Testimony of Julia Hughes, President
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Fashion is made possible by global trade. And that's why the United States Fashion Industry Association (USFIA) urges the Trump Administration to leave fashion products off the list of products subject to tariff increases under Section 301.

A little bit about USFIA. We represent apparel brands, retailers, importers, and wholesalers based in the United States and doing business globally, including many of the iconic fashion brands worn and loved by everyone in this room. You are probably wearing many of our members today, and global trade allows them to produce quality, affordable products for you and your families, and families across America.

Perhaps more than any other sector of manufactured goods, the fashion industry relies on global supply chains. A bale of cotton may be grown in Texas, shipped to Europe to be made into yarn, shipped to Korea to be made into fabric, shipped to Vietnam to be made into apparel, and shipped to the United States to be sold at retail in a store back in Texas. But even more exciting, those garments made using that supply chain also might be sold in Singapore, Japan, Dubai, or London. We are acutely aware of the need to aggressively challenge all types of trade barriers. We support better market access, not only to boost U.S. exports or U.S. imports, but also to facilitate global trade.

Our industry imports over $80 billion dollars' worth of apparel into the United States each year. We do so because apparel cutting and sewing operations are the first rung on the ladder of economic development, a rung our nation fortunately climbed long ago. As iconic American brands, our member companies do, at times, manufacture in the United States, particularly high-end and innovative products. For the most part, however, our member companies work, by necessity, with overseas apparel manufacturers, often partnering with more capital-intensive U.S. yarn spinners and U.S. fabric producers to source yarn and fabrics.

This dynamic sector, and USFIA member companies, contribute to the economic growth and vitality of America. Today, USFIA member companies provide thousands of high-paying, professional jobs, and provide Americans with an amazing variety of fashion choices.

We source locally, when possible, but the vast majority (estimated at 95% to 98%) of apparel sold in the United States is manufactured outside the United States. These global value chains allow our member companies to provide Americans with affordable fashion—made possible by trade.

The fashion industry is a significant contributor to high-paying employment right here in the United States. The migration of cutting and sewing operations offshore has led to higher-paying American jobs in the United States. Retail operations alone support 42 million jobs—or 1 in 4 jobs in the United States—and fashion brands and retailers create high-quality design, product development, logistics, sourcing, and service job opportunities at home, in addition to manufacturing jobs. These jobs are supported by the global value chains created by trade.

Imposing tariffs on imports of these fashion products would do nothing to solve the concerns about China's IP policies and practices outlined in USTR's Section 301 report. From the experience of USFIA member companies—who source and sell products around the world, including and especially in China—the best way to address these concerns is action at the multilateral level that includes other global trading partners. (And believe us, we know about IP concerns.)

Tariffs on clothing, footwear, and other fashion products would constitute a huge, regressive tax increase. And tariffs on these products are already the highest among manufactured goods, reaching 32 percent for man-made fiber apparel and 67 percent for footwear. Why burden American families even more? And for many of these products, China remains the #1 supplier in the world, with no realistic options for other sourcing destinations that could replace China.

Finally, and perhaps most importantly, these tariffs would have a negative impact on the American jobs created by USFIA members. Today, trade supports high-quality, high-paying design, product development, logistics, sourcing, e-commerce and service jobs, to name a few. In fact, according to studies of our industry's global value chains, 70 percent of the value of imported clothing remains here in the United States—even if the clothing is manufactured outside of the United States. The Administration should foster, not discourage, the growth of these jobs at America's most innovative and iconic brands.

To conclude, we urge you to leave apparel off the list of products subject to tariff increases. This includes items classified under Chapters 61 and 62 of the U.S. Harmonized Tariff Schedule, as well as other fashion products such as footwear in Chapter 64, home textiles in Chapter 63, purses, bags and luggage in Chapter 42, and accessories like necklaces and earrings in Chapter 71.

Support fashion made possible by trade—and the jobs we create right here in the United States.