



U.S. Department of Commerce
Bureau of Industry and Security
Office of Technology Evaluation



**U.S. Textile, Apparel and
Footwear Industry Survey and
Assessment**

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Stamen Borisson
Trade and Industry Analyst

Who We Are:

- **Bureau of Industry and Security (BIS)**

Mission: Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

- Develops export control policies
- Issues export licenses
- Prosecutes violators to heighten national security
- Develops and implements programs that ensure a technologically superior defense industrial base

- **Office of Technology Evaluation (OTE)**

Mission: OTE is the focal point within BIS for assessing the capabilities of the U.S. industrial base to support the national defense and the effectiveness of export controls.

OTE Industry Surveys & Assessments Background:

- Under Section 705 of the Defense Production Act of 1950 and Executive Order 13603, ability to survey and assess:
 - Economic health and competitiveness
 - Defense capabilities and readiness
- Data is exempt from Freedom of Information Act (FOIA) Requests.
- Enable industry and government agencies to:
 - Share data and collaborate in order to ensure a healthy and competitive industrial base
 - Monitor trends, benchmark industry performance, and raise awareness of diminishing manufacturing and technological capabilities

U.S. Textile, Apparel and Footwear Industry Assessment

Background

- At the request of Congress, BIS/OTE is updating its 2003 assessment of the U.S. Textile, Apparel and Footwear Industry. The updated assessment will focus on the health, competitiveness, and contribution of the industry to the U.S. economy. Other topics to be reviewed include:
 - Identify dependencies on foreign sources for critical materials
 - Evaluate potential threats to security due to foreign sourcing and dependency
 - Locate points of weakness within the domestic supply chain
 - Measure the industry's capacity to increase production in a national emergency
 - Examine Berry Amendment and other Buy-American provisions
 - Explore concerns and issues faced by domestic producers
- Industry survey distribution - Fall 2016
- Report completion date - Summer 2017

U.S. Textile, Apparel and Footwear Industry Assessment

Status and Progress

Background and Research

- Collecting industry information, statistics and data from a variety of publicly available sources.

Outreach and Engagement

- Working with various industry associations, individual companies, and USG defense agencies.
- Conducted a series of site visits to textile companies in the southeast United States, apparel and footwear manufacturers, Defense Department research and development facilities. Additionally, participated in several industry meeting, conferences, and events.

Survey Mailing List

- OTE has consolidated lists of companies from a variety of different private sector and U.S. Defense Agency sources to cover all aspects of the industry.

Survey Instrument

- The industry survey instruments have been developed and are currently under review. Two surveys will be distributed to industry members in the fall of 2016 – one for footwear, and one for textiles and apparel. Both survey instruments are being field tested with a select group of companies representing different part of the industry.

U.S. Textile, Apparel and Footwear Industry Assessment

Preliminary Findings From Site Visits and Meetings

- Challenges and Issues - pressure from foreign competition, some of which is unfair trade; trade policy (TTP, TTIP, FTAs, WTO); managing business costs; shrinking domestic supply chain.
- Workforce and Labor Issues - aging workforce; transfer of knowledge; labor costs and impact on competitiveness; high turnover among younger workers; lack of interest in manufacturing careers.
- U.S. Manufacturing Advantages – quality of product; technological knowledge; innovation; speed to market; customization capabilities.
- Businesses that are surviving and thriving have differentiated themselves from commodity products.

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Preliminary Findings From Site Visits and Meetings

- Feedback from industry indicates that the Berry Amendment is very important to the industry and to national security.
- Kissell Amendment expansion and elimination of loopholes.
- Stabilizing DoD annual procurements would benefit the industry.
- Suggestions about improving the government procurement process from bid to contract.
- Increased collaboration on MILSPECs and product development

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Survey Instrument Development – Textiles and Apparel

Topics covered in the survey instrument will include:

- Economic health, competitiveness, and financial performance
- Production capabilities and constraints
- Sales, exports, and market share
- Supply chain network
- Employment and workforce development
- Foreign competition, sourcing, and dependencies
- Capital investment and research & development
- Potential threats to national security
- Berry Amendment-related issues and enforcement; Kissell Amendment

We welcome suggestions and feedback!

BIS/OTE Contact Information

Brad Botwin

Director, Industrial Studies
(202) 482-4060
brad.botwin@bis.doc.gov

Mark Crawford

Senior Trade and Industry Analyst
(202) 482-8239
mark.crawford@bis.doc.gov

Stamen Borisson

Trade and Industry Analyst
(202) 482-3893
stamen.borisson@bis.doc.gov

Weston Dravenstadt

Trade and Industry Analyst
(202) 482-4727
weston.dravenstadt@bis.doc.gov

**U.S. Department of Commerce
Bureau of Industry and Security
1401 Constitution Avenue, NW
HCHB 1093
Washington, DC 20230**

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