibrate their production to build supply chains for PPE and other vital medical supplies. These actions were undertaken at their own expense and without guaranteed purchase orders. The federal government should provide grants to these and other U.S. companies that took the initiative to repurpose their factories and purchase equipment as part of our national pandemic response. Further production grants and tax credits will support future investments in domestic PPE production.

Beyond your support for these legislative initiatives, we believe that you should expeditiously implement the following administrative actions to establish a set of best procurement practices to incentivize domestic PPE production and investment:

- As part of your Executive Order to help strengthen domestic procurement of PPE and critical supplies across federal agencies, we would also urge an Executive Order requiring federal PPE contracts be awarded for products manufactured under Berry Amendment criteria, until Congress passes a statutory change for this purpose.
- Use "Best Value" as opposed to "Lowest Price" selection criteria for PPE awards to ensure that U.S. manufacturers are not continually undercut by subsidized offshore suppliers who use pennies-per-hour labor or forced labor to manufacturer competing product.
- Require government contracts be given to those who have demonstrated past performance capabilities and financial capabilities.
- Issue long-term government contracts for critically needed items to create an enduring demand signal to U.S. industry to invest.
- In instances where U.S. production capacity has been exhausted for specific products, give contracting priority for PPE awards to Western Hemisphere trade agreement supply chains for compliant and qualifying products.
- Use the Defense Production Act to help reconstruct a fully viable U.S. PPE production chain.

- Establish a central contact point for all federal PPE and Strategic National Stockpile supply chain purchases that will engage regularly with industry and unions on priority needs.

In conclusion, the U.S. textile industry and the labor organizations that represent our workforce stand ready to construct a domestic public health supply chain fully capable of meeting our current and future national PPE needs. The policy recommendations outlined in this letter provide a strong roadmap toward meeting the critical goal of national PPE sufficiency. These recommendations have the added benefit of bolstering the overall U.S. manufacturing workforce and increasing the national security of the United States from current and future threats. We want to work with your administration to prioritize onshoring of critical supply chains, including PPE – and value the opportunity to collaborate on this critically important goal to make it a reality.

We are deeply committed to working with you not only bolster our emergency healthcare readiness, but to strengthen our overall national security as well. In doing so, we will allow our nation and our front-line medical workers to be fully prepared to address the next severe healthcare crisis without the need to rely on unpredictable and undependable foreign supply lines.

Sincerely,



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