

While some industry leaders are fighting hard to keep tariffs resulting from the U.S.-China trade face-off from harming the apparel and footwear industries, others are vehemently fighting to have apparel on the tariff target list.

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During a public hearing held by the Office of the U.S. Trade Representative Thursday, National Council of Textile Organizations (NCTO) president and CEO Auggie Tantillo testified in favor of having textiles and apparel added to the products that could face new tariffs.

"The U.S. textile industry urges the Trump administration to include textile and apparel end products in any Section 301 retaliatory tariff action against China," Tantillo said.

As part of his effort to remedy China's "unfair" intellectual property practices, President Trump proposed a list of 1,300 products from China that would face new tariffs, employing Section 301 of the U.S. Trade Act of 1974 as his defense for doing so. Of the 1,300 called out products, much of the machinery used to make textiles and apparel made the list, which garnered enough outrage despite being a more indirect attack on the industry.

Now, however, NCTO has formally suggested apparel and textiles be added to that list, a move that it says will improve conditions in the U.S. apparel industry.

"The U.S. textile industry is deeply disappointed that the retaliation list does not contain a single textile or apparel product," Tantillo said during testimony at the hearing designed to allow impacted industries to share concerns about potential effects of the proposed tariffs. "This is a glaring omission because China has used a system of predatory trade practices,

including brazen theft of U.S. textile materials, technology and innovation, to dominate global markets. Today, China holds nearly 40 percent of the world's total trade in this sector. Since 1997, China's textile and apparel exports to the United States have increased by a stunning 1,400 percent, helping to fuel the more than \$44 billion U.S. trade deficit with China in our sector last year."

Though speaking on behalf of the U.S. textile industry, NCTO's perspective comes in stark contrast to other leaders in the apparel industry.

"We are disappointed that the National Council of Textile Organizations has called for taxes to be levied on American citizens," Rick Helfenbein, president and CEO of the American Apparel & Footwear Association, said in response to Tantillo's testimony. "Tariffs are a tax – plain and simple – and levying tariffs on U.S. imports will directly raise our costs here at home. It is unrealistic to think that textile and apparel supply chains can quickly or simply shift production outside China without massive disruption that will lead to cost increases and significant retail price inflation in the United States—which will fall disproportionately hard on low-income Americans."

In his own testimony at the hearing, Helfenbein expressed concern about the potential of textiles, apparel, footwear and travel goods being added to the tariff target list, stressing that the AAFA would "strongly oppose" such a move.

Providing some additional context to drive the point home that levying tariffs against China will hurt the domestic industry more than the target, Retail Industry Leaders Association vice president of international trade Hun Quach, cited a study showing the price of a flat panel TV could increase by 23 percent, or, as she said, "about \$711 million over the next year."

"Simply put, tariffs are not the answer. Tariffs will not address China's bad behavior," Quach said during her testimony.

Those tariffs, she added, will put American businesses at a competitive disadvantage.

"While there is no good time for increased tariffs, these proposed tariffs could ruin back-to-school and the winter holidays for American families across the country," Quach said. What's more, she said, "The potential for tariffs on an additional \$100 billion of goods causes significant concerns for retailers. Tariffs on apparel, footwear, toys, consumer electronics, and home goods—items in every household across this country—would be a devastating blow."

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