

1 **Foreign Affairs Committee**  
2 **Adopted at the 102<sup>nd</sup> Annual Convention**  
3 **June 23, 2026**

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5 The Foreign Affairs Committee recommends that ACSA:

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7 1. With respect to contract defaults and contract sanctity:  
8 a) Strongly recommend members support efforts by ACSA and other industry organizations  
9 to maintain vigilance against and take any action necessary to preempt contract defaults;  
10  
11 b) Encourage the ACEA and the Committee for International Co-operation Between Cotton  
12 Associations (CICCA) to continue the effective practice of issuing default lists to warn  
13 fellow exporters of buyers in default;  
14  
15 c) Urge members to consult such lists to help preserve the sanctity of contracts; and,  
16  
17 d) Emphasize the importance that members of ACSA and its affiliates honor the rules and  
18 regulations of each respective organization and refrain from selling to parties and their  
19 affiliates who are in default, which jeopardizes the ability of parties to resolve outstanding  
20 contract disputes;  
21  
22 e) Urge U.S. regulatory agencies, Congress, and related stakeholders to incorporate contract  
23 sanctity considerations into reciprocal trade arrangements, tariff relief programs, and  
24 similar market access mechanisms, including measures to deny or suspend benefits for  
25 parties and affiliated entities that have failed to satisfy final arbitration awards or other  
26 binding contract dispute determinations until such obligations are fulfilled;  
27  
28 2. Work with China Cotton Association (CCA) to urge the Chinese Strategic Reserve to affirm  
29 their respect of the ACEA and ICA default lists when selling cotton;  
30  
31 3. Urge CCA to continue its development of a default list to encourage accountability that  
32 enhances contract sanctity;  
33  
34 4. Continue its dialogue with the U.S. Trade Representative (USTR) to keep U.S. negotiators  
35 apprised of countries (and buyers) where default situations have occurred and local  
36 enforcement of arbitration awards has not been effective; further, encourage the development  
37 of a USTR-maintained list of defaulters with unfulfilled obligations;  
38  
39 5. Engage the USTR, the U.S. Department of Agriculture, and other government agencies to find  
40 a resolution to the lack of liquidity in U.S. dollars that are required to get performance on  
41 existing contracts;  
42  
43 6. Urge continuing efforts by Cotton Incorporated (CI), Cotton Council International (CCI), U.S.  
44 Cotton Trust Protocol (USCTP), and Supima to deny membership, licenses, and technical  
45 services to any foreign mill listed on any of the default lists and applaud their work in assuring  
46 this policy continues;  
47  
48 7. Work with domestic and international organizations to promote the global consumption of  
49 cotton against other fibers;

- 1 8. Collaborate with the Australian Cotton Shippers Association and Brazilian Cotton Exporters  
2 Association to identify issues of shared interest, strengthen mutual understanding, provide  
3 opportunities for the exchange of ideas and information, and promote and develop areas and  
4 methods of cooperation, as described in our current Memorandum of Understanding;  
5

6 **TRADE RULES & TERMS**  
7

- 8 9. With respect to Green Card Sales, monitor changing procedures embraced by the General  
9 Administration of Customs of China (GACC) concerning the utility of “stated container tare  
10 weighing” due to its potential to cause discrepancies and non-compliance with ICA Rules;  
11  
12 10. Recommend the continued monitoring of trade sanctions administered by the U.S. Department  
13 of Commerce, U.S. Customs and Border Protection or other relevant agencies, advising  
14 members of sanctioned parties and pertinent procedures for commercial activities; further,  
15 continue to educate Congress and the administration on trade-related measures that affect the  
16 U.S. cotton industry;  
17  
18 11. Support the suspension of the de minimis loophole for all imported textile and apparel products  
19 and oppose any proposal to revive the de minimis loophole;  
20

21 **CONTROLLING**  
22

- 23 12. Encourage members to review ICA Rules on country damage, weighing / tare, sampling, and  
24 claims;  
25  
26 13. Urge members to insist buyers provide detailed bale listings when lodging short-bale claims,  
27 and further noting that failure to provide such listings should disallow all claims for short-  
28 landed bales for shipments weighed by truck scale;  
29  
30 14. Recognizing many members receive requests to determine landed weight by weighbridge /  
31 truck scale, and in light of ICA Rules, urge members to use a written conditional agreement  
32 similar to the following example in the event they agree to weighbridge weighing;  
33

34 **Written Conditional Agreement Example**

35 Weighbridge weighing is agreed under the following conditions:

36 Weighing to be conducted at \_\_\_\_ (agreed point of delivery) \_\_\_\_, under the  
37 supervision of our controller \_\_\_\_ (name). A copy of the scale’s calibration certificate  
38 must be provided to our controller prior to weighing. The calibration certificate must  
39 be valid at the time of weighing and issued by an accredited authority. Weighing must  
40 be conducted by deduction of the actual container tare following full and empty  
41 weighing of the container (tare as stated on the container will not be accepted). Results  
42 of weighbridge weighing must be reported within 3 working days. Either party may  
43 reject weighbridge results within 7 working days from completion of weighing. In the  
44 event either party rejects the weighbridge results, the cotton must be weighed bale by  
45 bale and weighing must be completed within 28 days of the date of arrival of the  
46 cotton. If 100% bale by bale weighing is not completed within 28 days of arrival  
47 unless otherwise agreed bales not weighed will be calculated as per ICA Rules.

1 **COTTON COUNCIL INTERNATIONAL**  
2

- 3 15. Recommend continued financial and program support of CCI in an effort to enhance the sales  
4 of U.S. cotton, while continuing to review ACSA’s financial commitments on an annual basis  
5 and urge robust participation from members to ensure CCI promotional activities fairly feature  
6 ACSA members in all activities;  
7
- 8 16. Strongly urge that CCI, Better Cotton Initiative, USCTP, Supima, and other sustainability  
9 programs closely monitor all recognized associations’ default lists and consult immediately  
10 with ACSA concerning any mills that may appear on such lists and are being considered for  
11 trade team participation sponsored by CCI and USCTP;  
12
- 13 17. Urge the continuation of open communications with CI and CCI to ensure that information  
14 provided to foreign buyers is consistent with the customs and practices of U.S. exporters and  
15 that they refrain from making recommendations that contradict the contract terms agreed upon  
16 by buyer and seller; further, recommend CCI advise foreign buyers / sellers of their legal rights  
17 to sell on type and / or to sell on universal description against the arbitration clause specified  
18 in their contracts and to further communicate with CI in reference to their Engineered Fiber  
19 Selection Program and use of such programs by the membership of ACSA in selling U.S.  
20 cotton to export markets;  
21

22 **USDA EXPORT CREDIT GUARANTEE PROGRAM (GSM-102)**  
23

- 24 18. Support international assistance and export promotion programs to those countries that need  
25 assistance in purchasing U.S. cotton, especially during periods of available surplus,  
26 recognizing that such programs are instrumental in maintaining uninterrupted shipments of  
27 U.S. cotton to export customers;  
28
- 29 19. Urge the USDA to increase funding for the GSM-102 program and expand the availability of  
30 the program to a broader network of financial institutions and eligible markets; further,  
31 encourage banks to utilize this program;  
32

33 **INTERNATIONAL ORGANIZATIONS**  
34

- 35 20. Recommend CICCAs educate markets concerning fair trade practices, contract sanctity,  
36 amicable resolution of commercial disputes, and compliance with arbitration awards, and  
37 further support CICCAs’ role in the international marketplace as a central voice for the  
38 resolution of contract defaults;  
39
- 40 21. Urge continued open communications with the ICA’s Rules Committee concerning its  
41 evolving re-examination or amending of various trading rules;  
42
- 43 22. Urge continued collaboration with the CCA in an effort to bring the ACSA / AMCOT / CCA  
44 trade rules closer to conforming with international terms utilized by other major buyers and  
45 sellers from around the world, and further recommend that any changes that should occur to  
46 the CCA contract and terms be distributed to the membership, so all parties are fully aware of  
47 such;  
48
- 49 23. Strongly urge continued open dialogue with ICA in the review and implementation process of  
50 any and all changes to the rules and contract(s) pertaining to China;

- 1 24. Oppose ICA rules addressing carry charges or late shipment penalties, as we believe these  
2 subjects should be a matter of contract between commercial parties;  
3
- 4 25. Recommend the continued monitoring of the GACC import registration system and  
5 furthermore encourage and support the continuing dialogue between ACSA, USDA-  
6 Agriculture Marketing Service, and GACC in working towards the establishment of a  
7 “Designated Testing Cotton Lab” for quality appeals;  
8
- 9 26. Encourage ACSA members to channel matters needing consideration by ICA with specific  
10 examples and objectives to the ACSA staff for consideration by the existing ICA working  
11 group;  
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13 **TRADE ISSUES**  
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- 15 27. Urge collaboration with AMCOT and the National Cotton Council (NCC) to monitor the new  
16 bale packaging regulations set forth by GACC in 2014 that have yet to be implemented, and  
17 further urge that NCC continue holding educational meetings arranged by CCA for the  
18 appropriate Chinese authorities to further clarify and explain the U.S. Joint Cotton Industry  
19 Bale Packaging Committee’s function and how bale packaging decisions are made at the gin  
20 level in the United States; and,  
21
- 22 28. Recommend collaboration with the industry organizations and government agencies to  
23 increase market access for U.S. cotton and eliminate import tariffs and all non-tariff barriers  
24 on U.S. cotton exports.