



The Bottom Line

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PRIORITY TRADE ISSUE: TEXTILES

Summary

A complicated net of regulations surrounds the importation of and commerce in textiles and wearing apparel that importers must navigate or face the potential of fines and penalties.

Background

The textile sector is a multibillion-dollar global industry, and the United States is the second largest exporter of textiles globally. The U.S. domestic textile industry employs more than 500,000 workers, and is crucial in automotive, military/law enforcement, agriculture, and medical applications. Textiles have been designated as a Priority Trade Issue (PTI) with CBP since 2011. The goal of the Textiles PTI is to ensure that textile imports fully comply with applicable laws, regulations, quotas, free trade agreements and other preference programs. CBP's efforts in the textile industry focus on high-risk areas that can cause significant revenue loss, harm the U.S. economy, or threaten the health and safety of the American people. CBP promotes legitimate trade in the industry while also encouraging a strong domestic manufacturing base. The laws that surround textiles and wearing apparel focus on every stage of commerce, from manufacturing through importation through retail sale.

Current Status

For well over a century, the U.S. has taken steps to stop imports of products manufactured using forced labor beginning with the 1890 McKinley Tariff Act, that banned products made by prisoners. The Smoot-Hawley Tariff Act of 1930 went a step further by prohibiting imports made by slaves and later, forced labor or children. When information reasonably indicates that merchandise produced by forced labor is being, or is likely to be, imported into the United States, Customs will issue a Withhold Release Order (WRO).

When imported, textile and apparel products sold in the United States must be labeled with the following information: the fiber content, the country of origin, the manufacturer or dealer identity, and the care instructions. Failure to follow the requirements will result in shipments being denied a Customs release until they are compliant, resulting in shipment delays and warehouse storage charges.

All commercial importations of textile or apparel products must identify the actual manufacturer of such products. If Customs is unable to determine the manufacturer or country of origin of a textile or apparel product, the importer must submit additional information as requested. Release of the product from CBP custody will be denied until a determination is made based upon the information provided or the best information available.

The Environmental Protection Agency will check for toxic substances and pesticides. Federal Trade Commission agents are primarily responsible for verifying product label and intellectual property compliance (textiles are frequently seized due to violation of intellectual property laws). The U.S. Department of Agriculture will inspect any clothes claimed to be organic to ensure they are free of synthetic materials. Finally, the Consumer Product Safety Commission will ensure that textiles meet flammability requirements.

In obtaining information necessary to carry out its functions and duties under this part, CBP may employ any means authorized by law. In general, CBP will obtain information from its own files, from other agencies of the United States Government, through questionnaires and correspondence, and through field work by its officials. Without regard to whether the United States is or may be deprived of all or a portion of any lawful duty, tax or fee thereby, a violation occurs when a person, through fraud, gross negligence, or negligence, enters, introduces, or attempts to enter or introduce any merchandise into the commerce of the United States by means of any document, electronic transmission of data or information, written or oral statement, or act that is material and false, or any omission that is material.

Impact

In Fiscal Year (FY) 2019, textile and apparel imports generated \$15.9 billion in duties, or 23 percent of all duties collected by CBP. Schemes designed to circumvent textile tariff and trade laws include: illegal transshipment, country of origin fraud, invalid Importers of Record, inaccurate descriptions, undervaluation, smuggling (or overstuffing), and De minimis misuse of trade preference programs and free trade agreements. The combination of high duty rates, and complex laws and regulations make textile imports susceptible to trade fraud. CBP maintains a robust and comprehensive enforcement strategy to stay one-step ahead of textile trade violators.

RESOURCES

[Textile Fact Sheet](#) (Customs and Border Protection)

[Clothing and Textiles](#) (Federal Trade Commission)

[Marking Requirements for Wearing Apparel](#) (Customs and Border Protection)