

May 5, 2026

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)

On behalf of the Footwear Distributors & Retailers of America (FDRA), thank you for the opportunity to testify at today's 301 hearing.

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.

As USTR conducts this investigation, we would like to highlight several issues:

First, consumer demand drives footwear production.

To meet consumer demand, the U.S. market imports over 2 billion pairs of shoes each year. That is 6 pairs of shoes for every man, woman, and child in America. When it comes to footwear, trade imbalances are not the result of foreign government manipulation; they are the natural outcome of U.S. consumption patterns meeting global specialization. As an analogy: this is like running a trade deficit with your local grocer. You may grow vegetables in a vegetable garden at home, but it may not be enough to provide for your family. Instead, you buy a diverse array of foods from a grocer. You effectively run a deficit with the grocer, but both you and the grocer are better off for it. In the same way, U.S. consumers buy a lot of shoes. Again, the number is 2 billion pairs every single year.

Second, the administration's actions toward China accelerated a shift in sourcing.

Footwear companies have long recognized the need to diversify sourcing and not become too dependent on a single sourcing country. It also takes years to shift production. The administration imposed added tariffs on Chinese-made footwear in 2019 and substantial new tariffs on Chinese-made footwear in 2025. The reciprocal tariff rates for Chinese-made goods reached 145 percent at one point (and this is on top of the high MFN rates for footwear). This accelerated a shift in 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. In 2025, that number was 48 percent. In 2009, China accounted for 76 percent of the total value spent. In 2025, 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.

Third, footwear manufacturing in these emerging markets does not impact the administration’s goals of re-shoring U.S. supply chains and providing good-paying jobs for American workers.

We appreciate 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 [and] there are very few sourcing locations capable of meeting the scale and cost demands of U.S. consumers.”¹ In addition, many of the materials to make shoes do not exist in the U.S. and there are now added tariffs on all footwear components and machinery.

Finally, 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 new 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.

FDRA appreciates the opportunity to provide feedback to USTR as it conducts this 301 investigation into structural excess capacity and production in manufacturing sectors. I am happy to answer any questions.

Sincerely,



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

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