



April 8, 2015

The Honorable Orrin Hatch
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
216 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
1106 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Hatch and Ryan and Ranking Members Wyden and Levin:

We are writing to express our strong support for the effort to modernize and clarify the U.S. Harmonized Tariff Code's (USHTS) definition of athletic footwear. Today, virtually identical running shoes are classified differently because one contains an internal membrane that provides protection against outdoor elements, and the other does not. The classification of trail running shoes, hiking shoes, and trekking shoes as "protective", intended to cover footwear such as firemen and rain boots, fails to recognize modern athletic activities and the development of technology to give runners and hikers protection against inclement weather.

The consequence of this quirk in Customs and Border Patrol's ("CBP") current interpretation of the athletic footwear definition is very significant. By applying the "protective" duty rate of **37.5%** instead of the "athletic footwear" duty rate of **20%**, many shoes are out of reach of runners and hikers who wish to exercise in less than ideal conditions, and prices some footwear entirely out of the U.S. market. As a result, consumers in Europe and Asia today have access to U.S. innovative footwear that American consumers do not. The **17.5 %** differential is nothing more than a penalty on innovation.

An added benefit of this change is that it will simplify CBP's enforcement of the athletic footwear duty provisions. If this change is enacted, CBP will no longer need to dissect identically-appearing shoes to determine if they contain a laminated internal membrane. This undoubtedly will save time and resources for already heavily burdened CBP officials.

Thanks to the research, development, and design by innovative U.S. companies, the technology in modern athletic and sports footwear is extremely advanced. Outdoor recreational enthusiasts and athletes may have access to multiple types of shoes to choose from depending on the weather conditions and intended terrain of that very day's activities; cold, warm, rain, snow, dry, pavement, dirt, track (combination of rubber and polyurethane), or rocks.

We encourage Congress to take action to modify the athletic footwear definition of the USHTS to ensure that U.S. consumers have access to innovative advancements of footwear. This will no doubt create additional well-paying jobs in the United States, promote further innovations, and make highly-advanced footwear available to U.S. consumers. We thank you advance for your consideration.

Sincerely,



Juanita D. Duggan
President & CEO, American Apparel & Footwear Association (AAFA)



Matt Priest
President, Footwear Distributors & Retailers of America (FDRA)



Steve Barker
Interim Executive Director, Outdoor Industry Association



Tom Cove
President & CEO, Sports & Fitness Industry Association (SFIA)