

May 8, 2013

Ambassador Demetrios Marantis
Acting, U.S. Trade Representative
600 17th St, NW
Washington, DC 20508

Re: Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement

Dear Ambassador Marantis:

On behalf of the Footwear Distributors and Retailers of America (FDRA), I am pleased to provide the following comments regarding the proposed Transatlantic Trade and Investment Partnership (TTIP).

FDRA is the oldest and largest footwear industry association in the United States. We represent 100 companies and over 200 brands, including jobs in research, design, development, manufacturing, distribution and retail. FDRA works to advance the competitiveness of U.S. footwear companies both here in the United States and across the globe through free trade initiatives and by serving as an industry resource regarding various policies and regulations.

The U.S. footwear industry is a dynamic growing sector that supports hundreds of thousands of high value jobs across the country. The footwear industry is responsible to both fashion and technology advancements. Here in the United States, FDRA member companies research new materials and production methodologies, design product lines to meet consumer demands, and work to source and deliver competitive footwear for American consumers. Our members are designers, manufacturers and retailers with one element in common – trade is a cornerstone of our business.

FDRA supports free trade initiatives and we support the Obama Administration's commitment to expand and strengthen our trade relationship with the European Union through the TTIP. The European Union has been a close trading partner of the United States and the TTIP stands to provide meaningful benefits to U.S. companies, workers, and American consumers.

In the United States, 99% of all footwear purchased is made overseas. As a result, every American is forced to pay the outdated and extremely high import tariffs that are applied to footwear. Footwear duties range from 8% to 67.5%, in distinct contrast to the average consumer duty rate of 1.3%. As you know, as American companies import

product into the U.S. they incur these taxes on the cost of the shoe, which is added to the overall cost structure, directly impacting consumers. In 2012, American consumers paid an estimated \$7 billion extra for their shoes because of this tax. Because of this arduous tax on U.S. companies and American consumers, FDRA supports initiatives that can reduce this burden.

In 2012 American companies paid \$160 million in duties for footwear from the European Union; over the last five years these duties have burdened the industry by nearly \$700 million. FDRA believes the TTIP should eliminate duties on footwear imports immediately upon implementation. By eliminating duties on footwear, we can provide cost savings for consumers and promote the competitiveness of U.S. companies.

FDRA includes members who maintain domestic manufacturing for the Department of Defense under the Berry Amendment. The Berry Amendment is an important tool for the United States to ensure a secure supply of materials to the United States military. Within the government procurement provisions, FDRA would seek the final TTIP agreement to protect the Berry Amendment in its current form. Government procurement provisions within the TTIP should not effectively undermine or expand the application of the Berry Amendment, which is important domestic policy.

I thank you for this opportunity to comment and FDRA looks forward to the successful completion of the TTIP agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Priest". The signature is fluid and cursive, written in a professional style.

R. Matthew Priest
President, FDRA