

GOVERNMENT RELATIONS AND SMART

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I have often said, if SMART was nothing more than a government relations association, I would gladly pay my dues and expect no other benefits.

In this week's issue of Parade Magazine which comes with the Sunday edition of my newspaper, there was a half page article entitled:

"Smuggling Scheme Costs the Economy Millions."

<http://www.parade.com/news/intelligence-report/archive/090906-smuggling-scheme-costs-the-economy-millions.html>

Underneath the headline, and next to a photo of an employee cutting and sewing, is this interesting statement: "*The textile industry*, which annually contributes more than \$20 billion dollars a year to the U.S. economy, says smuggling has been a major contribution to the loss of more than 250,000 jobs and the closure of 630 textile plants in the U.S."

What *textile entity*, I asked myself, is being quoted here? What *textile industry* is making this statement?

The article continues, stating that U.S Customs and Border Protection (CBP) insists it works very hard to stop textile smuggling and has seized more than \$100 million in goods since 2006, including close to \$50 million dollars in Chinese products alone. Rep. Heath Shuler (D.,N.C.) chairman of a House Small Business subcommittee then states that CBP should step up their patrols or the US will lose even more textile manufacturing jobs.

As a counter, the National Retail Federation (NRF) goes on record opposing increased border and overseas inspections on the grounds they cause shipping delays, do little to improve enforcement, and disrupt legitimate textile and apparel trade.

All of us are against textile smuggling of course, but as I read the Parade article, I started to consider which position would be the one that most SMART members would support.

I thought back to the meeting I attended five years ago with attorneys working on behalf of SMART at the US Customs Office in Washington DC. SMART had spent considerable time and money to get CBP to reverse its flawed interpretation of the duty-free heading 6309 "worn clothing" which Customs insists must be interpreted to mean "worn out." I will never forget when Custom's officials seemed to cavalierly dismiss the importance of the used clothing industry and to lecture us about how difficult their job was to keep smuggled textiles out of the United States. SMART, we were told, did not make a compelling argument to reverse their interpretation of "worn clothing". Interesting to note, customs provided no proof at all that a significant amount of textiles were being smuggled under the duty free heading 6309.

Regarding SMART's Custom's issue, it seemed apparent to me then that US textile manufacturing interests had more than trumped the interests of our association's position by using the rationale that textile smuggling was damaging our U.S. textile industry.

On another front, some of our members are involved in importing textiles (both finished goods and wiping products) from mills and graders in Pakistan. Many of these SMART members would be in favor of the National Retail Federation's position against "an overly heavy hand by CBP that only disrupts legitimate textile and apparel trade." To bolster our position, Pietra Rivoli, author of "Travels of a Tee Shirt in the Global Economy" would argue that market fundamentals, and not smuggling, are what caused the decline of textile manufacturing in this country.



The Parade article did more than stimulate me to think about how the "textile smuggling" rationale affects SMART members on our Customs issue and on increased inspections of imports. It also strengthened my conviction as to how important SMART's government relations department is to our members. When the \$20 billion dollar textile industry speaks, SMART's interests should be represented, especially when the textile industry does not speak for us. From the chairman of small business subcommittees to those who make policy in Customs, our voice should be heard.

I do know that SMART has formed a government relations subcommittee to formulate recommendations to the board as to how SMART, in conjunction with our government relations associate Jessica Franken, can best influence government policy as it relates to our industry.

The article in Parade confirmed what I already knew. Government relations is an essential mission of our Association, and needs the attention and support of all our members.

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SBLC WEEKLY REPORT RETURNS

On Tuesday, September 8, SMART members received another weekly SBLC Report. The SBLC stands for Small Business Legislative Council. The SBLC is an independent, permanent coalition of trade and professional associations who share a common concern for the future of small business. While the US congress is in session, the SBLC provides weekly updates on legislative issues facing small business owners. The first SBLC report was e-mailed to principal member contacts the week on Monday of this week. If you did not receive your copy via e-mail please contact SMART staff at SMART@ksgroup.org or 443-640-1050.

For more information on the SBLC, visit their website: <http://www.sblc.org/about.shtml>

GOVERNMENT RELATIONS UPDATE

By Jessica Franken, Government Affairs Consultant

CPSC Exempts Most Textiles from CPSIA Lead Testing

The Consumer Product Safety Commission (CPSC) has decided to exempt virtually all textile products from the lead testing requirements of the Consumer Products Safety Improvement Act (CPSIA).

Under Section 101 of the CPSIA, effective August 14, products designed or intended primarily for children 12 years old and younger may not contain more than 300 parts per million of lead. The allowable lead content falls again to 100 ppm on August 14, 2011.

