FDRA FOOTWEAR DISTRIBUTORS & RETAILERS OF AMERICA

November 14, 2023

The Honorable Katherine Tai
United States Trade Representative
600 17th Street Northwest
Washington, D.C. 20508

The Honorable Gina Raimondo
U.S. Department of Commerce
1401 Constitution Avenue Northwest
Washington, D.C. 20230

Dear Ambassador Tai and Secretary Raimondo:

On behalf of the Footwear Distributors & Retailers of America (FDRA), we urge you to remove 301 tariffs on footwear and take a more targeted approach to trade actions regarding China.

Tariffs operate as hidden taxes paid by U.S. companies and consumers. Even before President Trump imposed the added 301 tariffs, shoes faced the highest tariff rates of almost any product. Footwear is taxed at an average rate of 12 percent, while all other imported consumer goods are taxed at an average rate of just 1.9 percent. Footwear tariffs reach rates of 37.5 percent, 48 percent, and higher. In fact, some of the highest rates in the entire U.S. Tariff Code fall on low value shoes and children's shoes, disproportionately impacting working class families at a time when they can least afford it.

For the few children's shoes with relatively lower rates, the added 301 tariffs meant drastic rate increases. The tariff rate doubled for certain children's casual shoes and slippers. The rate more than tripled for certain plastic sandals, wool slippers, and infant crib shoes. The previous administration did not impose these hidden taxes on consumer goods with the initial 301 investigation into China's intellectual property and technology practices. It added them because of back-and-forth trade escalation between the U.S. and China.

Hitting U.S. businesses and consumers with added footwear costs is incapable of changing Chinese behavior. China does not pay the tariffs; U.S. businesses and consumers pay the tariffs. China also does not include footwear as a key tenet of its industrial policy. If the goal of the tariffs is to incentivize U.S. companies to leave China, this simply does not work with footwear due to limited sourcing options.

Even moderate or smaller-scale footwear production requires substantial capital investment, robust infrastructure, and a large workforce dedicated to learning the intricate skill of shoemaking. Setting up a new factory involves years of planning and relationship building, and few countries have the infrastructure necessary to deliver nearly 2.5 billion pairs of shoes to the U.S. market each year. As a result, keeping 301 tariffs on footwear needlessly hurts businesses, families, and communities in the U.S. without achieving any of the goals of the initial 301 investigation.

For these reasons, we believe the Biden Administration should take a more strategic approach to 301 tariffs and eliminate the burden on U.S. footwear consumers immediately.

Sincerely,

Matt Priest

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