

January 29, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McCarthy & Minority Leader McConnell:

We, the undersigned, are writing in recognition that both Congress and the Biden administration will be prioritizing initiatives to strengthen U.S. manufacturing, especially as it pertains to reconstructing domestic personal protective equipment (PPE) supply chains as part of any future COVID-19 stimulus proposal. 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 our industries and their 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.

Consequently, we recommend adoption of the following specific policy initiatives as necessary components to any overarching program to re-establish 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.

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 government 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. Production grants and tax credits will also support future investments in domestic PPE production.

Beyond these legislative initiatives, we strongly encourage you to work with the Biden administration to implement the following best procurement practices to help incentivize domestic PPE production and investment:

- As part of the 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 manufacture competing product.
- Require government contracts be given to those who have demonstrated past performance 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 Congress 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 frontline 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,



Kim Glas
President & CEO
NCTO, National Council of Textile Organizations



Brad Markell
Executive Director
AFL-CIO Industrial Union Council



Michael Stumo
CEO
CPA, Coalition for a Prosperous America



G. L. Bowen, III
Chief Executive Officer
GAM, Georgia Association of Manufacturers



Richard C. Byrne
Executive Director
HTI, Hand Tools Institute



Dave Rousse
President
INDA, Association of the Nonwoven Fabrics Industry




Gary Adams
President & CEO
NCC, National Cotton Council



Roberto Montañez
President
PIA, Parachute Industry Association



Michael M. Woody
Chairman
RITIN, Rhode Island Textile Innovation Network



Will Duncan
Executive Director
SEAMS, The Association for the Sewn Products Industry



Sara Hazzard
President & CEO
South Carolina Textile Council



Michael McDonald
President
SPESA, Sewn Products Equipment & Suppliers of the Americas



Linden Wicklund
Director of Events and Member Programs
USIFI, U.S. Industrial Fabrics Institute & NFI, Narrow Fabrics Institute
Divisions of IFAI, Industrial Fabrics Association International



Tom Conway
International President
USW, United Steelworkers



Bill McCann
Executive Director
USFMA, United States Footwear Manufacturers Association



Lynne Fox
President
Workers United/SEIU

A handwritten signature in cursive script that reads "David L. Costello". The ink is dark and the signature is fluid and connected.

David Costello
Executive Director
WPRC, Warrior Protection & Readiness Coalition