

April 11, 2026

The Honorable Lisa Barton
Secretary, U.S. International Trade Commission
500 E Street Southwest
Washington, D.C. 20436

Re: Effects on the U.S. Economy of Revoking China's Permanent Normal Trade Relations Status (Inv. No. 332-609)

Dear Ms. Barton:

The Footwear Distributors & Retailers of America (FDRA) writes to provide comments to the U.S. International Trade Commission (USITC) as it investigates the potential impacts of revoking China's Permanent Normal Trade Relations (PNTR) status.

FDRA is the footwear industry's trade and business association, representing more than 500 footwear companies and brands across the U.S. This includes the majority of U.S. footwear manufacturers and over 98 percent of the industry. FDRA has served the footwear industry for more than 80 years. Our members include a broad and diverse cross section of the companies that make and sell shoes, from small family-owned businesses to global brands that reach consumers around the world.

International trade supports hundreds of thousands of footwear jobs in communities across the U.S. – good-paying jobs in design, innovation, materials, sourcing, compliance, logistics, warehousing, marketing, and retail. Added tariffs put these jobs at risk.

Removing China's PNTR status would mean all products from China would be subject to the high column 2 rates of the Harmonized Tariff Schedule of the United States (HTS). This would result in drastic tariff rate increases for footwear. Currently only Cuba, North Korea, Russia and Belarus have the column 2 rates. Putting China in the same tariff category as North Korea would substantially harm U.S. footwear companies and consumers.

It would be impossible for U.S. footwear companies and consumers to mitigate the harm from revoking China's PNTR status.

About 99 percent of the footwear sold at retail in the U.S. is sourced abroad, and China remains—by far—the largest source of footwear. China accounted for 47.8 percent of footwear imports in 2025. China is not just a supplier, it is also the global footwear platform, producing about 60 percent of the world's footwear.

The type of footwear production in China is not interchangeable capacity. It is a deep, specialized industrial base built over 30 plus years. Alternatives do not fully work today for a few reasons. First, other nations lack full-stack ecosystems. Materials often are still sourced from

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China, and tooling, molds, and chemicals are still China-dependent. Second, other countries have capacity constraints that China does not. Other countries have limited ability to absorb large volume shifts quickly, and factory throughput is smaller and less flexible. And lastly, there's a skill gap between China and other countries. That is, complex footwear requires precision molding, material science, and engineering integration – capabilities that are uneven outside China.

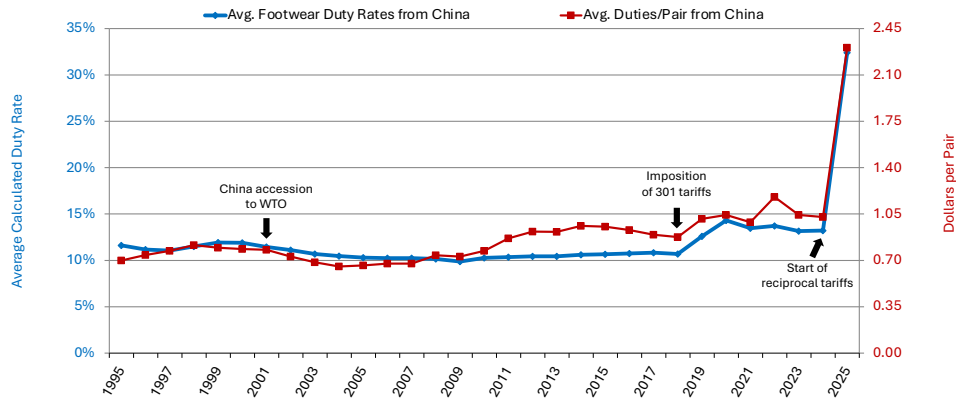
There are simply not many sourcing options for footwear outside of China, because other countries have not yet developed the infrastructure, factories, and workforce needed to manufacture shoes at scale. The U.S. receives 2 billion pairs of shoes a year, or 6 pairs for every person in America, to meet consumer demand. Shifting footwear production requires substantial capital investment to build factories and the ability to hire and train thousands of workers in the intricacies of shoemaking. This must be done while at the same time keeping costs down to deliver shoes to consumers at reasonable prices. Setting up a new factory involves years of planning and relationship building as well as integrating dozens of regional suppliers. Brands also devote significant time and resources to ensuring that factories have the strongest labor, environmental, chemical safety, and product safety standards possible.

There has been a shift over the past two decades into a handful of sourcing countries like Vietnam, Indonesia, India, and Cambodia, but China has remained the largest supplier to the U.S. by far. With the added 301 tariffs during the first Trump administration, companies were unable to rapidly shift sourcing out of China. When President Trump imposed reciprocal tariffs on Chinese-made products in 2025, he increased them to 145 percent during the summer of 2025. This brought the effective tariff rate to more than 182 percent for certain children's shoes. Companies were unable to shift sourcing, and as a result, companies were simply unable to ship product to the U.S. in many cases.

In the absence of PNTR, China's footwear duty rates would rise significantly.

Naturally, average duty rates on footwear imported from China typically have trended over time with average duties per pair on footwear from China. In particular, the year before China's accession to the WTO in 2001, duty rates on footwear from China averaged 11.9 percent before *dropping* year over year each of the next nine years. Similarly, duties from China averaged 79 cents per pair the year before accession before *dropping* year over year each of the next several years. In opposite fashion, upon the onset of the U.S.-China trade war in 2018 when the U.S. imposed 25 percent tariffs on \$34 billion of Chinese goods, average duty rates on footwear from China *jumped* from 10.7 percent to 14.3 percent within two years. Similarly, duties per pair from China *jumped* over the same period from 88 cents to \$1.04 per pair. Lastly, during the second round of tariffs under the second Trump administration, the average duty rate on footwear from China *soared* from 13.2 percent in 2024 to 32.4 percent in 2025. Similarly, average duties per pair *soared* from \$1.03/pair to a record \$2.30/pair in 2025. Our presumption is in the absence of PNTR, China's duty rates would soar *an additional 25* percent to 84 percent per Column 2 in the HTS.

Soaring Footwear Duty Rates from China already Pushing Duties per Pair Sharply Higher

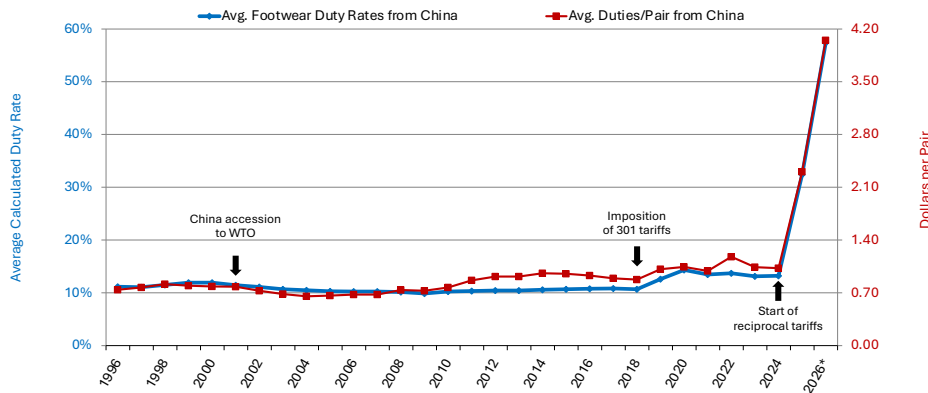


Source: FDRA calculations of USITC data



Based on the long-term co-movement between footwear duty rates and duties per pair paid on footwear imports on the previous chart, an additional 25 percent duty would equate to an additional \$1.75 per pair, pushing average duties paid on footwear from China to \$4.05/pair. An additional 84 percent duty would equate to an additional \$5.60 per pair in duties paid, pushing average duties paid to about \$7.90/pair. This is about half the average landed, duty-paid (LDP) cost of footwear in 2025, implying duties—that is, taxes—will account for upwards of half the LDP cost of footwear from China if PNTR is revoked.

Soaring Footwear Duty Rates from China Likely to Push Duties per Pair Sharply Higher

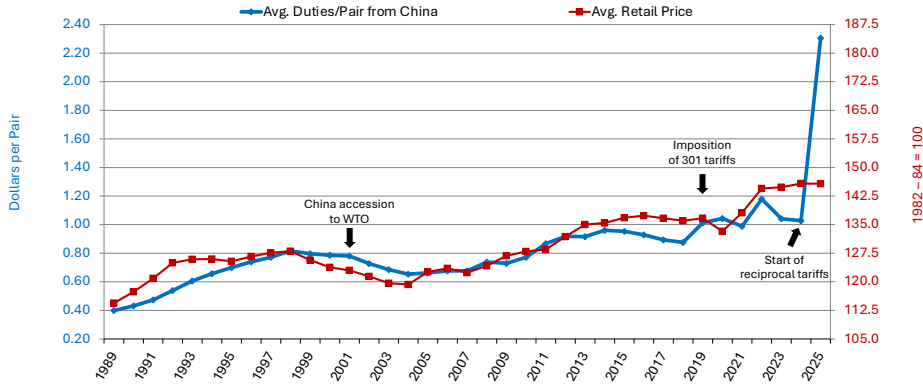


Source: FDRA calculations of USITC data. *FDRA forecasts



In turn, the average duties paid on footwear imports from China typically have trended over the long term with retail prices for footwear, moving higher or lower in step twenty-five of the last thirty-six years. The dramatic spike in average duties per pair witnessed in 2025 is beginning to push retail footwear prices higher. Data from the Bureau of Labor Statistics show retail footwear prices have climbed year over year seven of the last eight months and recently jumped the fastest in nearly three and a half years. We fear consumers soon will see even higher prices for footwear as these higher duties per pair permeate the supply chain.

Higher Footwear Duties per Pair from China Likely to Push Retail Footwear Prices Higher

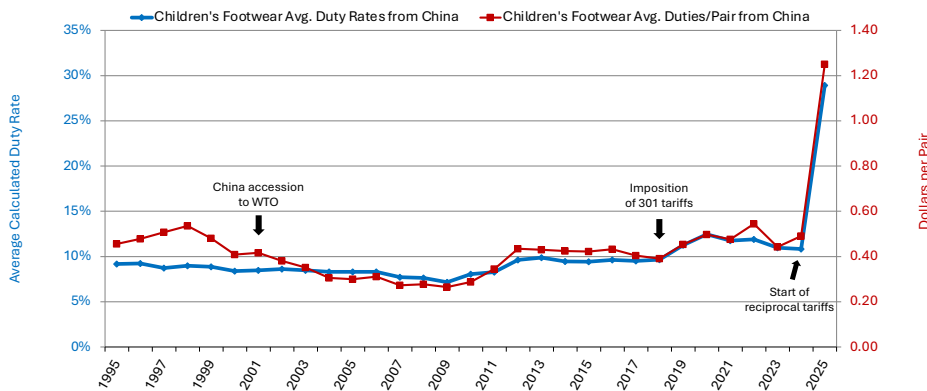


Sources: Bureau of Labor Statistics & FDRA calculations of USITC data



Similarly, average duty rates on children’s footwear imported from China typically have trended in close step over time with average duties per pair on children’s footwear from China. More particularly, average duty rates on children’s footwear from China and average duties per pair on that footwear have risen or declined in step twenty-six of the last thirty-two years. Upon the onset of the U.S.-China trade war in 2018 when the U.S. imposed 25 percent tariffs on \$34 billion of Chinese goods, average duty rates on children’s footwear from China *jumped* from 9.6 percent to 12.5 percent within two years. Similarly, duties per pair from China *jumped* over the same period from 39 cents to 50 cents per pair. Lastly, during the second round of tariffs under the second Trump administration, the average duty rate on children’s footwear from China *soared* from 10.8 percent in 2024 to 28.9 percent in 2025. Similarly, average duties per pair *soared* from \$0.49/pair to a record \$1.25/pair in 2025. Our presumption is in the absence of PNTR, China’s duty rates would soar *an additional* 25 percent to 84 percent per Column 2 in the HTS.

Soaring Children’s Footwear Duty Rates from China already Pushing Duties per Pair Sharply Higher

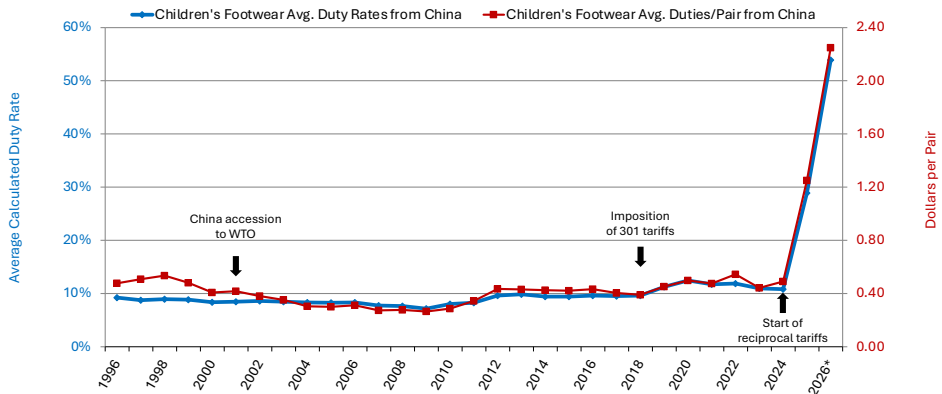


Source: FDRA calculations of USITC data



Based on the long-term co-movement between children’s footwear duty rates and duties per pair paid on children’s footwear imports on the previous chart, an additional 25 percent duty would equate to an additional \$1.00 per pair, pushing average duties paid on children’s footwear from China to \$2.25/pair. An additional 84 percent duty would equate to an additional \$3.63 per pair in duties paid, pushing average duties paid to about \$4.88/pair. This is almost half the current average landed, duty-paid (LDP) cost of children’s footwear in 2025, implying duties—that is, taxes—will account for upwards of half the LDP cost of children’s footwear from China if PNTR is revoked.

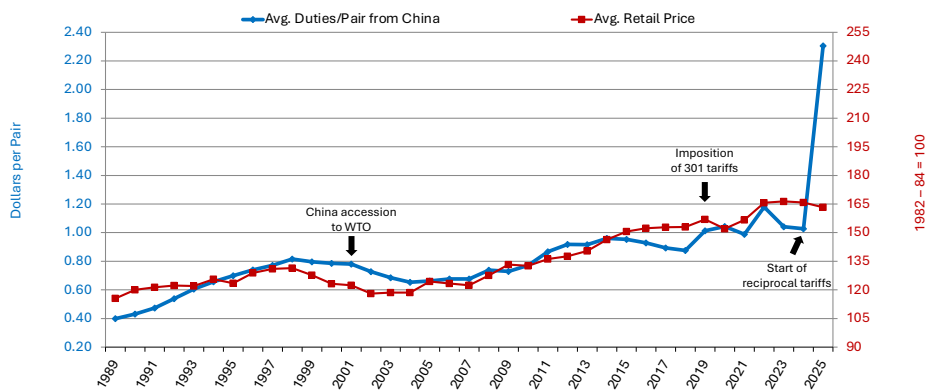
Soaring Children’s Footwear Duty Rates from China Likely to Push Duties per Pair Sharply Higher



Source: FDRA calculations of USITC data. *FDRA forecasts



Higher Duties per Pair on Children’s Footwear from China Likely to Push Children’s Footwear Prices Higher



Sources: Bureau of Labor Statistics & FDRA calculations of USITC data



One additional note: The Customs value per pair of footwear from China averaged just \$7.11 per pair in 2025, versus a world average of \$13.08. In fact, *no other top thirty supplier saw an average Customs value per pair as low as China*. Revoking China's PNTR is unlikely to rebuild U.S. footwear manufacturing, but it is likely to trigger tariff spikes, materially higher retail prices, and margin compression for brands.

This hike likely would have several repercussions, ranging from lost Chinese share to a jump in import prices to upward pressure on retail prices to downward pressure on demand for footwear to a drop in investment by footwear retailers and importers. In short, it would be a cost shock and complexity shock for U.S. companies and consumers.

Thank you again for the opportunity to provide input to the USITC on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Priest". The signature is fluid and cursive, with the first name "Matt" being more prominent than the last name "Priest".

Matt Priest
President & CEO