

United States Senate

WASHINGTON, DC 20510

June 26, 2018

The Honorable Pat Roberts
Chairman
Senate Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

The Honorable Debbie Stabenow
Ranking Member
Senate Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

Dear Chairman Roberts and Ranking Member Stabenow:

Thank you for your leadership in developing a bipartisan farm bill, the Agriculture Improvement Act of 2018. While the bill that was introduced in the Senate Agriculture Committee found the appropriate balance between commodities and regions, we are seriously concerned about the impact of amendments adopted in Committee that have upset this important policy balance. Specifically, the adoption of an amendment to eliminate the Economic Adjustment Assistance Program (EAAP) for U.S. textile mills is extremely problematic to us and many of our constituents. Loss of the EAAP would put at risk a significant portion of the 550,000 jobs created by the U.S. textile industry. Consequently, we are writing to strongly urge you to fully restore funding for the EAAP in the farm bill that will be voted on in the Senate. This program plays an integral role in the economic well-being of U.S. cotton farmers and the broader cotton industry by helping to stabilize and maintain domestic demand for U.S. cotton. Domestic textile mills are the most reliable and significant customer for U.S. cotton, representing 16 percent of total demand.

Since 2008, the EAAP has provided important resources to assist domestic textile manufacturers in upgrading their production facilities and manufacturing equipment, with the purpose to become more efficient to better compete with textile manufacturers in other countries. Currently, there are 44 companies with facilities across at least 25 states that participate in the EAAP. The funding for this program was already reduced by 25 percent in 2012. The ability to utilize the EAAP to modernize the remaining U.S. mills has helped to stabilize, and more recently, expand jobs in the textile sector.

Cotton farmers and textile manufacturers face an increasingly difficult economic environment as both domestic and international factors continue to adversely affect demand for cotton-based products. In the years following the creation of EAAP, textile mills throughout the country invested in new and more efficient equipment, resulting in an increase in domestic cotton consumption and jobs. Based on a recent survey of EAAP recipients, 50 percent of respondents cited increases in the number of employees as a direct result of the program. Other respondents noted that employment has stabilized. Respondents also noted an improved work environment for employees and the first pay increase for employees in many years. U.S. textile companies

also credited the EAAP for allowing their continued operation in the U.S. and maintaining American manufacturing jobs. Other benefits include improved energy efficiency and lower energy costs, greater production efficiency, improved quality control, increased capacity, and additional production flexibility.

All expenditures under the program are monitored and audited by USDA on an annual basis. The overarching goal of the program is to assist U.S. manufacturers to increase efficiency, reduce cost, improve quality, and increase production capabilities. The EAAP has allowed companies to achieve these objectives, and as a result, are more competitive with foreign textile manufacturers.

As the Senate prepares to consider the Agriculture Improvement Act of 2018, we strongly urge you to fully restore funding for the EAAP. With funding restored for this critically important program, the bill will better meet the stated criteria of balance among all commodities and regions, and gain broader support in the Senate.

Thank you for your consideration. We look forward to working with you to address this serious shortcoming in the committee-passed bill.

Sincerely,



Johnny Isakson
United States Senator



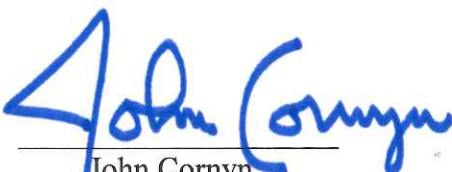
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