

**Testimony of Kim Glas, President and CEO, National Council of Textile Organizations
Before the Office of the United States Trade Representative
Hearing on Proposed Actions in Section 301 Forced Labor Investigations**

July 9, 2026

My name is Kim Glas, and I am the President and CEO of the National Council of Textile Organizations. NCTO represents the full spectrum of the U.S. textile industry which employs 453,000 workers nationwide.

We thank USTR for proposing to exclude USMCA-compliant goods and CAFTA-DR qualified imports of textiles and apparel from the Section 301 proposed actions. Roughly 70 percent of total U.S. textile and apparel exports annually go to the Western Hemisphere. This supply chain is essential and competes directly against Asia.

No other industry has been more disadvantaged by forced labor than the U.S. textile industry and our Western Hemisphere trade partners. Xinjiang cotton produced with Uyghur forced labor is pervasive in global textile and apparel supply chains and has done irreparable economic harm to the U.S. textile industry and the Western Hemisphere. USTR's proposed additional duties on imports of apparel and finished textiles from countries with a record of forced labor appropriately take aim at these unfair trade practices.

Since 2019, Asia has expanded its U.S. market share from 77 percent to 79 percent while the Western Hemisphere's share has narrowed from 16 percent to 12 percent. We have seen unparalleled predatory trade behaviors including forced labor especially rampant in this environment, hurting our industry.

The U.S. industry has lost 41 plants over the past two years as a result of these unfair trade practices. We need the administration's help in constructing a textile mechanism under Section 301 that stabilizes and grows our industry. Unfortunately, the U.S. textile industry is compelled to oppose the textile mechanism in its current form since it harms U.S. manufacturers.

We strongly urge USTR to exclude raw cotton from the textile mechanism because it rewards Asia at the expense of American manufacturers. Rewarding the export of raw commodity cotton and allowing our Asian competitors to receive a tariff benefit is an offshoring incentive. It lowers the cost of Asian apparel imports that compete directly against our U.S., CAFTA-DR, and USMCA supply chains. The industry is experiencing unprecedented price differentials fueled by subsidies in Asia as high as they ever have been, despite the tariffs. The proposed mechanism also will artificially inflate the price of cotton for U.S. mills. It will raise prices in the United States and in our Western

Hemisphere supply chain—for the most loyal customers of U.S. cotton—while benefitting Asia. Any yarn and fabric export program to Asia will not make up for the loss of American jobs.

Effective enforcement of the Uyghur Forced Labor Prevention Act, which bans imports made with Uyghur forced labor, including Xinjiang cotton would immediately drive U.S. cotton demand without harming the U.S. textile industry. We need effective UFLPA enforcement instead of an offshoring incentive that will destroy U.S. textile jobs. By every measure, UFLPA enforcement has declined, so we seek the administration’s support to ramp up enforcement efforts immediately.

We have several recommendations for reforming the textile mechanism:

- **Reject the inclusion of U.S. raw cotton, which would hurt domestic manufacturers, drive offshoring of domestic yarn and fabric production, and subsidize Asian apparel that competes directly with manufacturing in the U.S. and the Western Hemisphere.**
- **Exclude textile inputs and machinery not available in the U.S. from Section 301 tariffs to maintain the global competitiveness of domestic textile manufacturers.**
- **Develop an incentive program with the U.S. industry that will grow American jobs and exports.** We have worked with brands and retailers—a unique coalition which typically holds strongly divergent policy positions on trade—to develop a plan that would achieve the president’s goals of reshoring and nearshoring critical industries by incentivizing greater sourcing of U.S. textiles and apparel from Western Hemisphere countries, as noted in our joint comments. We believe this plan would double U.S. exports and create over 56,000 U.S. jobs.

To the contrary, the current proposal raises several serious questions that are enormously concerning to U.S. textile manufacturers, including:

- Why are we creating a textile mechanism that harms U.S. textile manufacturers when we have a historic opportunity to create something beneficial that supports the whole supply chain?
- Why are we incentivizing imports from countries cited for forced labor non-compliance and utilizing Xinjiang cotton with a tariff reward at the expense of U.S. manufacturers?
- Why are we not effectively enforcing UFLPA, which would create significant demand for U.S. cotton and textiles?
- Why are we trying to solve a U.S.-Brazil cotton competitiveness issue at the expense of U.S. textile manufacturers while rewarding Asia?

These important Section 301 investigations offer a long overdue chance to resolve the unacceptable problem of forced labor that taints many Asian supply chains. With a carefully constructed textile

mechanism, we would have an unprecedented opportunity to double the size of the U.S. textile industry and to address forced labor concerns. We welcome the opportunity to work with the administration to advance these critical goals. Thank you for your time.