



Rubber and Plastics Footwear Manufacturers Association

May 16, 2012

The Honorable John Bryson
Secretary
US Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Ambassador Ron Kirk
U.S. Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: TPP and Japan's Leather Footwear TRQ

Dear Secretary Bryson and Ambassador Kirk:

As we contemplate additional partners for the Trans Pacific Partnership (TPP), we are writing on behalf of the entire U.S. footwear industry -- U.S. manufacturers, U.S. brands, and U.S. retailers, and the one million U.S. workers employed by our industry -- to strongly urge that the Administration make it a top priority to eliminate a tariff rate quota (TRQ) that Japan applies to imports of U.S.-made and U.S.-branded leather footwear.

Currently, Japan only permits a minuscule amount of leather footwear imports under the TRQ -- only 12 million pairs -- even though the total market for leather footwear in Japan is about a billion pairs a year. For imports above the quota level, Japan applies an expensive 4,300 yen per pair specific-rate. At today's exchange rates, this surcharge is equal to a duty of over \$53 per pair, which amounts to a 100 to 300 percent surcharge per pair on imports of most leather footwear.

This issue has been identified by the U.S. footwear industry numerous times over the past several decades. Moreover, it has been identified in the annual National Trade Estimates (NTE) report yearly since the report's inception in the 1980's.

In the 2012 NTE report, issued a few weeks ago, the Japan chapter states:

"Japan continues to apply a TRQ on leather footwear that substantially limits imports into Japan's market, and it sets these quotas in a nontransparent manner. The U.S. Government continues to seek elimination of these quotas."

This TRQ hurts Japanese consumers and U.S. footwear manufacturers, and U.S. footwear brands alike and is a clear and longstanding violation of World Trade Organization (WTO) rules and norms. We believe that Japan should end this practice in advance of any invitation to participate in the TPP, or, at the very latest, shortly thereafter.

We look forward to working with you to eliminate this significant market barrier to U.S.-made and U.S.-branded footwear.

Thank you very much for your consideration.

Sincerely,

Kevin M. Burke, President & CEO
American Apparel & Footwear Association (AAFA)

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

Frank Hugelmeier, President & CEO
Outdoor Industry Association (OIA)

Marc Fleischaker, Trade Counsel
Rubber & Plastics Footwear Manufacturers Association (RPFMA)