

*CFA provides information about our industry's vulnerable business issues. The current issue's importance sends a clear "Protect Yourself" message and is part of CFA's continuing effort to assist our members.*

June 13, 2022

## CFA News Flash- editorial

### **Deconstructing N.Y.'s Legislative Plans for Fashion** **These are two proposals set forth to regulate the industry:**

**a) 'The Fabric Act':** *Proposed by Representative Gillibrand; co-sponsored by Booker, Sanders, and Warren. The Bill would require U.S. garment manufacturers and contractors to register with the Department of Labor, creating a nationwide garment industry registry.*

- Holding fashion brands and their retailers jointly liable along with their manufacturer contractors for workplace wage violations.
- Requires listing on a **Federal Registry** for: "sewing, cutting, making, processing, repairing, finishing, assembling, pressing, dyeing, altering the design, affixing a label, or any other form of preparation of anything to be sold or offered for sale or resale".
- **It does not apply if the workers are in a 'collective bargaining agreement'; aka: a 'unionized' entity.**
- To help "restore" American manufacturing, it proposes a \$40 million 'Support Program' to help pay for equipment costs, training, development, etc., and a 30 % reshoring tax credit to move operations to the US...defined in a detailed and very complicated grant process. (*Read entire Bill [Here](#)*)

### **b) N.Y. Fashion Act:**

**Assembly Bill A8352 states that apparel and footwear retailers, with \$100 million+ in revenue, conducting business in New York, must:**

- Divulge and map at least 1/2 of their supply chains
- Disclose their supply chains' environmental and social impacts
- Divulge the annual volume of material produced, broken down by type, such as polyester or cotton...from each resource!
- Disclose the median pay of workers within the supply chain, as measured against local minimum and living wages of the suppliers.

### **OPINION:**

**Some of the issues raised that are not being presented in media statements, or addressed in either Bill:**

- Both bills will only discourage reshoring. Manufacturing in the U.S. will require the scrutiny of U.S. Department of Labor, including listings of Tax ID#s, a listing of suppliers, making private supply chains available as public information; all issues that make for a competitive disadvantage. Whatever significant and LEGAL manufacturing is left in the US will look elsewhere. **No other US industry**

**businesses, including restaurants and entertainment, are under such scrutiny!**

- Using wage theft as an emotional hook disguises the real goals of the bills as stated at the press conference by **Edgar Romney, secretary-treasurer of labor organization Workers United**: “Garment workers in the United States have for “far too long” faced abusive and exploitative conditions **with a relentless quest for profit**...*that is why people are in business! Using the turn-of-the-century N.Y ‘shirtwaist’ fire does nothing to bring ‘made-in-USA’ back or solve any issue.*
- The bill says it will give reshoring manufacturers a 30% deduction in their income taxes. As noted in the Grant requirements, that only works if they make money!

***Manufacturers who are already making in the U.S. get nothing for their effort!***

- **There are many things that can be done to stop wage theft without ‘punishing’ U.S. manufacturers who obey the laws already written.** CFA has submitted many such proposals, including ‘work permits’ for the trained -but-undocumented workers creating a greater legal workforce with a focus on ‘industrial training’.

**Headlines and articles in Fashion Industry Media continue to print ONLY the press releases from the Bills’ supporters. Everyone should read the small print before supporting these poorly considered proposals.**

***Unfortunately, the ‘other sides’ of the effects of this legislation are not being explored. If you are interested in letting your congressional representative know how you feel, the CFA office will research your district’s appropriate Federal representatives.***

***We suggest that you stay informed***

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