

United States-Trans-Pacific Partnership Trade Agreement

Before the  
International Trade Commission

Investigation Number TA-131-035 and TA-2104-027

Views of the  
Rubber and Plastic Footwear Manufacturers Association

Marc L. Fleischaker  
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November 17, 2010

The Rubber and Plastic Footwear Manufacturers Association (“RPFMA”) represents the principal domestic producers of protective footwear and rubber-sole, fabric-upper footwear, as well as suppliers of components to the industry. The names and locations of the RPFMA members appear in Appendix 1. We appreciate the opportunity to appear today to discuss the probable economic effect of providing duty-free treatment for imports of products from the eight TPP partner countries (Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam). Our comments respond to the inquiry regarding the effect on an industry in the United States producing like or directly competitive products.

I have solicited input from the RPFMA members, and discuss that below. I am also attaching previous testimony and comments prepared by Mitchell J. Cooper on behalf of RPFMA relevant to this topic on March 4, 2009 and February 4, 2010. In a broad sense, RPFMA’s position regarding the TPP has not changed. We take no position on the overall question of whether a free trade agreement such as the TPP is desirable. None of the TPP countries are problematic for RPFMA members’ domestic production with the exception of Vietnam and Malaysia. In the case of these two countries, we urge a specific exclusion from any tariff reduction for the core products of the domestic rubber footwear industry. A failure to exclude duty cuts for these products from Vietnam and Malaysia would result in the probable elimination of most or all of the remaining domestic rubber footwear plants.

The following are the highly sensitive HTS tariff codes:

2010 US HTS	HSG SUBHEADING	HS2(CH)
64039960	640399	64
64039990	640399	64
64041190	640411	64
64029980	640299	64
64029990	640299	64

While these appear to be the most sensitive categories, we also want to emphasize the need to have a long phase-out period for all 18-1/2 harmonized system categories as to which there continue to be domestic production. These include 6401.10.00, 6401.92.90, 6401.99.10, 6401.99.30, 6401.99.60, 6401.99.90, 6402.91.10, 6402.91.20, 6402.91.26, 6402.91.50, 6402.91.80, 6402.99.08, 6402.99.16, 6402.99.19, 6402.99.33, 6402.99.80, 6402.99.90, 6404.11.90 (limited to footwear which does not cover the ankle), and 6404.19.20.

The RPFMA does not see significant threats from Australia, New Zealand, Chile, Peru or Singapore. However, Vietnam and Malaysia pose entirely different threat levels, and should have a total exclusion from tariff reduction. Even a lengthy phase-out period such as negotiated with South Korea, while preferable to immediate phase out, will result in the inevitable elimination of the domestic manufacturing industry. Allowing duty free entry to Vietnam and/or Malaysia exporters would result in a large portion of China's exports to be diverted to those countries, and then exported from there to the United States. Exports of athletic footwear from Vietnam have already grown dramatically in the past few years, and the trend is further acceleration. Apart from the fact that Vietnamese manufacturers appear to receive government help, the cost of shoes from Vietnam is now lower than China, and the gap is growing. The minimum hourly wage in China is \$0.93 while the minimum hourly wage in Vietnam is \$0.33. The comparable actual hourly wages are \$1.25 and \$0.46. The result is that an athletic shoe from China will typically have an FOB price of \$15.00, plus a duty of \$3.05 and freight of \$0.60, for a landed price of \$18.65. The same athletic shoe from Vietnam will have an FOB price of \$13.22, plus a duty of \$2.68 and freight of \$0.68, for a landed price \$16.59, or 11 percent lower than China. It is easy to visualize what will happen if the tariff from Vietnam is entirely eliminated.

The Vietnam footwear infrastructure is mature. Local raw material suppliers are keeping pace with technology and their shoe factories are fully capable of making high performance products.

Malaysia is not a major exporter of athletic and waterproof footwear today, but if they had a favorable duty relative to China they could ramp up their industry quickly. Their wage rates are very low, and they could import “guest workers” from Indonesia to obtain further low cost labor. Therefore, it is imperative that the current tariffs remain in place for footwear from Malaysia as well as Vietnam.

Regarding rules of origin, there is a significant danger that Malaysia could import components, such as uppers and soles from China, Vietnam or Indonesia, and assemble the finished shoe for export. A good example is that when Canada had anti-dumping duties against China in the recent past, China shipped components to Macao for final assembly, and with less than 10 percent added value was able to get around the anti-dumping legislation. Consequently, the rules of origin should require, at a minimum, that the local content follow NAFTA rules of at least 55 percent. Absent such a provision, it will be too simple to avoid the applicable tariffs, and destroy domestic United States production via that route.

Thank you very much for studying the potential impact of duty-free treatment, and listening to our views of this very important issue. The production of athletic and waterproof footwear in the United States and the domestic employment of some 4,000 individuals is at stake in the TPP and similar trade agreements. The RFPMA strongly and urgently requests that this domestic industry continue to receive the treatment it has received for more than 50 years. The alternative is the elimination of any domestic production.

I will be pleased to respond to any questions.

Marc L. Fleischaker

## Appendix 1

### Rubber & Plastic Footwear Manufacturers Association "RPFMA" Members

Bixby International Corp.  
Newburyport, MA

Coats North America  
Charlotte, NC

Dela Incorporated  
Ward Hill, MA

Draper Knitting Co., Inc.  
Canton, MA

Genfoot America Inc.  
Lachine, QC

Honeywell Safety Products  
Rock Island, IL

Jones & Vining, Inc.  
Brockton, MA

New Balance Athletic Shoe, Inc.  
Boston, MA

Onguard Industries, L.L.C.  
Havre de Grace, MD

Packaging Corporation of America  
Cutchogue, NY

SGFootwear  
Hackensack, NJ

Shawmut Corporation  
W. Bridgewater, MA

Sheehan Sales Associates, Inc.  
Topsfield, MA

Tingley Rubber Corporation  
South Plainfield, NJ

BEFORE THE TRADE POLICY STAFF COMMITTEE

**Docket Number USTR-2009-0002**

Views of the Rubber and Plastic Footwear Manufacturers Association on the  
Probable Economic Effects of the inclusion of Vietnam in the  
Proposed Trans-Pacific Free Trade Agreement

Mitchell J. Cooper  
1001 Connecticut Avenue, NW  
Washington, DC 20036  
Counsel, Rubber and Plastic Footwear Manufacturers Association

March 04, 2009

This testimony is in behalf of the Rubber and Plastic Footwear Manufacturers Association (RPFMA), the spokesman for the principal domestic producers of protective footwear and rubber-sole fabric-upper footwear, as well as suppliers of components for the industry. The RPFMA takes no position on the overall question of whether a free trade agreement with any or all of the designated transpacific countries is desirable except for Vietnam where we urge a specific exclusion for the core products of the domestic rubber footwear industry.<sup>1</sup>

The names and locations of the members of the RPFMA appear in Appendix I. All of these companies do most of their rubber footwear manufacturing in this country, but competitive circumstances have made it necessary for many of them to do a significant amount of importing. For the reasons set forth below, a free trade agreement with Vietnam which does not exclude duty cuts for this industry would result in the probable elimination of most or all of the remaining domestic plants.

This is not the first time (or the second, third, or fourth time) that this Committee has heard me urge that a particular free trade negotiation should not impact the duties on rubber footwear's core products, but this time you will have to believe that I am speaking in italics. Vietnam is a far greater threat to this industry than Mexico, for example, where we were one of the rare industries to get a 15-year phase-out, or Chile, where we got a back-loaded, non-linear 10-year phase-out, or Korea, where we got a 12-year phase-out with no duty cuts for the first eight years. Attached to this testimony as Appendices II and III are tables which show the

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<sup>1</sup> The Harmonized System categories which we believe should be excluded from negotiation are: 6401.10.00; 6401.92.90; 6401.99.10; 6401.99.30; 6401.99.60; 6401.99.90; 6402.91.10; 6402.91.20; 6402.91.26; 6402.91.50; 6402.91.80; 6402.99.08; 6402.99.16; 6402.99.19; 6402.99.33; 6402.99.80; 6402.99.90; 6404.11.90 (limited to footwear which does not cover the ankle); 6404.19.20

dramatic growth in imports from Vietnam of fabric-upper rubber footwear between 2001 and November 2008 and in protective footwear for the same period. Indeed China and Brazil are the only countries whose exports to the United States of fabric footwear exceed Vietnam's and Vietnam is now the sixth most significant exporter of protective footwear to the United States.

The reason for Vietnamese ascendancy is not hard to discern. Wage rates in that country, as shown in the attached letter from New Balance (Appendix IV), are even lower than wages in China and the total cost of production for comparable products is lower in Vietnam than in China. Bear in mind that China currently accounts for well over 50% of the total exports of rubber footwear to this country; thanks largely to those Chinese exports, imports of fabric-upper rubber footwear already take well in excess of 90% of our domestic market and imports of protective footwear in excess of 70%. The elimination of duties on Vietnamese rubber footwear, no matter how long the phase-out period, would give that country such an overwhelming competitive advantage that what is left of this domestic industry would have no alternative other than to shift its production from towns in Maine, Maryland, Massachusetts, New Hampshire, Illinois, Arkansas, and California to Vietnam, resulting in unemployment for 3,000 Americans in markets where other jobs are not waiting for them.

As you surely must know by now, rubber footwear is a high-tariff industry, and any reduction in its tariffs translates into significant dollar amounts. This is an industry which has been studied and restudied by our Government on occasion after occasion in the past 50 years. Without exception, every such examination concluded that, despite the relatively high tariff on its products, domestic rubber footwear is an endangered species whose continued existence would be seriously at risk if tariffs were cut on rubber footwear coming from countries positioned to compete with this domestic industry. Accordingly, the industry emerged from the

Kennedy, Tokyo, and Uruguay Rounds with duties virtually uncut; in every bilateral and regional free trade agreement entered into by the United States, rubber footwear has had the longest possible phase-out and in some cases phase-outs longer than that for virtually any other industry. Moreover this industry is excluded from the duty-free treatment provided by the General System of Preferences and, by Executive Order, was excluded from duty cuts in the Andean Trade Preference Agreement.

Among the Government's studies were three by the Department of Defense: In 1981, the Pentagon examined the ability of protective footwear manufacturers to meet mobilizing needs and concluded that "...loss of one or two of our current major suppliers would seriously jeopardize our ability to meet military requirements under surge/mobilization conditions." In 1983, the Pentagon reexamined the industry and determined that "...the domestic capacity would be insufficient to satisfy all of the military departments' requirements in a surge or mobilization situation. It was also found that, if we lose one or two of the major domestic suppliers, it would jeopardize our peacetime supply capacity." And in 1988 a Defense Department report on the ability of this industry to meet mobilization needs discussed the problem of obtaining certain specialized waterproof boots and concluded that "...this industry segment has been severely affected by imported goods which are produced by labor pools with much lower pay scales than are prevalent in this country." The report went on to state, "...foreign market penetration has made finding domestic producers very difficult." Since these Defense Department studies, the domestic industry has lost two of its major producers, Converse and LaCrosse.

The rubber footwear industry recognizes that the health of our economy is dependent to a large degree on America's ability to export its products. Unhappily, there is little that any free trade agreement negotiated with Vietnam can do to provide this industry with an export market.

That market has been captured by the same low-wage producers with which we are competing and it is a market which can not be recaptured. Assuming that there are meaningful benefits which would accrue from a free-trade agreement with Vietnam, these benefits would not be diminished by the exclusion of this miniscule fraction of 1% of this country's trade from duty-free treatment, while such an exclusion would permit what is left of this industry to fulfill its desire and intention to remain in America.

## Appendix I

### RPFMA Companies

Dela Incorporated  
Ward Hill, MA

Coats North America  
Charlotte, NC

Bixby International Corporation  
Newburyport, MA

Packaging Corporation of America  
Cutchogue, NY

Draper Knitting Co., Inc.  
Canton, MA

Shawmut Corporation  
W. Bridgewater, MA

Genfoot, America, Inc.  
Littleton, NH

New Balance Athletic Shoe, Inc.  
Boston, MA

America's Choice Products, LLC  
Newport, AK

Norcross Safety Products  
Rock Island, IL

Onguard Industries  
Belcamp, MD

ATP Manufacturing LLC  
North Smithfield, RI

S.G. Footwear.  
Hackensack, NJ

Sheehan Sales Associates  
Salem, MA

Tingley Rubber Corporation  
South Plainfield, NJ

Appendix II

## U.S. IMPORTS FOR CONSUMPTION FOR SELECTED PRODUCTS

Product: RUBBER-CANVAS FOOTWEAR		January 14, 2009							
Data in PRS									
Country	2001	2002	2003	2004	2005	2006	2007	YTD 11/2007	YTD 11/2008
World	95,189,921	103,831,482	107,051,121	146,031,632	162,515,357	182,225,959	198,381,185	186,378,046	187,035,401
China	79,525,657	89,799,824	93,672,858	129,566,408	145,217,547	167,907,864	184,978,614	173,999,366	167,693,534
Brazil	654,666	2,101,290	3,709,366	5,368,380	5,637,536	5,507,841	3,998,463	3,630,678	10,232,509
Vietnam	1,479,587	3,044,459	2,559,535	1,740,158	3,745,655	3,520,494	4,832,879	4,491,244	5,624,715
Thailand	3,849,370	2,139,473	1,126,881	765,471	672,933	1,007,179	1,146,596	1,034,353	909,292
Indonesia	6,269,092	3,912,093	1,716,408	1,787,711	1,601,088	936,467	811,870	730,244	682,588
Taiwan	1,172,665	753,565	1,383,293	2,082,711	517,126	427,749	791,394	750,561	416,348
Hong Kong	685,782	745,032	1,037,247	1,250,487	594,076	613,730	448,559	424,722	360,264
Philippines	50,029	59,305	111,999	307,824	591,555	654,413	469,158	464,881	230,507
Mexico	422,651	331,221	401,845	312,455	336,966	340,524	208,125	198,409	200,175
Italy	127,374	37,063	348,826	1,071,964	307,086	602,009	280,474	268,097	168,462
India	23,389	3,175	44,665	3,871	30,677	3,094	29,793	28,877	99,307
Japan	41,573	27,430	36,057	17,093	336,091	51,361	53,385	53,358	83,692
Bangladesh	0	0	38,186	33,957	4,908	29,234	36,510	36,510	72,507
Korea, South	282,978	171,852	157,731	138,397	180,309	85,432	75,638	74,841	47,008
Malaysia	16,864	8,344	2,436	13,344	53,595	16,464	9,850	9,850	34,508
Canada	12,412	48,914	219,695	734,185	1,982,833	175,264	42,421	42,360	28,263
Sri Lanka	80,953	193,498	121,212	78,849	0	11,500	10,693	10,693	25,848
Spain	2,975	40,453	21,487	15,036	41,522	47,458	4,845	4,845	21,012
Germany	40,132	29,104	36,285	56,784	27,938	43,671	51,400	51,330	17,565
Australia	447	27	1,476	63	1,003	851	1	1	12,753
United Kingdom	763	1,398	779	3,164	7,444	3,897	24,342	4,058	10,529
Cambodia	0	37,325	0	0	40	0	0	0	9,988
France	11,536	47,922	11,979	9,420	6,347	4,655	5,826	5,059	8,615

Source: U.S. Department of Commerce, Office of Textiles and Apparel.

**Appendix III**

**U.S. IMPORTS FOR CONSUMPTION FOR SELECTED PRODUCTS**

Product: PROTECTIVE RUBBER FOOTWEAR  
Data in PRS

January 14, 2009

Country	2001	2002	2003	2004	2005	2006	2007	YTD 11/2007	YTD 11/2008
World	11,576,993	12,282,661	14,125,861	15,064,447	17,563,735	14,755,716	16,629,891	15,448,752	15,926,705
China	7,904,457	7,867,416	9,473,582	10,146,406	11,758,002	9,350,828	12,055,750	11,075,317	11,001,234
Canada	2,009,600	2,251,862	2,646,022	2,681,707	2,859,767	1,823,317	1,750,636	1,658,440	2,094,692
Taiwan	379,572	235,611	107,784	189,972	759,797	1,520,716	957,938	954,984	919,180
Mexico	535,724	1,287,502	1,199,239	1,145,019	1,233,157	1,136,745	1,146,013	1,073,137	896,684
Italy	143,254	43,361	29,658	63,446	42,927	66,456	194,089	187,885	490,183
Vietnam	871	9,816	101,168	51,927	177,672	82,113	140,805	140,805	170,034
_CBI	10,069	12,534	11,292	25,660	47,899	51,337	61,843	54,001	75,097
_CAFTA	10,069	12,534	11,292	25,660	47,843	51,337	61,843	54,001	75,097
Netherlands	34,592	20,809	43,841	17,567	39,926	69,694	35,233	31,845	42,376
Germany	118,122	81,723	104,878	86,901	114,710	71,721	54,415	54,253	38,333
Malaysia	38,253	34,914	29,871	28,519	31,259	35,398	41,582	37,692	29,065
Dominican Republic	10,069	12,534	11,292	25,267	43,333	28,983	22,696	19,714	27,939
_ANDEAN (ATPA)	28,572	41,400	24,694	20,249	27,360	18,525	15,204	15,204	23,730
Colombia	28,572	41,400	23,184	17,504	26,448	18,525	15,204	15,204	23,711
Guatemala	0	0	0	393	4,510	22,354	39,147	34,287	22,704
France	16,885	25,874	12,358	31,792	9,117	16,002	13,530	8,631	21,770
Hong Kong	25,878	77,669	24,072	31,295	50,318	7,975	34,153	33,953	21,187
Israel	193,665	98,212	76,831	29,184	35,304	21,630	17,624	17,592	19,362
Thailand	20,594	23,516	29,923	31,006	32,242	26,660	36,367	33,163	18,588
Honduras	0	0	0	0	0	0	0	0	18,070
United Kingdom	62,269	21,947	22,229	44,487	38,969	20,349	4,772	4,772	18,026
Switzerland	0	10	0	617	932	2,350	0	0	12,040
Czech Republic	4,134	1,841	574	1,140	0	2,019	837	837	7,311

Source: U.S. Department of Commerce, Office of Textiles and Apparel.

## Appendix IV



January 5, 2010

Mr. Mitch Cooper  
Trade Counsel  
Rubber & Plastic Footwear Manufacturers Association

Dear Mitch,

In connection with your upcoming testimony on the proposed Trans-Pacific Free Trade Agreement, you should know that New Balance, which does some importing from both China and Vietnam, has found that the average hourly wage and social insurance for Vietnamese footwear production is lower than that in China namely \$.46 cents/hour in Vietnam as against \$.97 cents/hour in China. In part because of this disparity, the cost of production of comparable athletic footwear is considerably less in Vietnam than in China.

It is difficult enough to compete against China. Were duties of Vietnamese rubber footwear to be eliminated, that country's competitive advantage over production in the United States would become so great that production and employment in our domestic plants would be threatened as never before.

Please let me know if you need further information.

Sincerely,

A handwritten signature in cursive script that reads 'Herbert Spivak'.

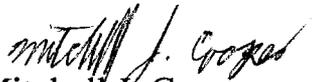
Herbert Spivak  
Executive Vice President  
Commercial Operations

United States – Trans-Pacific Partnership Trade Agreement

BEFORE THE INTERNATIONAL TRADE COMMISSION

**Investigation Numbers TA-131-034 and TA-2104-026**

Views of the Rubber and Plastic Footwear Manufacturers Association on the US-  
Trans-Pacific Partnership Agreement

  
Mitchell J. Cooper  
(202)331-1858

1001 Connecticut Avenue, NW  
Washington, DC 20036  
Counsel, Rubber and Plastic Footwear Manufacturers Association

February 4, 2010

The Rubber and Plastic Footwear Manufacturers Association (RPFMA) is the spokesman for the principal domestic producers of protective footwear and rubber-sole fabric-upper footwear, as well as suppliers of components for the industry. The names and locations of the members of the RPFMA appear in Appendix I. All of these companies do most of their rubber footwear manufacturing in this country, but competitive circumstances have made it necessary for many of them to do a significant amount of importing. The RPFMA takes no position on the desirability of a Trans-Pacific free trade agreement, but strongly opposes any duty reduction in such agreement, however long a phase-out period may be, for the core products of the domestic rubber footwear industry.<sup>1</sup> Our objection is based primarily on the consequences of any duty phase-out with respect to Vietnam.

Of the seven countries, in addition to the United States, in the proposed Partnership, the United States already has free trade agreements with Australia, Chile, Peru, and Singapore all of which agreements provided the longest possible phase-out for the United States rubber footwear industry; indeed the agreement with Chile provided a non-linear phase-out for these products significantly softening the blow in the early years. The RPFMA would anticipate no difficulties in negotiation with Brunei Darussalam or with New Zealand, but as we indicated in our testimony before the Trade Policy Staff Committee March 4, 2009, a free trade agreement with Vietnam which does not exclude duty cuts for this industry would result in the probable elimination of most or all of the remaining domestic plants.

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<sup>1</sup> The Harmonized System categories which we believe should be excluded from negotiation are: 6401.10.00; 6401.92.90; 6401.99.10; 6401.99.30; 6401.99.60; 6401.99.90; 6402.91.10; 6402.91.20; 6402.91.26; 6402.91.50; 6402.91.80; 6402.99.08; 6402.99.16; 6402.99.19; 6402.99.33; 6402.99.80; 6402.99.90; 6404.11.90 (limited to footwear which does not cover the ankle); 6404.19.20

Vietnam is a far greater threat to this industry than Mexico, for example, where we were one of the rare industries to get a 15-year phase-out, or Chile, where we got a back-loaded, non-linear 10-year phase-out, or Korea, where we got a 12-year phase-out with no duty cuts for the first eight years. Attached to this testimony as Appendices II and III are tables which show the dramatic growth in imports from Vietnam of fabric-upper rubber footwear between 2001 and 2008 and in protective footwear for the same period; and note that for the first eleven months of 2009 such imports exceeded those for the full year 2008. Indeed China and Brazil are the only countries whose exports to the United States of fabric footwear exceed Vietnam's and Vietnam is now the fifth most significant exporter of protective footwear to the United States.

The reason for Vietnamese ascendancy is not hard to discern. Wage rates in that country, as shown in the attached letter from New Balance (Appendix IV), are even lower than wages in China and the total cost of production for comparable products is lower in Vietnam than in China. Bear in mind that China currently accounts for well over 50% of the total exports of rubber footwear to this country; thanks largely to those Chinese exports, imports of fabric-upper rubber footwear already take well in excess of 90% of our domestic market and imports of protective footwear in excess of 70%. The elimination of duties on Vietnamese rubber footwear, no matter how long the phase-out period, would give that country such an overwhelming competitive advantage that what is left of this domestic industry would have no alternative other than to shift its production from towns in Maine, Maryland, Massachusetts, New Hampshire, Illinois, Arkansas, and California to Vietnam, resulting in unemployment for 3,000 Americans in markets where other jobs are not waiting for them.

Rubber footwear is a high-tariff industry, and any reduction in its tariffs translates into significant dollar amounts. This is an industry which has been studied and restudied by our

Government on occasion after occasion in the past 50 years. Without exception, every such examination concluded that, despite the relatively high tariff on its products, domestic rubber footwear is an endangered species whose continued existence would be seriously at risk if tariffs were cut on rubber footwear coming from countries positioned to compete with this domestic industry. Accordingly, the industry emerged from the Kennedy, Tokyo, and Uruguay Rounds with duties virtually uncut; in every bilateral and regional free trade agreement entered into by the United States, rubber footwear has had the longest possible phase-out and in some cases phase-outs longer than that for virtually any other industry. Moreover this industry is excluded from the duty-free treatment provided by the General System of Preferences and, by Executive Order, was excluded from duty cuts in the Andean Trade Preference Agreement.

Among the Government's studies were three by the Department of Defense: In 1981, the Pentagon examined the ability of protective footwear manufacturers to meet mobilizing needs and concluded that "...loss of one or two of our current major suppliers would seriously jeopardize our ability to meet military requirements under surge/mobilization conditions." In 1983, the Pentagon reexamined the industry and determined that "...the domestic capacity would be insufficient to satisfy all of the military departments' requirements in a surge or mobilization situation. It was also found that, if we lose one or two of the major domestic suppliers, it would jeopardize our peacetime supply capacity." And in 1988 a Defense Department report on the ability of this industry to meet mobilization needs discussed the problem of obtaining certain specialized waterproof boots and concluded that "...this industry segment has been severely affected by imported goods which are produced by labor pools with much lower pay scales than are prevalent in this country." The report went on to state, "...foreign market penetration has

made finding domestic producers very difficult.” Since these Defense Department studies, the domestic industry has lost two of its major producers, Converse and LaCrosse.

The rubber footwear industry recognizes that the health of our economy is dependent to a large degree on America’s ability to export its products. Unhappily, there is little that any free trade agreement negotiated with Vietnam can do to provide this industry with an export market. That market has been captured by the same low-wage producers with which we are competing and it is a market which can not be recaptured. Assuming that there are meaningful benefits which would accrue from a free-trade agreement with Vietnam, these benefits would not be diminished by the exclusion of this miniscule fraction of 1% of this country’s trade from duty-free treatment, while such an exclusion would permit what is left of this industry to fulfill its desire and intention to remain in America.

Finally, we are concerned about the United States Trade Representative’s stated objective of broadening this Partnership so as to include additional Asia-Pacific countries. If for example, this objective would contemplate the addition of countries such as Malaysia, Thailand, or Indonesia, the objectives we have spelled out with respect to Vietnam would apply with equal force to such countries

**Appendix I**

**RPFMA Companies**

Dela Incorporated  
Ward Hill, MA

Coats North America  
Charlotte, NC

Bixby International Corporation  
Newburyport, MA

Packaging Corporation of America  
Cutchogue, NY

Draper Knitting Co., Inc.  
Canton, MA

Shawmut Corporation  
W. Bridgewater, MA

Genfoot, America, Inc.  
Littleton, NH

New Balance Athletic Shoe, Inc.  
Boston, MA

America's Choice Products, LLC  
Newport, AK

Honeywell Safety Products  
Rock Island, IL

Onguard Industries  
Belcamp, MD

ATP Manufacturing LLC  
North Smithfield, RI

S.G. Footwear.  
Hackensack, NJ

Sheehan Sales Associates  
Salem, MA

Tingley Rubber Corporation  
South Plainfield, NJ

**Appendix II**

## U.S. IMPORTS FOR CONSUMPTION FOR SELECTED PRODUCTS

Product: RUBBER-CANVAS FOOTWEAR  
Data in PRS

January 12, 2009

Country	2002	2003	2004	2005	2006	2007	2008	YTD 11/2008	YTD 11/2009
World	103,863,963	103,665,325	145,617,616	161,901,131	182,270,373	197,966,096	201,838,130	186,991,029	182,223,509
China	89,822,545	90,640,299	129,528,518	144,612,022	168,070,734	184,616,400	180,679,263	167,652,945	161,364,403
Brazil	2,101,290	3,709,366	5,368,380	5,637,536	5,508,019	4,002,246	10,781,091	10,228,726	9,918,153
Vietnam	3,044,060	2,208,415	1,731,392	3,745,655	3,520,494	4,832,879	6,240,127	5,624,715	7,268,032
Indonesia	3,912,093	1,716,408	1,787,711	1,601,088	936,778	811,559	871,402	682,588	1,137,312
Italy	29,731	345,902	707,631	305,473	487,332	279,192	496,008	168,462	704,651
Thailand	2,163,173	1,126,881	765,471	672,933	1,007,179	1,146,596	935,553	909,292	527,446
Taiwan	749,425	1,383,293	2,082,711	517,126	423,189	791,394	491,454	416,348	411,405
Philippines	59,305	111,999	307,824	591,555	654,413	469,158	232,336	230,507	401,000
Hong Kong	744,024	1,037,247	1,250,487	594,076	613,730	397,639	360,936	360,264	165,486
Mexico	331,221	401,845	312,455	336,966	340,524	208,125	204,960	200,175	111,565
Bangladesh	0	38,186	33,957	4,908	29,234	36,510	82,782	72,507	48,190
Korea, South	171,852	157,731	138,397	180,309	85,432	71,814	51,918	47,008	38,075
India	3,175	44,665	3,871	30,677	3,094	29,793	99,352	99,307	36,378
_CBI	29,019	67,409	14,400	326,332	4,889	6,469	2,885	2,885	24,674
Panama	78	0	40	6,233	3,849	294	0	0	24,048
Japan	27,430	36,057	17,093	336,091	51,361	53,385	83,692	83,692	18,127
Spain	40,453	21,487	14,236	41,453	47,458	4,845	21,214	21,012	6,454
Germany	29,104	35,175	57,392	27,330	43,671	51,400	17,761	17,565	5,971
Romania	36	0	283	411	950	4,794	2,172	2,172	5,646
Pakistan	162	12,600	654	232	34,109	9,684	3,307	2,868	5,594
_ANDEAN (ATPA)	12,815	23,164	319,240	112,710	1,224	7,314	8,258	8,075	4,604
France	48,036	13,896	7,389	6,347	4,655	5,797	9,599	8,615	4,217
Colombia	2,055	3,148	5,617	8,293	43	6,872	6,118	6,118	3,412

Source: U.S. Department of Commerce, Office of Textiles and Apparel.

Appendix III

## U.S. IMPORTS FOR CONSUMPTION FOR SELECTED PRODUCTS

Product: PROTECTIVE RUBBER FOOTWEAR  
Data in PRS

January 12, 2009

Country	2002	2003	2004	2005	2006	2007	2008	YTD 11/2008	YTD 11/2009
World	12,255,700	14,121,348	15,204,573	17,526,957	14,766,365	16,666,733	17,071,996	15,905,106	12,970,614
China	7,840,559	9,468,302	10,238,971	11,753,478	9,404,845	12,045,009	11,810,687	11,000,304	8,286,228
Canada	2,251,862	2,646,022	2,712,271	2,829,203	1,823,317	1,798,219	2,187,903	2,073,715	2,256,495
Taiwan	235,611	107,784	189,972	759,797	1,520,716	957,938	1,034,780	919,180	1,085,502
Mexico	1,287,502	1,199,239	1,145,019	1,233,157	1,136,745	1,146,013	983,109	896,684	716,410
Vietnam	9,816	101,168	55,935	177,672	82,113	140,805	174,598	170,034	201,779
Italy	43,286	30,425	62,750	42,927	66,468	194,089	494,760	490,465	158,632
Malaysia	34,914	29,871	28,519	31,259	35,398	41,582	35,698	29,091	49,769
_CBI	12,534	11,292	31,434	47,659	51,337	61,843	78,757	75,097	46,473
_CAFTA	12,534	11,292	31,434	47,603	51,337	61,843	78,757	75,097	46,473
France	25,847	12,358	29,264	9,117	16,002	13,530	22,130	21,770	29,755
Dominican Republic	12,534	11,292	30,801	43,333	28,983	22,696	31,599	27,939	26,315
Thailand	23,516	29,923	31,006	32,242	26,660	36,367	19,542	18,588	24,948
Hong Kong	77,669	24,072	39,721	50,318	7,975	34,153	21,187	21,187	24,170
Germany	81,723	104,878	88,329	113,282	71,750	54,415	41,814	38,333	20,503
Guatemala	0	0	633	4,270	22,354	39,147	22,704	22,704	19,970
Netherlands	20,809	43,841	17,567	39,961	60,435	35,233	50,250	42,376	15,980
Korea, South	127,192	138,581	284,033	279,294	329,223	33,143	3,633	3,633	15,348
_ANDEAN (ATPA)	41,400	24,694	20,249	27,360	18,525	15,204	23,730	23,730	15,302
Colombia	41,400	23,184	17,504	26,448	18,525	15,204	23,711	23,711	15,272
India	0	18	2,757	1,920	132	489	2,006	2,006	6,575
Morocco	1,374	1,667	2,658	70	691	0	936	936	4,523
Portugal	1,837	0	60	13	20	11	477	261	3,373
Cyprus	0	12,388	8,378	10,683	25,641	7,439	5,432	5,432	2,053

Source: U.S. Department of Commerce, Office of Textiles and Apparel.

## Appendix IV



January 5, 2010

Mr. Mitch Cooper  
Trade Counsel  
Rubber & Plastic Footwear Manufacturers Association

Dear Mitch,

In connection with your upcoming testimony on the proposed Trans-Pacific Free Trade Agreement, you should know that New Balance, which does some importing from both China and Vietnam, has found that the average hourly wage and social insurance for Vietnamese footwear production is lower than that in China namely \$.46 cents/hour in Vietnam as against \$.97 cents/hour in China. In part because of this disparity, the cost of production of comparable athletic footwear is considerably less in Vietnam than in China.

It is difficult enough to compete against China. Were duties of Vietnamese rubber footwear to be eliminated, that country's competitive advantage over production in the United States would become so great that production and employment in our domestic plants would be threatened as never before.

Please let me know if you need further information.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Herbert Spivak'.

Herbert Spivak  
Executive Vice President  
Commercial Operations