

Customs Enforcement

NCTO continued to press 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 UFLPA violations to false origin claims to abuse of "de minimis" tariff exemptions. These efforts included meeting with DHS Deputy Secretary Troy Edgar and CBP leadership. **NCTO will keep pushing for greater transparency and accountability in CBP's enforcement activities, including through regular publication of textile enforcement statistics and increased information sharing with the industry.**

Berry Amendment

NCTO worked with members of Congress to advance the industry's priorities in the FY 2026 NDAA aimed at preserving the Berry Amendment supply chain and countering legislative proposals that would threaten it. **NCTO secured language that encourages the DOD to invest in domestic manufacturing to improve the domestic textile and industrial base, requires increased oversight over Berry Amendment contracts, mandates an assessment of the industrial base, and establishes an assurance program to ensure boot quality and durability standards.** NCTO met with top DLA/DOD leadership to address the need to backfill emergency orders and to reform contracting practices to secure the Berry Amendment supply chain. NCTO continues to push for an executive order to expand the Berry Amendment to all federal government agencies.

PPE

NCTO continued to fight to secure industry contracts for domestically produced PPE after implementation of the Make PPE in America Act. Persistent advocacy on the urgent need to end the nation's reliance on imported PPE and to invest in the procurement of PPE domestically helped lead to the administration's launch of a Section 232 national security investigation on imported PPE and medical consumables. **NCTO submitted comments to the administration on the investigation and has helped shape the administration's review of the impacts of imported PPE on domestic manufacturers.**

TextilePAC Impact

Thanks to the active participation of NCTO member companies, in 2025 the TextilePAC raised \$124,049 and contributed a combined \$213,500 to candidates for the House and Senate during the most recent two-year election cycle to support NCTO's advocacy efforts in Washington.

Onshoring/Nearshoring

NCTO promoted policies to preserve and expand the industry in the U.S. and broader Western Hemisphere, a key export destination for 70 percent of U.S. yarns and fabrics. 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 U.S. free trade agreements. **Crucially, NCTO spurred the administration to exempt USMCA qualifying goods from IEEPA tariffs.** NCTO testified in support of maintaining the trilateral agreement and strengthening it to combat customs fraud and predatory trade practices at the USMCA public hearing in December.

Reciprocal Tariffs

NCTO worked with the Trump administration to shape the president's "America First" reciprocal trade policy agenda. NCTO urged the administration to utilize tariffs strategically to counter unfair trade practices, protect U.S. jobs, raise revenue, and restore U.S. textile competitiveness. **NCTO's efforts contributed to the administration's decision to exempt USMCA qualifying goods and CAFTA-DR qualifying products of El Salvador or Guatemala from reciprocal tariffs.** NCTO secured an exemption of CAFTA-DR qualifying textile and apparel products from U.S. Section 122 tariffs imposed in February 2026 and will keep advocating for removal of additional tariffs on manufacturing inputs and machinery not available domestically.

Non-Available Textile Inputs & Machinery

NCTO heightened advocacy across the administration and Congress aimed at removing reciprocal tariffs imposed on textile inputs and machinery not available in the United States, including by forming an industry working group in support of these efforts. **NCTO engaged with USTR to support the extension of certain China Section 301 tariff exclusions for textile components not made domestically through November 2026.** NCTO will push for removal of Section 122 duties on non-available inputs and machinery and continue to support congressional action to authorize duty suspensions on these products.

NCTO Membership Recruitment

The Membership Recruitment Committee actively recruited new members through presentations on the support NCTO provides and follow-up with interested parties. **In 2025, 11 new members joined NCTO.**

De Minimis Reform

NCTO continued its full-court press to end Section 321 de minimis tariff waivers for vast volumes of consumer products, including illicit goods, mostly from China. NCTO amplified its efforts by leading the Coalition to Close the De Minimis Loophole, a broad alliance united to end de minimis abuse. NCTO's work encouraged the Trump administration to suspend duty-free de minimis tariff exemptions for low-value shipments from China and subsequently all countries by executive order. **Congress codified the suspension in the One Big Beautiful Bill Act, which repeals de minimis for low value commercial shipments effective July 1, 2027.**

PFAS Regulation

Federal and state regulators have intensified scrutiny of PFAS chemicals in the wake of growing environmental concerns with certain applications, including their use in the textile sector, resulting in numerous federal and state level initiatives to regulate PFAS chemicals use. In 2025, NCTO's FluoroTechnology Working Group (FTWG) interacted with various federal agencies, Congress, and state governments to support responsible production and use of fluorinated substances, including regulatory requirements that are protective of human health and the environment. **The FTWG also worked to encourage science-based policies that regulate individual PFAS based on their unique physical properties as opposed to a generic class of chemicals.**

Farm Bill

NCTO continued to press lawmakers to renew textile-related farm bill programs after securing a one-year extension of these programs in 2024. **As a result of NCTO's advocacy, the One Big Beautiful Bill Act signed into law in July included key priorities for cotton and wool manufacturers.** The bill updated the EAATM program to increase the cotton payment rate to \$0.05/lb., effective August 1, 2025, and authorized funding for the Pima Cotton and Wool Apparel Manufacturers Trust Funds through 2031.

Communications Efforts

In 2025, NCTO executed a comprehensive communications strategy to amplify the industry's policy objectives and importance to the U.S. economy and national security that included expanded social media and video storytelling; increased media engagement with journalists and policymakers; and visibility across major news outlets like the WSJ, NYT, Newsweek, NBC News, CNBC, BBC, and NPR.