

April 11, 2026

Jennifer Thornton
General Counsel
Office of the United States Trade Representative
600 17th Street Northwest
Washington, D.C. 20508

Re: Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors (USTR-2026-0068)

Dear Ms. Thornton:

On behalf of the Footwear Distributors & Retailers of America (FDRA), I request to testify at the Section 301 hearing, starting on May 5, 2026, regarding structural excess capacity and production in manufacturing sectors.

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.**

My testimony will highlight the following points:

- **Capacity and production in key footwear sourcing countries are driven by demand.** To meet consumer demand, the U.S. market imports over 2 billion pairs of shoes each year, or 6 pairs for every man, woman, and child in America. Trade imbalances in footwear are not the result of foreign government manipulation; they are the **natural outcome of U.S. consumption patterns meeting global specialization**. This is akin to one running a trade deficit with one's local grocer. An individual may grow vegetables in a vegetable garden at home, but it may not be enough to adequately provide for his or her family. Instead, this individual can buy a diverse array of foods from a grocer, effectively running a deficit with a grocer, but both the grocer and the consumer are better off for it.

- **The administration’s decision to place substantial tariffs on Chinese-made goods in 2025 accelerated a shift of footwear production away from China.** Many companies shifted production to emerging markets like Indonesia, Cambodia, Vietnam, Bangladesh, and India. In 2009, 87 percent of the volume of footwear imported to the U.S. came from China, with 76 percent of the total value spent. In 2025, China accounted for about 48 percent of volume, and the value had more than halved to 26 percent. Those companies that undertook the difficult and costly multi-year task of shifting sourcing outside of China, at the urging of the administration, now face the prospect of 301 tariffs because of production increases outside of China.
- **Footwear manufacturing in emerging markets – including Indonesia, Cambodia, Vietnam, Bangladesh, and India – does not impact the administration’s goals of re-shoring U.S. supply chains and providing good-paying jobs for American workers.** We agree with President Trump’s statement in May 2025 that his tariff policy is not focused on driving sneaker and T-shirt production to the U.S. As we stated in a May 29th letter to President Trump, joined by several associations, “We agree that tariff policy cannot scale up a domestic footwear and apparel industry. We appreciate your acknowledgment of the real-world challenges our industries face. Footwear and apparel manufacturing are both labor- and capital-intensive. Shoemaking requires a large, skilled workforce dedicated to mastering intricate techniques – it still takes nearly 100 individual steps to produce a basic pair of leather dress shoes. Additionally, there are very few sourcing locations capable of meeting the scale and cost demands of U.S. consumers, and establishing footwear and apparel factories requires years of planning and investment.”¹ In addition, there are upwards of 70 materials in a typical bill of materials for a shoe. Countless new factories and suppliers for materials would also need to shift back to the U.S. to manufacture finished footwear in the U.S. on a large scale. Developing this supplier base in the U.S. would take decades. Over the past year, the administration placed tariffs on footwear components and machinery that U.S. manufacturers need to make shoes in the U.S. These tariffs impose additional costs on domestic footwear manufacturers, which limits their ability to hire U.S. workers and invest in new equipment.
- **Imposing tariffs on footwear harms consumers without any benefit to the United States.** The U.S. government already places high tariffs on footwear, *before any new tariffs are added*. Without accounting for the new tariffs added over the past year, consumer goods have an average tariff rate of 2 percent, but footwear has an average tariff rate of 12 percent. The tariff rates are much higher for children's shoes. Kids shoes often reach rates of 20 percent, 48 percent, and higher *before any news tariffs are added*. Increasing this tariff burden, through new added 301 tariffs, will result in higher costs for hardworking American families at a time when they already face tremendous economic uncertainty.

¹ <https://fdra.org/wp-content/uploads/2025/05/Association-Letter-to-POTUS-5.29.25-1.pdf>

FDRA appreciates the opportunity to provide feedback to USTR as it conducts the Special 301 investigation regarding structural excess capacity and production in manufacturing sectors.

We stand ready to work with you on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Crockett". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Thomas Crockett
Senior Vice President, Government Relations
Footwear Distributors & Retailers of America (FDRA)