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TEXTILE DEVELOPMENT MEMO

Glas Gives Speech on Efforts to Support U.S. Textile and Apparel Exports

On January 25, 2010, Kim Glas, the Commerce Department Deputy Assistant Secretary for Textiles and Apparel, and the Chair of the Committee for the Implementation of Textile Agreements (CITA), spoke at the South Carolina Manufacturers Alliance Textile Summit in Columbia, South Carolina. In her remarks, Glas focused on the Obama Administration commitment to facilitate exports of U.S.-made textile and apparel products.

According to Glas, "President Obama and Commerce Secretary Locke have made it a cornerstone of their trade policy to bolster export promotion activities to help our manufacturing sector. My office has a very active export promotion program that is designed to help businesses access key markets."

Glas also said the Department of Commerce Office of Textiles and Apparel is working to help U.S. textile and apparel companies obtain export financing. Glas said, "We need to provide the tools necessary to make financing more readily available to the industry. We are trying to find out how the government can help you gain access to additional loans and grants that you need during these tough economic times."

Senate Passes Iran Sanctions Legislation

(Prepared by Brenda A. Jacobs and Pete Kasperowicz, Sidley Austin LLP)

On January 28, 2009, the U.S. Senate approved the Comprehensive Iran Sanctions, Accountability and Divestment Act, S. 2799, which would re-impose a ban on Iranian carpets that was lifted by the Clinton Administration in late 2000. The quicker-than-expected vote (Senate Majority Leader Harry Reid had earlier said that a vote might be held in the next few weeks) reflects Congress's growing impatience with Iran over the refusal of that country to give up its nuclear weapons programs.

The Senate bill and a House-passed bill (HR 2194) both include language that would sanction companies that invest in Iran's energy sector or sell refined petroleum to Iran. But the Senate bill is much broader, and includes a ban on all Iranian articles except informational goods. The Senate bill would also, for example, require the government to assess which countries have high risk of diverting sensitive goods to Iran, and require the government to make an effort to improve export controls in those countries.

Congress is clearly upset with Iran. Eight U.S. senators had already indicated that they see reduced chances for multilateral UN sanctions against Iran given that China now chairs the UN Security Council, suggesting that Congress may now see unilateral action as the best way forward. However, it is unclear whether the current Senate version will become law, since reconciliation with the narrower House bill is still required. In addition, the Obama Administration may yet seek to narrow the bills down in an effort to avoid a situation in which unilateral U.S. sanctions against foreign companies' anger U.S. allies and make it harder to negotiate multilateral sanctions.

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