Footwear & Politics

By Thomas Crockett • Mar 25, 2025

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A few quick updates below on reciprocal tariffs, tariffs for Venezuelan oil and gas purchases, fees on Chinese ships, de minimis, and a key footwear classification event.

One week until reciprocal tariff plan

President Trump will unveil his plan for imposing reciprocal tariffs on many countries next Wednesday (April 2) on what he calls "Liberation Day."

🚨 **President Trump announced another tariff yesterday**, starting "on or after" April 2, this time on any country that buys oil and gas from 🇻🇪 Venezuela. This follows the administration's recent actions against alleged Venezuelan gang members in the U.S.

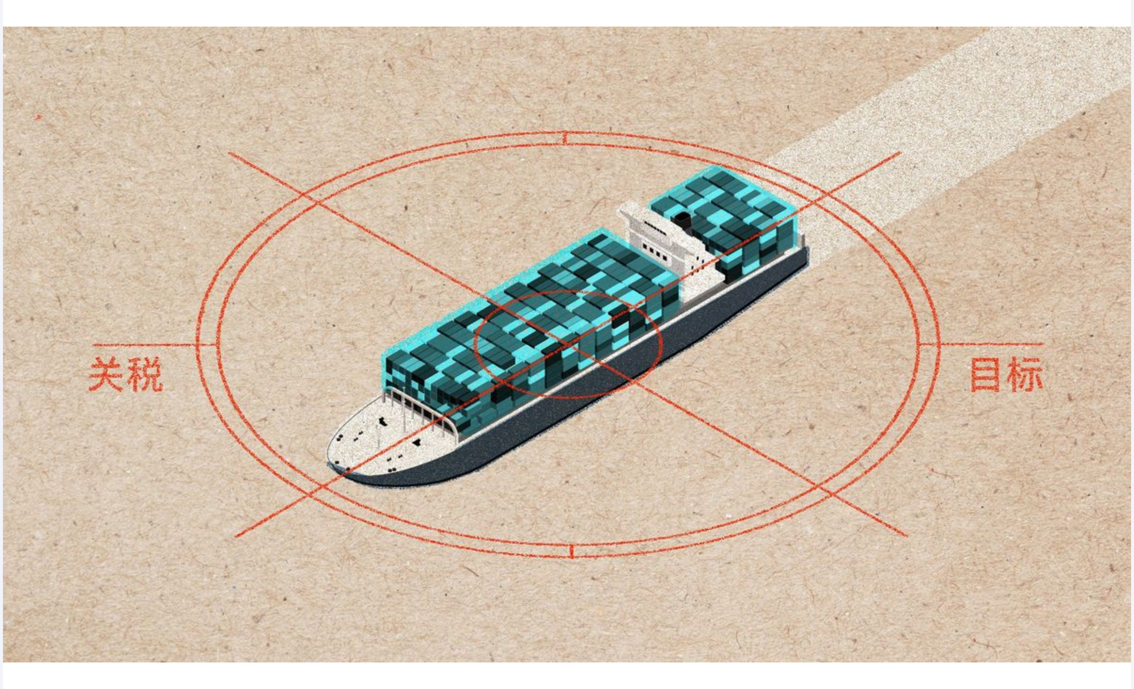
- The order gives Secretary of State Marco Rubio discretion in deciding whether to impose the tariffs on goods from certain countries.
- ❗ This new tariff could hit 🇨🇳 Chinese-made products again. China is the largest importer of Venezuelan crude oil.
- President Trump stressed this new 25 percent emergency tariff is in addition to existing tariffs. **This could mean 45 percent to 52.5 percent tariffs on all footwear from China** (plus the already-high footwear tariff rates).
- Venezuela also exports crude oil to Vietnam, Spain, Cuba, Singapore, Malaysia, Russia, India, and the Dominican Republic. Read the order.

🌍 **Some countries may be exempt** from reciprocal tariffs. The President said yesterday he "may give a lot of countries breaks." He also said the U.S. reciprocal tariff rates may be lower than the tariff rates in other countries, because he is "embarrassed to charge them what they've charged us."

🚫 **"Dirty 15" Countries**: Treasury Secretary Scott Bessent said last week the U.S. is focused on imposing tariffs on what he called the "Dirty 15," countries with substantial tariffs and other trade barriers.

- Based on U.S. trade deficits, we are concerned the following footwear-producing countries could end up on the list: China, the EU, Mexico, Vietnam, South Korea, India, Indonesia, and Cambodia.
- Countries like Vietnam are working hard to make a deal with the U.S. to avoid some tariffs. The Vietnamese government has already provided a concrete action plan to the U.S. government.
- We expect a tariff rate number to be announced next week for each country targeted. It is unclear whether the administration will announce an agency process before the tariffs are actually imposed. Doing so would allow more time to negotiate deals with countries.

FDRA takes action on fees on Chinese vessels



On Monday, FDRA weighed in on the Trump Administration's proposal to impose fees of up to $1.5 million on Chinese ships entering U.S. ports.

What we said:

- Ocean carriers will likely respond to the massive fees by cutting port calls to smaller ports, which would be devastating for communities in rural areas that rely on these ports. This could also lead to significant port congestion at LA and Long Beach, impacting consumers across the country.
- The fees would be passed directly to the ocean carriers' customers, the importers. This would mean higher costs for every container, which would raise prices for consumers. The footwear industry has no room left to avoid added costs, given the high tariff burden from the U.S. government.
- A recent national study found the proposal would have a net negative impact on the U.S. economy. U.S. exports as well as imports would decline, and agricultural workers would be hit particularly hard.

One more thing: In addition to filling comments, FDRA commissioned the national study with 32 other associations and joined a letter with nearly 300 associations opposing the proposal.

Read FDRA's comments

FDRA weighs in on de minimis

On Monday, FDRA filed comments with U.S. Customs & Border Protection (CBP) on a proposal started during the Biden Administration that would ban de minimis treatment for products hit with a Section 201, 232, or 301 tariff. It would also require companies claiming this duty exemption to provide the 10-digit HTS number.

What we said:

- The proposal, as written, goes well beyond a stated goal of stoping "Chinese-founded e-commerce platforms" from gaining an unfair advantage over U.S. companies. It would impact *any* importer that utilizes de minimis and could be "catastrophic" for some U.S. small businesses that rely on the program.
- There are also reports that two of the largest Chinese e-commerce companies are now moving production outside of China to avoid these additional tariffs. This means the proposal may have the unintended consequence of hurting U.S. businesses while failing to address the surge of goods from "Chinese-founded e-commerce platforms."
- At the same time, the program needs to be strengthened to prevent bad actors from delivering harmful and illicit goods to unsuspecting U.S. consumers. With CBP processing 4 million small packages a day, the agency needs more information to stop counterfeit footwear.

Read FDRA's comments

Take Action: Send a letter on tariffs

FDRA recently launched a letter to Members of Congress, urging them to push back on the tariffs. Please take 30-seconds to send a letter to your Member of Congress today.

Send a letter

Why it matters: Members of Congress are feeling the pressure from constituents on many different issues. Now is the time to make our voice heard on tariffs.

- Some Republican Senators are admitting tariffs are a tax that will be passed onto consumers.
- Former-Senate Majority Leader Mitch McConnell (R-KY) wrote an Op-Ed warning against the impact of Trump's tariffs in his home state.

Feedback needed: Another way you can help is to share your personal story with us on how the tariffs have impacted your company.

- The recent tariff action on Chinese products was implemented so quickly that companies had just days to comply. One small business footwear company had a large amount of footwear that missed being loaded onto the vessel by just one day ... and now that U.S. small business must come up with $100,000 to pay the U.S. government.
- As we prepare our advocacy to Congress and the Administration, we are gathering similar stories and examples of how U.S. companies and small businesses have been hurt.
- Please email examples to me at tcrockett@fdra.org.

Be sure to join us for our digital sample review with CBP Footwear National Import Specialist Stacey Kalkines on Wednesday, June 18. Stacey is THE footwear classification decision maker at CBP, and this is a great opportunity to ask her questions in an off-the-record setting.

Why it matters: There are more than ❗ 400 ways to classify a shoe, and small changes mean a huge difference in tariff rates — and 💰 costs for companies!

Take note: You can email pictures of your 👟 footwear samples to me at tcrockett@fdra.org ahead of the event, and we will discuss each sample with the expert panel live during the event.

Register here

Thanks for reading this week's Footwear & Politics update. Feel free to share this newsletter with others on your team. Have a great rest of the week!

Thomas