



Rubber and Plastics Footwear Manufacturers Association

June 30, 2014

The Honorable Michael Froman
U.S. Trade Representative
Office of the United States Trade Representative (USTR)
600 17th Street, NW
Washington, DC 20508

Re: TPP and Japan's Leather Footwear TRQ

Ambassador Froman:

With the negotiations towards reaching Trans Pacific Partnership (TPP) entering the end game, 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 follow up on our previous letter on this matter of May 16, 2012 and March 22, 2013, to again strongly encourage 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 – less than two percent of the total footwear market in Japan (654 million 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 \$42.26 per pair, which amounts to a 100-300% 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 2014 NTE report, the Japan chapter states: "Japan continues to apply a tariff-rate quota (TRQ) on leather footwear that substantially limits imports into Japan's market, negatively impacting market access for U.S.-made and U.S.-branded footwear. The U.S. Government continues to seek improved market access for U.S. exports in this sector."

This TRQ hurts Japanese consumers, 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 as part of any final TPP agreement.

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,

Steve Lamar, Executive Vice President
American Apparel & Footwear Association (AAFA)

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

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

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