

Update on the Activities of the Berry Amendment Textile Coalition

**May 18-19
2015 Outlook Conference
The Greenbrier**

Presented by Ron Houle

What is the Berry Amendment?

- ▶ Law mandating that textiles, clothing, and footwear purchased with U.S. Department of Defense funds be made with U.S. content and labor.
 - ▶ Food, hand tools, measuring tools, and specialty metals also covered.
 - ▶ The Kissell Amendment applies a Berry-like rule to certain Dept. of Homeland Security purchases of textile-related products.
- ▶ With certain exceptions, this means yarn, fabric, and assembly in layman's terms.

What is the Berry Amendment (cont'd)?

- ▶ In one form or another, has been law since 1941.
- ▶ Purpose is to ensure a healthy industrial base for military textiles, clothing, and footwear.
- ▶ Stimulates textile R&D, boosts manufacturing jobs, and helps companies weather economic downturns.

What is the Berry Amendment Textile Coalition (BATC)?

- ▶ The BATC is an informal coalition w/4 trade association members:
 - ▶ U.S. Industrial Fabrics Institute (USIFI)
 - ▶ Narrow Fabrics Institute (NFI)
 - ▶ National Council of Textile Organizations (NCTO)
 - ▶ American Fiber Manufacturers Association (AFMA)
- ▶ Individual companies from members also participate.
- ▶ Former USIFI Chair Ron Houle serves as the *de facto* chair of the BATC and Lloyd Wood is its *de facto* executive director.
- ▶ The BATC hosts regular meetings via conference call to discuss policy agenda and legislative/executive branch action items.

Key Issues

- ▶ Mobilize political support for the Berry Amendment.
- ▶ Won key victory in FY 2014 National Defense Authorization Act (NDAA).
 - ▶ Got law passed requiring periodic audits of DOD compliance with the Berry Amendment.
 - ▶ For report, see: <http://www.dodig.mil/pubs/documents/DODIG-2015-026.pdf>.
- ▶ Stop congressional attempts to erode Berry's coverage by increasing the simplified acquisition threshold (SAT) in FY 2016 NDAA.
 - ▶ By law, the threshold to trigger Berry is the same as that to trigger the SAT. Thus, when the SAT goes up, the Berry threshold rises in lockstep to the same figure.

Berry Amendment Under Attack

- ▶ There was language in the Chairman's marks of both the House and Senate annual congressional defense bills that would weaken Berry.
- ▶ Would raise the threshold to trigger Berry from the current \$150,000 to \$500,000.
- ▶ Contracts below the threshold are not subject to Berry.
- ▶ If threshold had been raised to \$500,000 in FY 2014, roughly \$1 in \$5 -- \$337 million – would not have been subject to Berry.
- ▶ Also, more than 92 percent of contracts for textiles, clothing, and footwear would have been open to imports.

Status Update on Efforts to Stop Berry Threshold Increase

- ▶ **House mitigated impact of SAT increase via floor amendment.**
 - ▶ Amendment offered by Cong. Jim McGovern (D-MA).
 - ▶ Good – Textiles under Berry exempted from threshold increase.
 - ▶ Bad – Textiles under Kissell still subject to threshold increase.
 - ▶ Bad – All other non-textile-related products under Berry still subject to threshold increase.
- ▶ **Senate bill still subjects all of Berry and Kissell to threshold increase.**
 - ▶ BATC is working with friends in Senate to fix on floor.
- ▶ **If the Senate bill is not amended, the House could defer to the Senate position in conference and raise threshold to \$500k.**

BATC Outreach to Other Segments of Berry Supply Chain

- ▶ **BATC is a strategic platform.**
 - ▶ **Designed with capability to leverage assets inside and outside membership:**
 - ▶ **Inside textile industry;**
 - ▶ **Inside supply chain, but outside textiles (i.e. cotton, apparel, etc.)**
 - ▶ **Outside textile supply chain.**
- ▶ **Have reached out to non-BATC members who support Berry.**
- ▶ **Textile letter on Berry signed by 9 trade associations example of leverage.**
- ▶ **Have reached out beyond textiles to other industrial sectors that support Berry like steel.**



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Manufacturers Association



Aafa
american apparel &
footwear association



National
Cotton
Council
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April 29 Textile Letters

Senate Letter:

<http://bit.ly/1KFWGzx>

House Letter:

<http://bit.ly/1ctFLVK>

USIFI & NFI Lobby Days

▶ June 16-18

- ▶ Your opportunity to meet with lawmakers to make an impact.
- ▶ Represent your industry and raise the profile of textile manufacturing.

Register by June 1

Visit: www.ifai.com/events

Questions?

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