

## Customs Enforcement

NCTO pressed all corners of the government to step up enforcement against China's and other foreign competitors' unfair trade practices causing damage to U.S. textile producers from Uyghur Forced Labor Prevention Act (UFLPA) violations to false origin claims to abuse of "de minimis" tariff waivers. These efforts included meeting directly with Department of Homeland Security (DHS) Secretary Alejandro Mayorkas, which led to the unveiling of a textile enforcement plan by DHS in April. NCTO actively engaged with the plan, providing tips to investigators; highlighting increased penalties and onsite verifications from 38 in FY22 to 136 in FY24; and amplifying the expansion of the UFLPA entities list from 30 to 144 companies as well as the development of in-house CBP isotopic testing capabilities.

## Military Activities

NCTO worked with members of Congress to advance the Fiscal Year 2025 National Defense Authorization Act, which helps to preserve the Berry Amendment supply chain, and secured critical language authorizing the Department of Defense (DOD) to build up a textile stockpile and directing the agency to disclose all waivers for the procurement of textiles made outside the United States. NCTO continued to press DOD to require certain home textiles goods on military installations to be procured domestically.

## Make PPE in America

After two years of tireless advocacy for the full implementation of the Make PPE in America Act – legislation that enforces Berry Amendment rules for nearly all federal PPE purchases, guaranteeing minimum two-year contracts – the administration awarded its first contracts under this statute in September. Two NCTO members secured one of these pivotal contracts that are expected to benefit the entire U.S. supply chain. NCTO will continue to advocate on the industry's behalf to help secure additional contracts for domestically produced PPE.

## TextilePAC Impact

The TextilePAC is a vital aspect of NCTO's advocacy efforts in Washington. Thanks to the active participation of NCTO member companies, in 2024 the TextilePAC raised \$147,605 and contributed a combined \$213,500 to candidates for the House and Senate during the most recent two-year election cycle.

## Onshoring/Nearshoring

NCTO continued to promote policies to expand the industry in the U.S. and broader Western Hemisphere, a key export destination for 70% of U.S. yarns and fabrics. In September, NCTO President Kim Glas highlighted the USMCA co-production chain at the CANAINTEX conference in Mexico. NCTO staff also engaged with Central American textile organizations, advancing plans to support the over 2.6 million workers in the region. NCTO maintained ongoing discussions with administration officials to develop win-win strategies for increasing regional co-production, expanding U.S. textile export opportunities, and preserving yarn-forward rules of origin in free trade agreements.

## PFAS Regulation

Federal and state regulators have intensified scrutiny of PFAS chemicals in the wake of growing environmental concerns with certain applications, such as fluorinated polymers used in fire suppressing foams. These concerns have resulted in initiatives in Congress, the Biden administration, numerous state governments, and abroad to tightly regulate PFAS chemicals individually and as a class. NCTO's FluoroTechnology Working Group worked with congressional allies to keep language out of the FY 2025 NDAA that would have banned Defense Department procurement of PFAS-treated textile and apparel products.

## MTB

With congressional action to renew the Miscellaneous Tariff Bill (MTB) pending since 2020, NCTO continued to lobby the Hill for MTB renewal through congressional fly-ins and industry letters to Congress. This advocacy remains a core part of NCTO's ongoing efforts to secure the renewal of the MTB as quickly as possible.

## China Tariffs

NCTO continued to engage with USTR on the Section 301 case addressing China's intellectual property violations. In May, USTR confirmed continued tariffs on Chinese textiles and apparel and increased tariffs on select PPE imports. NCTO urged the administration to not only preserve but to better utilize and further increase tariffs to counter China's unfair trade practices, protect American jobs, and restore U.S. competitiveness in this strategic sector. NCTO will keep providing critical input as USTR's efforts progress.

## De Minimis Reform

NCTO continued its full-court press to address importers circumventing the U.S. tariff schedule through the Section 321 de minimis tariff waivers for vast volumes of consumer products. NCTO led the formation of the Coalition to Close the De Minimis Loophole, a broad alliance united to end de minimis abuse. As a result of the industry's advocacy, the Biden administration published a rulemaking proposal in its final days to disallow de minimis entry for any product subject to penalty tariffs, including Section 301 tariffs on China. Considerable progress was also made in Congress to further awareness of the dangers of de minimis and secure bipartisan support for serious legislative reforms. Efforts are ongoing to urge the incoming Trump administration to use its executive authority to fully close de minimis and Congress to reach a bipartisan consensus in 2025.

## Farm Bill

After securing a one-year extension of textile-related farm bill programs for 2024, NCTO continued to press lawmakers to fully renew these programs in a new Farm Bill. In May, House Agriculture Committee Chair Glenn Thompson (R-PA) introduced a comprehensive Farm Bill that proposed increasing the EAATM cotton payment rate to \$0.05/lb. and would create a new "Agriculture Fiber Products Trust Fund" with subdivisions for wool and Pima cotton, funded at \$50 million. NCTO voiced strong support for these measures and will continue pressing for extension of these crucial programs.

## Communications Efforts

Amplifying the industry's policy objectives and their importance to the U.S. economy remained a key part of overall NCTO communications engagement. Our efforts targeted the administration, key congressional offices and staffers, and federal agency officials as well as the media with engagement on social media; through digital content, social media, direct outreach to journalists. These efforts combined generated an ad equivalency value of more than \$17 million based on the most recent data available.

## NCTO Membership Recruitment

The Membership Recruitment Committee met monthly to develop and conduct active recruitment efforts. Committee members invited recruits to information sessions, gave presentations on the support NCTO provides, and performed follow-up with interested parties. In 2024, 15 new members joined NCTO.