

February 19, 2021

The Honorable Ron Wyden  
Chairman  
Finance Committee  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Crapo  
Ranking Member  
Finance Committee  
United States Senate  
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Crapo:

On behalf of the National Council of Textile Organizations (NCTO) and our nearly 150 member companies, I write in strong support of Katherine Tai's nomination to serve as the next United States Trade Representative (USTR).

As way of background, NCTO represents the full spectrum of the U.S. textile sector, from fiber through finished sewn products, as well as suppliers of machinery, chemicals, and other products and services with a stake in the prosperity of our industry. The U.S. textile production chain manufactures approximately \$76 billion in output annually, while employing nearly 600,000 workers nationwide.

Moreover, the domestic textile industry has a direct and major interest in U.S. trade policy in that our sector is one of the most heavily trade impacted industries in the entire U.S. economy. In 2019, the United States was the largest single-country importer of textile and apparel products, resulting in a record U.S. textile trade deficit of \$102 billion.<sup>1</sup> Furthermore, textiles and apparel rank third, behind only electronics and transportation equipment, in terms of annual contribution to the overall U.S. trade deficit.<sup>2</sup>

With that said, the domestic textile industry is a major manufacturing exporter of product to numerous overseas markets. In 2019, the U.S. registered a near record of \$29.1 billion in textile related exports.<sup>3</sup> Due to its growth in exporting in recent years, the U.S. industry holds the distinction of being the second largest single-country exporter of textile goods in the world.

Our sector is also of critical importance to the stability and economic expansion of the Western Hemisphere. In 2019, nearly 65% of all U.S. exports of fiber, yarn, and fabric were shipped to USMCA and CAFTA-DR free trade agreement (FTA) countries. The vast majority of these exported textile components were cut and sewn into finished apparel and home furnishings in those FTA countries and then shipped back to the U.S. for final consumption. This helped contribute to \$34.5 billion in two-way textile trade in 2019 between the United States and all Western

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<sup>1</sup> OTEXA Trade Balance Report

<sup>2</sup> U.S. International Trade Commission, U.S. Trade by Industry Sector and Selected Trading Partners for 2018, [https://www.usitc.gov/research\\_and\\_analysis/tradeshifts/2018/us\\_trade\\_by\\_industry.pdf](https://www.usitc.gov/research_and_analysis/tradeshifts/2018/us_trade_by_industry.pdf)

<sup>3</sup> U.S. Department of Commerce and U.S. International Trade Commission (Product grouping includes Fiber, Yarn, Fabric, Apparel and Other Sewn Products.)

Hemisphere nations. This mutual hemispheric success is in large part due to carefully constructed FTAs that employ yarn forward rules-of-origin ensuring that the benefits of these agreements are tied to production within the FTA region. This success, which reaches beyond our own borders, fully demonstrates the value to the domestic textile industry in having a skilled and knowledgeable trade ambassador.

For all these reasons, we are acutely interested in the individual selected to serve as USTR. Undoubtedly, this important office should be occupied by someone of unquestioned integrity who is not only an expert in international trade policy but an individual who also possesses a keen understanding of the unique challenges confronting domestic manufacturers and U.S. workers under the international trading system. Katherine Tai has demonstrated all these important qualities over her distinguished career.

In 2007, Ms. Tai joined the office of General Counsel at USTR and in 2011 she was promoted to the position of Chief Counsel for China Trade Enforcement. In 2014 she was appointed as Trade Counsel to the House Ways & Means Committee and was subsequently promoted to Chief Trade Counsel in 2017.

NCTO staff has had the pleasure of interacting with Ms. Tai in her various trade related career positions. Through our engagement with her, we have found Ms. Tai to have the ability to combine a complete grasp of complex subject matter, with a fair and open-minded approach to issues that often have strong divergent views among stakeholders.

Consequently, we believe she is an exceptional candidate to serve as the next USTR and are pleased to lend our strongest level of support to her nomination. Further, we urge the committee to quickly advance her confirmation to the Senate floor so that Ms. Tai can formally begin her important responsibilities as expeditiously as possible.

Thank you for your consideration of our views and please let me know if you have any questions regarding this matter.

Sincerely,



Kim Glas  
President & CEO  
National Council of Textile Organizations (NCTO)