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February 12, 2015

Footwear Tariffs Hit All-Time High

In 2014, the footwear industry paid nearly **\$2.7 billion** in footwear tariffs to the U.S. government, a 6.6% increase from the previous year. This is far higher than the footwear industry's 2014 U.S. sales growth as a percent. The U.S. is currently negotiating free trade agreements with 11 Pacific countries, known as the [Trans-Pacific Partnership \(TPP\)](#). Duties collected on footwear from these countries was up 24% last year over 2013, and TPP could provide the industry nearly \$450 million (per year) in duty savings. It is critical that Congress first pass Trade Promotion Authority (TPA) so the President can expedite and conclude this agreement. FDRA continues to tell the industry's story on Capitol Hill each week in hopes of helping push this across the finish line.

Read FDRA's release [here](#), including statements from RG Barry CEO Greg Tunney, Wolverine Worldwide CEO Blake Krueger, and LaCrosse Footwear Director of Compliance and Logistics Quinn O'Rourke.

Chairman Paul Ryan Makes Trade Number One Priority

On February 5, House Ways and Means Chairman Paul Ryan (R-WI) gave his first public address on trade to FDRA and other business groups at the Washington International Trade Association (WITA). He made strong arguments in support of free enterprise and passing Trade Promotion Authority (TPA). Ryan stated, "We simply can't get the best deals without TPA. That's why we've got to pass it as soon as possible. And that's why the President has to show some leadership on this. Completing these trade deals is my No. 1 priority." He talked about the 96 percent of customers living outside of the U.S. and the potential for trade agreements with Asia and Europe to give the U.S. access to more than a billion customers and two-thirds of the global economy. Ryan stressed that twenty years ago, trade supported one out of every ten jobs, but today it supports one out of every five.





Predicting a very busy year on trade, Ryan listed several additional FDRA priorities as his own top priorities: an African Growth and Opportunity Act (AGOA) renewal, Miscellaneous Tariff Bill (MTB), Generalized System of Preferences (GSP) reauthorization, and legislation to streamline customs procedures. To learn more about these legislative initiatives, please [click here](#).

Watch a full video of Paul Ryan's speech [here](#).

Bill Introduced to Protect American Businesses from Patent Trolls

House Judiciary Committee Chairman Robert Goodlatte (R-VA) and a group of Republicans and Democrats introduced bipartisan legislation to address abusive patent litigation impacting footwear companies and other U.S. businesses. The Chairman described the exponential growth of patent trolls, entities that obtain weak patents in order to "file numerous patent infringement lawsuits against American businesses with the hope of securing a quick payday." Time and money is spent fighting frivolous lawsuits that could be spent on innovation and job creation. The Innovation Act would provide much-needed reforms and greater transparency in order to combat this practice, which impacts many in our industry. Similar legislation passed the House of Representatives in 2013 with a bipartisan vote but was stalled in the Senate. FDRA will continue to actively push for its passage.

In case you missed it, [read FDRA's release on this legislation \(including the bill's details\)](#).

Congress Starting to Take Action on West Coast Port Crisis

On January 30th, 84 Members of Congress sent a bipartisan letter to the International Longshore Warehouse Union (ILWU) and Pacific Maritime Association (PMA) strongly urging a quick resolution to the nine months of negotiations that has greatly impacted West Coast port operations. FDRA worked to gather signatures for the congressional letter, which emphasized the port delays are being felt by communities across the country and causing constituents to lose business, lose jobs and worry about the future. Holiday vessel operations at the ports have been suspended over the weekend, and members of Congress from Washington, Oregon and California held a bipartisan press conference today (2/12) to address the situation. To read more about the impact this is having on the footwear industry, read "[West Coast Port Slowdown Intensifies](#)."

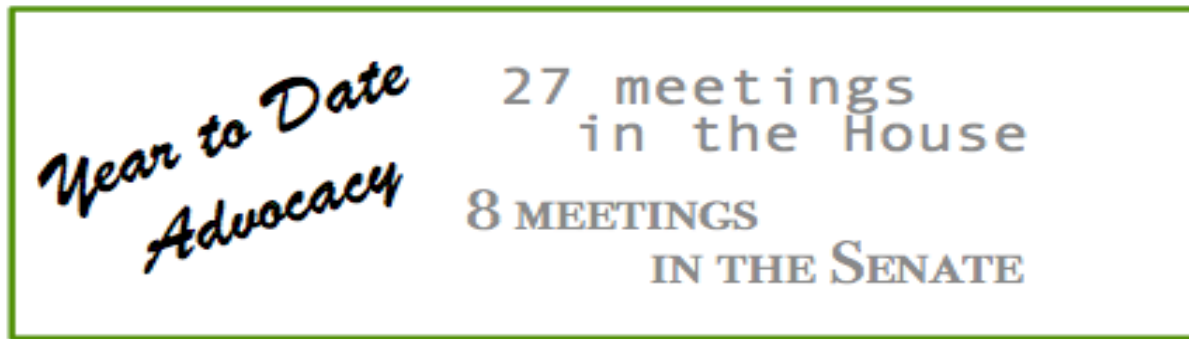


[Click here](#) to view a copy of the letter.

President Obama and Chancellor Merkel Discuss Major US-EU Trade Deal

The president hosted German Chancellor Angela Merkel at the White House on February 9, calling Germany one of our strongest allies. The leaders talked about the situation in Ukraine and the threat of ISIL as well as the need to advance a major trade deal between the United States and the European Union known as the Transatlantic Trade and Investment Partnership (TTIP). President Obama called for meaningful progress this year on the free trade agreement. Chancellor Merkel said Germany will work to see TTIP pursued in a vigorous manner and that the agreement will go a long way towards boosting growth. TTIP provides another potential opportunity for the footwear industry to see some tariff relief from footwear coming in from Italy, Germany, and Portugal to name just a few. FDRA has already briefed a bipartisan delegation

from the European Parliament on the benefits TTIP would provide to U.S. and E.U. business and consumers, and will continue to support trade negotiations on both sides of the Atlantic.



Congress Passes Keystone Pipeline Bill - But Will President Sign?

This week the House passed legislation to approve construction of the Keystone Pipeline, with 29 Democrats joining Republicans in support of the bill. The Keystone Pipeline would bring crude oil from Canada to U.S. refineries. It is opposed by environmental groups but supporters argue the project would create 40,000 U.S. jobs and lower energy prices for businesses and consumers. The bill passed the Senate last month and now heads to the President's desk for his signature in order to become law - the first item sent to Obama by the new Republican Congress. The White House has threatened to veto the bill, and it does not appear that Congress has the votes to override a veto.

FDRA Legislative Insight: The Politics of Trade in Congress (Part 1)

Congressional leaders are working to craft legislation to give the President Trade Promotion Authority (TPA) so that the U.S. can advance major trade agreements. One of the biggest challenges for these leaders, once the bill is introduced, will be explaining the importance of TPA to some of the most conservative members of the Republican Conference. Even though Congress has given this authority to every modern president, it is usually a contentious issue. In 2002, the last time there was a TPA vote, there was a Republican President, Republican Congress, the Tea Party did not exist ... and TPA passed the House by just three votes. A number of influential conservative organizations, however, are speaking out on the benefits of expanding trade and giving the President TPA. The House Ways & Means Committee highlighted comments this week from the Heritage Foundation, Club for Growth, the CATO Institute, and the American Enterprise Institute. To see what the leading conservative groups are saying on TPA and trade, [click here](#).

The Footwear & Politics Newsletter is for FDRA members only. If you have any questions related to this newsletter, please contact FDRA's Director of Government & Regulatory Affairs, [Thomas Crockett](#).

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