



U.S. Customs and Border Protection

Textiles Designated a Priority Trade Issue

FACT SHEET

U.S. Customs and Border Protection (CBP) maintains a robust trade enforcement program to ensure compliance with laws and regulations governing all imports. Due to the high-risk nature of imports of textile and apparel products CBP has designated the industry as a Priority Trade Issue for FY 2010. There are numerous requirements placed on textile products entering the United States under various Free Trade Agreements and legislative preference programs. Approximately 46% of all duties collected by CBP are from textile imports which totaled \$95 billion in 2009. There are over 69,000 importers of textiles and CBP processes more than 10 million transactions each year involving textile imports. 22% of all importers bring textile products into the United States.



Many different schemes are used to evade duty on imported goods being brought into the country. Some importers evade duties by transshipment-changing the country of origin of their goods. Still others use false documents or labels or provide incorrect descriptions of the merchandise. In addition, the quantity of imported textiles shipped into the United States are underreported and products are undervalued

CBP uses a multi-faceted/layered, but complementary approach consisting of trade pattern analysis, on-site verification, review of production records, audits, and laboratory analysis to enforce our trade laws and to ensure that appropriate revenue is collected.

Import Specialists in CBP with specialized commodity knowledge analyze and review textile imports for possible violations. In fiscal year 2009, CBP issued 55 commercial fraud penalty actions valued at \$25.3 million. More than 10,000 physical examinations were performed, 1,606 fiber samples analyzed by the laboratories and 48 audits conducted.

On-Site Verification

One of the enforcement tools being used is on-site verification of manufacturers. CBP Textile Production Verification Teams travel to foreign factories to review and verify that wearing apparel that is shipped to the U.S. is produced at those facilities. As a result of these site visits CBP Import Specialists will target shipments that are in violation. Sites are selected after extensive trade analysis. The Textile Production Verification Team visited 12 countries in FY 2009. Approximately 261 factories were visited.

Misdescribed Merchandise

CBP has initiated operations to address the misdescription of merchandise and violations of our trade preference programs. In addition, CBP Import Specialists have identified significant Intellectual Property Rights (IPR) violations. Approximately \$22 million was seized in 2009 for violating IPR laws involving textile products.

For more information on the U.S. Customs and Border Protection Importing Requirements, visit our web site at www.cbp.gov, click on the import at the top.



This is one of many foreign textile factories visited by CBP for an on-site verification of manufacturers.



U.S. Customs and Border Protection

Textiles

FACT SHEET

U.S. Customs and Border Protection (CBP) maintains a robust trade enforcement program to ensure compliance with laws and regulations governing all imports. Due to the high-risk nature of imports of textile and apparel products, CBP has designated the industry as a priority trade issue for fiscal year 2009. There are numerous requirements placed on textile products entering the United States under various free trade agreements and legislative preference programs. Approximately 42% of all duties collected by CBP are from textile imports. Many different schemes are used to evade duty on imported goods being brought into the country. Some importers evade duties by transshipment—changing the country of origin of their goods. Still others use false documents or labels or provide incorrect descriptions of the merchandise, underreport quantities shipped and undervalue the products.



CBP uses a multi-faceted, but complementary approach consisting of trade pattern analysis, on-site verification, review of production records, audits, and laboratory analysis to enforce our trade laws and to ensure that appropriate revenue is collected.

Import specialists in CBP with specialized commodity knowledge analyze and review textile imports for possible violations. Focusing on textile violations has paid off with seizures of major shipments. CBP has seized close to \$50 million in goods since the beginning of calendar year 2007 and \$51 million in 2008 for violations of the China quota agreement. In addition in 2008, CBP issued 62 penalty actions valued close to

\$4 million. More than 11,000 physical examinations were performed, 1,677 fiber samples analyzed by the laboratories and 40 audits conducted.

On-Site Verification

One of the enforcement tools being used is on-site verification of manufacturers. CBP Textile Production Verification teams travel to foreign factories to review and verify that wearing apparel that is shipped to the U.S. is produced at those facilities. As a result of these site visits CBP import specialists will target shipments that are in violation. Sites are selected after extensive trade analysis. The Textile Production Verification Team visited 15 countries in FY 2008. Approximately 472 factories were visited.

“Approximately 42% of all duties collected by CBP are from textile imports.”

Misdescribed Merchandise

CBP has initiated special enforcement operations to address the misdescription of merchandise and violations of our preferential trade legislation. In addition, CBP import specialists have identified significant Intellectual Property Rights (IPR) violations. Approximately \$26 million was seized in 2008 for violating IPR laws involving textile products. ❖



This is one of many foreign textile factories visited by CBP for an on-site verification of manufacturers.