

Textile & Trade Report

Fox Takes Reins at USA-ITA Facing Stiff Challenges

By Kristi Ellis

WASHINGTON — Janet Fox, the newly elected chairwoman of the U.S. Association of Importers of Textiles & Apparel, aims to keep the organization relevant in a quota-free world and a global economic downturn.

Fox, vice president and director of strategic sourcing at J.C. Penney Private Brands Inc., is taking the helm of the importing trade and lobbying association at a critical time for retailers and importers.

USA-ITA has 200 members, including J.C. Penney Co. Inc., Kohl's Corp., Target Corp., Pacific Sunwear of California Inc., AnnTaylor Stores Corp., Quiksilver Inc. and Macy's Inc.

"In the old days, the big reason everyone joined trade associations was because of the fear of quotas and what quotas could do to their business," said Fox. "With the elimination of quotas, people talk about the relevancy of trade associations."

Fox began her career at Penney's as a merchandise trainee in a store and has worked her way up to head of the company's strategic sourcing division. She has navigated the complex waters of global sourcing for the company for 17 years and is responsible for the development of the sourcing plans and managing the assets to support global merchandise procurement.

"It really is one of those things that once you get in it, it kind of becomes your passion — you either love it or you don't," said Fox. "And it's something I love because it is so intertwined with history and politics. I used to say I would wake up in the morning and see what the Clinton administration had done to mess up my shipments. It is all government related."

Global quotas were eliminated in 2005 as part of the World Trade Organization's Uruguay Round, but the U.S. imposed quotas on 34 categories of Chinese apparel and textile imports for three years because of big import surges and an outcry from the domestic textile industry. Those quotas expired on Jan. 1.

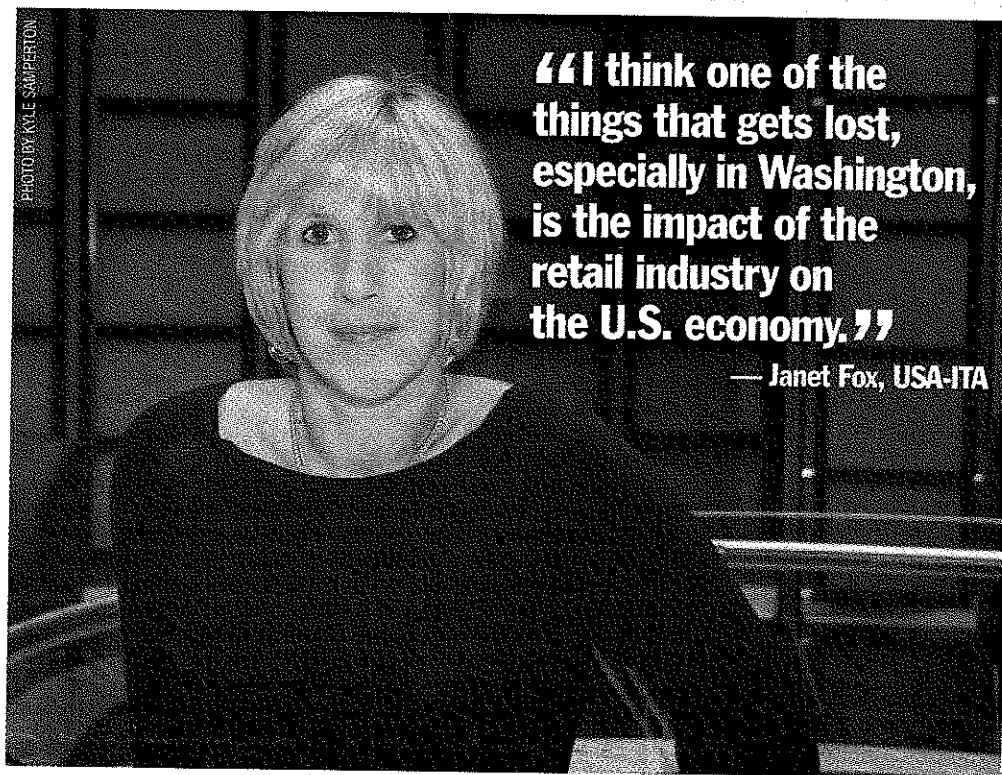
With bankruptcies, store closures and layoffs mounting every day as the global recession deepens, Fox said her biggest challenge will be educating Capitol Hill lawmakers and the Obama administration about the importance of maintaining retail jobs and warning them about the devastating impact of punitive trade measures.

"I think one of the things that gets lost, especially in Washington, is the impact of the retail industry on the U.S. economy," said Fox. "The retail industry as a whole lost 589,000 jobs last year, and when you look at the landscape it's littered with bodies — Mervyn's, Circuit City, Gottschalks and Goody's are all out of business."

Fox plans to highlight the job losses as importers' outline their opposition to the government taking any action to impose punitive duties on imports through antidumping or countervailing duty cases or legislation.

"Anything that brings uncertainty or potentially could raise our prices is something that is damaging to our industry," said Fox. "U.S. consumers have enjoyed deflationary pricing on apparel for the last 10 years and this is not the time to raise prices."

One of the association's top priorities this year will be building a case for legislation to eliminate tariffs on apparel imports, which can run as high as 33 percent, as in the case of nylon blouses, Fox said.



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"One of the main things we would like to talk about is taking away tariffs on apparel and textiles," she said. "That's a tax that costs U.S. consumers, the average family, \$800 a year or so. If [Congress] is looking for a tax rebate, there it is."

The footwear industry has built a coalition around legislation that would eliminate \$800 million in duties across several categories. The legislation was recently reintroduced in Congress, but has not yet moved. Fox said many retailers, including Penney's, are part of that coalition and monitoring the legislation as they craft a case for eliminating duties on apparel.

On the defensive side, USA-ITA and other importing groups also plan to continue pressing their case against a Vietnam and China apparel-import monitoring program included in the recently enacted \$410 billion spending bill. The Obama administration has the discretion to decide whether to implement the program.