



May 30, 2019

The Honorable Donald J. Trump  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President,

The trade associations signing this letter represent those who have worked tirelessly to protect footwear manufacturing in the United States and those who import most of their footwear from across the globe. We disagree on many things but on the following point we agree: The Section 301 list released on May 13 by the United States Trade Representative poses a serious threat to the domestic footwear industry, will increase costs for consumers, and ultimately will have unintended consequences that could imperil the economic models that both the domestic manufacturing and import footwear industries have been building.

The U.S. footwear domestic manufacturing and U.S. footwear import industries stand united in expressing our grave concerns these tariffs won't help any segment of our industry. The proposed additional tariff on footwear, footwear components, and footwear machinery would do untold damage to our industry, ultimately affecting consumers in a negative way and hamstringing what has traditionally been a hugely successful part of the American economy. We as an industry see merit in much of what your Administration has accomplished to level the global playing field. We have significant concerns that this latest action will have unintended consequences that will damage our industry for years to come.

Domestic manufacturers are a cornerstone of the U.S. economy – a backbone of the American dream. These tariffs on U.S. imports from China undermine the domestic footwear industry, as well as take a serious toll on efforts to expand opportunities for the American consumer to purchase goods that are, indeed, Made in America.

For domestic manufacturers, many inputs necessary for footwear manufacturing are **not** available in the United States and are sourced through China. An additional 25% duty burden on these components threatens the viability of domestic production. In zero-sum terms, for every \$1,000,000 worth of necessary and domestically unavailable components our industry imports from China, our costs will rise by \$250,000. This increase threatens the production of footwear in factories throughout the United States – and thus the thousands of workers in those factories. It also imperils the supply chain for domestic manufacturing which, in many cases, relies on a mix of Asian and U.S. inputs to help create finished footwear in the United States.

These tariffs will hurt many well-paying footwear jobs outside manufacturing as well. Many of the shoes imported from China are designed in the United States. Although our members have been diversifying from China, that process cannot take place overnight. With supply chains hard to move in the short and medium term, those extra tariff costs will be paid by eating into the nearly one million U.S. jobs this industry supports outside of manufacturing in such areas as compliance, R&D, logistics, and design. U.S. consumers will also feel the bite as some of the tax increase proposed will mean higher prices for hardworking American families.

These tariff actions, if applied to the footwear industry, will make goods more expensive for consumers and create an environment that leads to job loss and domestic factory slowdowns.

The footwear industry has been a proud contributor to the American economy for centuries, serving as a source of manufacturing and innovation. As an industry, we have been recalibrating from China over the last several years, and we all have a goal to increase value added activities and jobs in the United States regardless of the character of our individual supply chains. But this move to increase duties on machinery, components, and finished footwear would have drastic effects on patriotic American companies, some of which would face existential peril.

The costs would fall disproportionately on American consumers and workers. Respectfully, we urge you to reconsider to ensure there are not catastrophic consequences for the industry and for everyday Americans.

Sincerely,



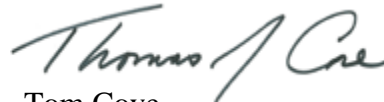
Rick Helfenbein  
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American Apparel & Footwear Association



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