

# **RPFMA**

**Rubber and Plastic Footwear Manufacturers Association**

**Statement for the Hearing Record  
Submitted by the Rubber and Plastic Footwear Manufacturers Association  
For the Hearing Entitled “President Obama’s Trade Policy Agenda”  
Held by the House Ways and Means Committee on April 3, 2014**

On behalf of the Rubber and Plastic Footwear Manufacturers Association (RPFMA), we are pleased to submit this statement for the hearing record regarding President Obama’s trade policy agenda and its potential impact on the domestic footwear manufacturing industry. RPFMA represents the remaining companies that manufacture rubber and plastic footwear in the United States, which include New Balance, the only manufacturer of athletic footwear left in the U.S., and rubber shoe and boot manufacturers such as Kamik, OnGuard Industries, Newgrange, and Jones and Vining. Collectively, RPFMA members support more than 4,000 American manufacturing jobs across the country and are an essential (and irreplaceable) part of their local economies.

RPFMA continues to be very concerned about the direction of negotiations with the Trans Pacific Partnership (TPP), particularly regarding footwear tariffs for sensitive products imported from Vietnam. As we have stated many times previously to the Administration and to Members of Congress, the U.S. should maintain the current, longstanding tariff structure for sensitive footwear in the TPP so that domestic manufacturers can continue to compete with countries such as Vietnam that have significantly lower wages and less stringent labor standards than the U.S.

Important-sensitive tariffs have been in place for decades. Eliminating these tariffs as part of the TPP at the request of the Vietnamese government would effectively end footwear manufacturing in the U.S. and destroy an important part of our industrial base that dates back to our country’s founding. This result would contradict the stated policy of the Obama Administration to enact policies to support and help manufacturers who wish to keep jobs in the U.S.

To date, Amb. Froman has not acknowledged this potentially negative outcome for domestic footwear manufacturers. Nor has he provided assurances that our industry will not be undermined in the TPP negotiations. We are very concerned by public statements Amb. Froman has made over the last year in which he argued that U.S. footwear manufacturers would actually benefit from eliminating sensitive footwear tariffs in the TPP through increased exports. This is illogical. Domestic footwear manufacturers would be forced to move manufacturing operations overseas if import sensitive tariffs are eliminated for footwear imported from Vietnam. There is no basis to believe that footwear exports would increase with the elimination of tariffs. Indeed, the result would be the virtual elimination of U.S. manufacturing, which, of course, would mean that there could be no exports.

It is also important for the Committee to understand that Vietnam has the fastest growing footwear industry in the world. Over the last 10 years, footwear imports into the U.S. from Vietnam have grown more than fivefold, from less than 2 percent of total footwear imports in 2002 to nearly 10 percent of total imports in 2013. Imports of footwear from Vietnam alone increased by 20 percent in 2013, and now constitute approximately 235 million pairs of shoes valued at almost \$3 billion. Clearly, Vietnam's footwear industry is doing very well under the current tariff system and does not need assistance getting its products to U.S. customers.

As we noted previously, the domestic footwear industry supports more than 4,000 manufacturing jobs. In addition to this job base, three RPFMA members are in the process of increasing their U.S. production, which would create new jobs in New Hampshire, Maine, and Arkansas. These expansions, however, are predicated on the economics of the current tariff system for sensitive footwear and will only succeed if U.S. trade negotiators do not eliminate current tariffs in the TPP.

U.S. based footwear companies that outsource all of their production have been actively lobbying the Administration to eliminate import sensitive tariffs in the TPP based on the assertion that these tariffs are an outdated impediment to trade and do not support manufacturing jobs. This argument is nonsense and is not supported by the facts.

The Administration should not give an advantage to footwear companies that manufacture all of their products overseas, at the expense of RPFMA members and other domestic footwear manufacturers that are committed to keeping jobs in the U.S. U.S. workers will lose jobs if this occurs. Rather, the Administration and Members of Congress should be rewarding companies that are committed to keeping manufacturing jobs in the U.S. and are actively seeking to create new jobs. It is hard to imagine any business proposition more worthy of support from the federal government.

We appreciate the opportunity to share our views and hope that Committee members will support the domestic footwear manufacturing industry.

Respectfully submitted,



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