

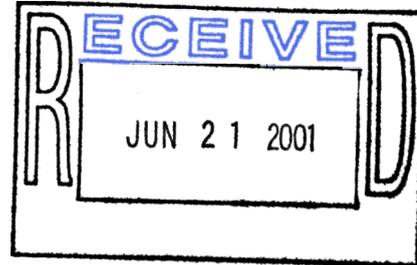


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June 18, 2001

Ms. Whitney Rick
Chief, Research & Promotion Staff,
Cotton Program,
Agricultural Marketing Service, USDA,
Stop 0224
1400 Independence Avenue, SW,
Washington, DC 20250-0244



Re: Request for comments to be used in a review of 1990 amendments to the Cotton Research and Promotion Act -- Docket number (CN-01-002), 66 FR 16440, March 26, 2001.

Dear Ms. Rick:

The National Cotton Council of America (the "Council") hereby submits comments regarding a review by the Secretary of Agriculture to ascertain if a referendum is needed to determine whether producers and importers favor continuation of the 1990 amendments to the Cotton Research and Promotion Order. There is widespread support in the cotton industry for continuation of the 1990 amendments. A referendum under the Act is not needed at this time.

The Council is the central organization of the United States cotton industry. Its members include producers, ginner, oilseed crushers, merchants, cooperatives, warehousemen and textile manufacturers. While the majority of the industry is concentrated in the 17 cotton-producing states, stretching from Virginia to California, the downstream manufacturers of cotton apparel and home furnishings are located in virtually every state.

The Council commends the Secretary for her oversight of the Cotton Research and Promotion program. Growers and importers deserve a well-run and efficient program that gears its mission to promotion of cotton offtake and funds important production and processing research. Discussions with industry leadership within the Council, including cotton producers, indicates that there is strong support for continuation of the 1990 amendments and a confirmation referendum is not necessary at this time.

Never before has the need for cotton promotion and innovative production and processing research been more critical. All segments of our industry are facing severe economic times and the programs being managed by the Cotton Board are needed to promote additional demand in this country and abroad, along with development of cost-reducing production practices and processing technologies that favor cotton usage.

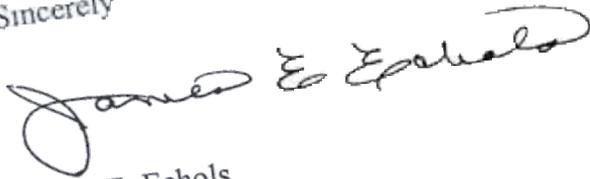
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The promotion and research activities managed by the Cotton Board and conducted by Cotton Incorporated are meeting the goals of domestic growers and cotton importers. Stakeholders recently validated the work of Cotton Incorporated with the completion of a new world headquarters facility in Cary, North Carolina. This commitment to infrastructure and staffing signifies program contributors' resolve to the future of this organization and its goals. More evidence of the effectiveness of this program is the fact that U.S. per capita cotton consumption has doubled in the past 10 years – now standing at 37 pounds per consumer annually.

Cotton Incorporated provides a transparent budget process for its Board of Directors and those of the Cotton Board. The Council believes there are adequate internal safeguards to protect the integrity of the program that are closely supervised by grower and importer stakeholders. There is also a structure in place that allows growers and importers to seek a referendum if they become dissatisfied with the operation of the program. There is no widespread concern within the industry concerning the operation of these programs. Since every dollar of assessments is needed to fund important research and promotion programs, it would be ill advised to divert monetary and human resources to conducting an unnecessary referendum.

Again, we commend the Department for its supervision of this research and promotion program. Both the Cotton Board and Cotton Incorporated enjoy a great working relationship with the Agricultural Marketing Service's Cotton Division. This serves as an excellent example of cooperation between the government and a vital agricultural industry. We appreciate the opportunity to provide these comments

Sincerely



James E. Echols
Chairman

