

August 28, 2019

The Honorable Donald J. Trump
President of the United States
The White House
Washington, DC 20500

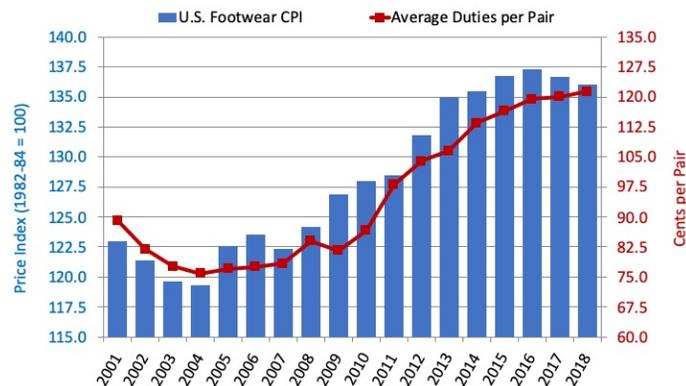
Dear Mr. President:

On behalf of the American footwear industry, we urge you to cancel the new, added footwear tariffs set to take effect on September 1st and December 15th of this year.

Although tariffs on some products from China will be delayed until December, the majority of footwear product lines face an added 15 percent tariff on September 1st. This American tax is on top of already-high footwear tariffs that average 11 percent and reach 67 percent on some shoes. The highest tariff rates generally fall on lower value shoes and children's shoes, driving up costs for hardworking American families.

There is no doubt that tariffs act as hidden taxes paid by American individuals and families. When import costs rise and fall on imported footwear – whether based on the price of materials, transportation, labor, or tariffs – those cost increases or savings are almost immediately passed on to consumers. As U.S. Government data in the chart below demonstrates, U.S. import taxes directly impact consumer prices.

Retail Footwear Prices Trend with Duty Costs



Sources: Bureau of Labor Statistics & FDRA analysis of USITC data.



As more than 170 footwear companies stated in our May 20th letter to you, the new tariffs impact every type of shoe and every single segment of our society. This added 15 percent tax will cost U.S. footwear consumers an additional \$4 billion every year, according to our industry's trade association, the Footwear Distributors & Retailers of America (FDRA). The September 1st tariffs on footwear will also mean these massive tax increases hit tens of millions of Americans when they purchase shoes during the holiday season.

We understand that delaying some of the tariffs to December was done to avoid the full tax increase on \$300 billion in goods that would hit American consumers during the holidays, and we appreciate your

decision to delay tariffs on certain footwear items. However, imposing tariffs in September on the majority of all footwear products from China — including nearly every type of leather shoe — will make it impossible for hardworking American individuals and families to escape the harm that comes from these tax increases. Moreover, the products that have a more diversified sourcing profile and rely less on China are hit with punitive tariffs first, as a result of the Office of the United States Trade Representative's (USTR) 75 percent import penetration criteria.

Some in the Administration have argued that China ultimately pays the tariffs, instead of U.S. consumers, because China can just devalue its currency to respond to added costs. This is simply not true when it comes to our industry, because import prices are almost always quoted and negotiated in U.S. dollars not RMB. For RMB devaluation alone to offset the 15 percent tariff increase for some shoes, the currency would have to drop by more than 40 percent.

We are very concerned that this tariff action will create further economic uncertainty. An economic downturn will take away disposable income from U.S. consumers, even as they have to pay more for products. When consumers have less money to spend, we sell fewer shoes and this hurts U.S. businesses. The tariff threat on China has the potential to drive up prices in other footwear sourcing countries, as demand has spiked with limited production capacity. As a result, U.S. consumers could face higher prices even before the new tariffs take effect.

This uncertainty the China trade war has brought to our industry is stifling U.S. growth and halting capital investment in jobs, infrastructure, technologies, and more competitive pricing for our customers. On behalf of our hundreds of millions of American footwear consumers and hundreds of thousands of employees, we ask that you immediately terminate the scheduled tariff increases on footwear.

Sincerely,

ACI International
adidas
Alan's Shoes
Aldo USA, Inc.
Allen Edmonds
Altra
AND1
Aravon
Avia
b.o.c.
Badgley Mischka Footwear
Baggallini
BBC International
Benges Shoes
Betsey Johnson
BIGSTON, INC.
Bionica Footwear
Birkenstock USA
Black Diamond Group
Blondo
Blowfish Malibu
BOGS

Børn Handcrafted Footwear
Brooklyn Boot Company
Brooks Sports
Bullboxer Shoes
Bzees
Caleres
Calson Investment, Ltd.
Camuto Group
Carolina Footwear
Cat Footwear
CELS Enterprises, Inc
Chaco
Chinese Laundry
CL By Laundry
Clarks
Cobbler's Creations
Cobra PUMA Golf
Columbia Sportswear
Comfortiva
Converse
Corcoran
Cove Shoe Company
Creative International
Crocs Inc.
Dansko
Dearfoams
Deckers Brands
Deer Stags
Designer Brands
Dexter Bowling Footwear
Diba Far East, LLC
Dirty Laundry
Dockers Footwear
Dolce Vita
Double H Boots
Dr Martens AirWair USA LLC
Dr. Scholls
Dunham
Dynasty Footwear
E.S. Originals, Inc
Earth Shoes
ECCO USA
Elan Polo International
Famous Footwear
Farylrobin
Fashion Footwear Association of New York (FFANY)
Feiyue Footwear
Fila
Fleet Feet Augusta

Florsheim Shoe Company
FN PLATFORM
Foot Locker
Foot Petals
Foot Savvy
Foot Solutions of Peachtree City
Footwear Distributors & Retailers of America (FDRA)
Fortune Footwear
FrancoSarto
Genesco
Georgie's
Global Brands Group
Gloria Vanderbilt
H.H. Brown Shoe Co.
H.S. Trask
Hanig's Footwear
Harley-Davidson Footwear
Hide & Sole, Inc.
HOKA ONE ONE
Hush Puppies
HYTEST
Impo International
Indigo Plum
Informa Fashion
Isolá Footwear
J Laurie Shoe Boutique
J. René
JCPenney
Jewel Badgley Mischka Footwear
Johnston & Murphy
Journeys
Juicy Couture
Justin Boots
K-Swiss
Karavel Shoe Stores, Inc.
Keds
KLOGS Footwear
Kork-Ease
Korks Footwear
L.A. Gear, Inc.
L'Amour Des Pieds
LaCrosse Footwear, Inc.
Laundry List
Leif J. Ostberg, Inc.
Life Stride
Little Burgandy
London Fog
Lucky Feet Shoes
Mar-Lou Shoes, Inc.

Marc Fisher Footwear
Matterhorn
Merrell
MIA Shoes
Michelson's Shoes
Mike's Shoes
National Shoe Retailers Association
Naturalizer
Nautica
NIKE, Inc.
Nine West kids and Mens
Nunn Bush
Nurse Mates
Off Broadway Shoe Warehouse
ONO
Our Brands
Palladium Boots
Paradox Footwear
PUMA Janed
PUMA Kids Apparel NA
PUMA North America
Puma Wheat
Rack Room Shoes
Rafters
Rampage Footwear
Rawlings Sporting Goods Co., Inc.
Reef
Renaissance Imports
Report
RG Barry Brands
ROCKDEEP, LLC
Rockport
Rocky Brands, Inc.
Ryka
Sam Edelman
Sanuk
Saucony
Schuler Shoes
Schwartz & Benjamin
Seychelles
SG Companies
Shoe Carnival
Shoe District
Shoe Fly
Shoe Mill
Shoe Station, Inc.
Shoe Stop
Shoe-Nami Inc.
Simons Shoes

Skechers
Sockshop & Shoe Company, Inc.
Söfft Shoe Company
softspots
Sorel
Sperry
Splendid Footwear
Stacy Adams
Stan's Fit For Your Feet
Steve Madden
Straders's Mall Shop inc.
Stride Rite
Strikeforce Bowling LLC
Sugar
SUPRA Footwear
Synclaire Brands
Teva
The North Face
The Shoe House, Inc.
The Walk Shop
Timberland
Titan Footwear
Tony Lama Boots
Topline Footwear
Ugg
Under Armour
Vans
Via Spiga
Vibram
Vionic
Walk-Over Footwear
Walker's Shoe Center
Walking In Paradise
Weyco Group
When the Shoe Fits
Wide Wide by Alan's
Wolverine Worldwide
Xero Shoes
Zac Zac Posen Footwear
42 Gold

CC: The Honorable Robert Lighthizer, *United States Trade Representative*
The Honorable Steven Mnuchin, *Secretary of the Treasury*
The Honorable Wilbur Ross, *Secretary of Commerce*
The Honorable Larry Kudlow, *Director, National Economic Council*
The Honorable Peter Navarro, *Director, Office of Trade and Manufacturing Policy*