



Apparel and Footwear Industry Reacts to Report That Will Only Lead to Greater Inflation

May 14, 2024 | WASHINGTON, D.C.

The American Apparel & Footwear Association responds to the long-awaited release of the results of the four-year review of the China Section 301 tariffs by the Office of the United States Trade Representative, which has been ongoing since May 2022.

"The decision to extend Section 301 tariffs on a wide range of apparel, footwear, accessories, and textiles – while not unexpected – is a real blow to American consumers and manufacturers alike. Tariffs are regressive taxes that are paid by U.S. importers and U.S. manufacturers and ultimately passed along to U.S. consumers. At a time when hardworking American families are struggling with inflation, continued tariffs on consumer necessities are entirely unwelcome," said **Steve Lamar, AAFA president and CEO**. "The Biden Administration has had two years to get it right. Unfortunately, they doubled down on a flawed tariff policy, despite the Biden Administration's own acknowledgment that this policy has failed in its goals, and overwhelming public input that supported a different outcome."

The 193-page **report released today** broadly states that USTR is continuing to assess approaches to support diversification of supply chains to enhance American supply chain resilience, without recommendations to lower trade barriers with trusted and emerging trading partners, or proposals to address long standing inequities as a result of the U.S. tariff policy.

"Regrettably, the Biden Administration has done nothing to negotiate new trade agreements or improve current trade agreements to make them more competitive. The administration has done little to promote the renewal or prevent the threat of renewal of expired and expiring trade preference programs. This report underscores the Biden administration's lack of an effective trade policy agenda," said **Beth Hughes, AAFA vice president of trade and customs policy**.

"It is unclear from the report what the Administration will do with the existing exclusions, which expire in 17-days. Ending this relief rather than making it permanent puts manufacturers and their workers at a significant disadvantage and adds further inflationary pressures," said **Nate Herman, AAFA senior vice president of policy**.

Last month, AAFA applauded Representatives Lizzie Fletcher and Brittany Pettersen in April for **a bill** that requests a Treasury Department review of the U.S. tariff system for gender bias and regressivity, with analysis of its effects on households at different income levels and of different family types.