



Potential changes to the Berry Amendment, which could lead to the US military buying 100% domestically made athletic shoes, have been touted as a “big win” for certain footwear manufacturers. Could it be the “rebirth of an era of athletic shoe production” in the US?

Stealing a march

The Berry Amendment states that clothing and equipment used by the US military must be manufactured in the country rather than imported, where possible. While combat boots and dress shoes are covered by the ruling, in 2002 athletic footwear was removed from the remit, with recruits able to use a voucher to purchase the shoes of their choice regardless of origin. In many cases, the money ended up in the pockets of US-owned brands, such as Nike, which makes the majority of its shoes in Vietnam, Cambodia and China. But a recent change, similar to the ‘yarn forward’ trade debate within the textile industry, has suggested the whole shoe might soon have to be

manufactured on US soil.

“Though at present no footwear manufacturer sells Berry Amendment-compliant athletic shoes in the commercial marketplace, I have been made aware that footwear companies do have the capability to manufacture them in the near future,” wrote the chairman of the joint chiefs of staff. “With the potential for compliant shoes to enter the market, the Department of Defence (DOD) has an interest in having our recruits purchase domestically manufactured athletic shoes to the maximum extent practicable.”

“This is a big win,” says Matt Le Breton, a spokesman for New Balance, which has been campaigning for the change since 2007. “It certainly means jobs. This is a good thing for the

Congressman Mike Michaud, who campaigned for the change in the Berry Amendment, takes a tour around a New Balance factory.

© Mike Michaud / Flickr

domestic footwear industry and our supply chain in the United States.”

New Balance, which manufactures a quarter of its shoes in the country (with a small percentage in the UK and the remainder in Vietnam and China), will be one of the major benefactors. The company employs roughly 900 people at factories in Skowhegan, Norridgewock and Norway and two facilities in Massachusetts. As part of a campaign strategy that included lobbying and organising tours of its factories for senators, the company delivered a personalised prototype of a Berry-compliant shoe to President Barack Obama.

New Balance’s CEO Rob DeMartini is the vice-president of the American Apparel and Footwear Association (AAFA) and estimates that policy will impact 4,000 jobs. “We started making noise about the Berry legislation and we used the AAFA to make that drum beat louder and louder,” he says.

‘Righting a wrong’

AAFA describes the change as “correcting a mistake made 10 years ago”. It was very active in terms of campaigning in Washington and “works hard to defend Berry against legislative proposals, amendments and regulations that attempt to dilute or weaken the law”.

“We believe that it should have never been changed,” says Nate Herman, AAFA’s vice-president of international trade, on the 2002 revision. “Their argument was they didn’t think there was enough of an industry left to find what they needed, and we strongly disagreed with that.”

He stresses that while New Balance was an active campaigner, it will not be the only company to benefit, and estimates a dozen finished goods manufacturers and more component suppliers will gain.

“Any company that is able to manufacture Berry-compliant footwear is included, so it’s not one contract going to one company. The playing

field is open to anybody that wants to participate and soldiers still have the flexibility to purchase whatever they like with their own money,” he adds.

Supply chains

Wolverine Worldwide Group is the other big player in the field. It has been working with the DOD through its Bates brand since World War One. The company makes Berry-compliant workboots and dress shoes at its facility in Big Rapids, Michigan, with the majority sold to the US Army, but it also supplies boots to 60 countries’ military and, depending on specification, makes some of those in Asia.

“As a group, we were not campaigning for a change in the language of the Berry amendment,” explains Andrew Fowler, director of operations for Bates. “The amendment clearly states that certain categories of products are to be provided against that threshold of Made in the USA 100%. What we’ve demonstrated is that the US, from an industrial footwear-making perspective, is fully capable of producing Berry-compliant athletic shoes.”

The company is now working on compliant shoes in consultation with the various branches of the DOD, “because they all have their own budgets and their own nuances in terms of their route to market” – with an estimated time frame of producing compliant Saucony shoes by the end of this calendar year.

“One of the fundamental differences between making shoes for the military and making shoes on a commercial basis is we have to follow to the letter the specifications that they’re setting forth in terms of materials or performance, durability to some degree – so we’re very much in partnership with the military and developing products for them compared to the commercial companies, which are comparatively speaking in a vacuum.”

The group has the advantage of a long history of working with the DOD and US component

The type of Saucony shoe that will soon be produced in Wolverine’s Big Rapids factory using US-made components.

 Wolverine



suppliers, such as thread-makers. However, the supply chain for athletic shoes – such as the mesh uppers and the TPU overlay materials – is limited in the US, and one which will have to be established. “We have our raw materials partners, and Vibram Quabaug is investing in new machinery to develop the mid-sole/outsole package,” adds Mr Fowler.

Component makers

Quabaug, a North Brookfield-based manufacturer of Vibram soling, is a major supplier to the army, and celebrated the ruling with a gala event attended by congressmen and senators. While Vibram is an Italian company, Quabaug qualifies as the soles are manufactured in North America. It is ploughing \$1.2 million into innovation and technology at the plant, where it makes 99% of soling destined for the army, in anticipation of larger contracts with New Balance and Saucony. “This is a rebirth of an era of athletic shoe production in New England that ended over 30 years ago,” claims Quabaug CEO Mike Gionfriddo.

The company recently donated \$125,000 to a scholarship fund for military veterans in the footwear industry. The fund, established through the Two Ten Footwear Foundation charity, was boosted with personal donations from Quabaug chairman Kevin Donahue; New Balance and Rocky Brands have also contributed.

The component makers that can tailor their products to the market also have reason to celebrate. Rogers, a manufacturer of foam for insulation and packaging, supplies to New Balance for use in tongues, while lining and spacer material supplier Faytex supplies for DOD boots.

Free choice?

While on the face of it, the announcement sounds like good news for US manufacturing, there will be winners and losers. Some brands’ former suppliers might lose business as contracts move to US counterparts while those with overseas manufacturing will be ruled out.

The Footwear Retailers and Distributors of America (FDRA), which says it is “pro consumer choice and pro free trade”, questions whether the deal is as “American” as it seems.

“We’re supportive of Made in America as it fits into the overall global competitiveness of companies, but we don’t believe in the continuation of tariffs or any special treatment to encourage the domestic production of footwear,” says FDRA president Matt Priest. “We think if it’s produced here it should be based on market reasons and economic reasons not on special protection that could ultimately hurt American consumers.”

The association represents 200 brands and has



AAFA's Nate Herman welcomes the change but says a lot depends on how it is implemented.

AAFA

members on both sides and so generally stayed out of the Berry debate. “We have members who make footwear here and welcome the opportunity to have a contract with the US government and provide athletic footwear to men and women in military here, and we have those on the other side who believe in the free choice of men and women to select shoes that fit the needs that they have athletically.”

It views trade deals such as the Trans-Pacific Partnership (TPP) as a bigger objective, with the US importing 99% of its footwear needs – \$2.3 billion pairs per year. “There are lot more pairs at stake and a lot more duty,” he says.

“For New Balance the Berry Amendment is an important issue, obviously, and they’ve positioned themselves in the marketplace as Made in America even though the majority of their footwear’s imported. They’ve almost cornered that market – more power to them, that’s great. I’m all about ensuring the military is well-equipped, but I’m also a runner and have particular athletic shoe needs – limiting these for

President Barack Obama was given compliant shoes as part of the campaign.

New Balance



our men and women in uniform sounds a little bit counter-American to me, but it's not a huge issue for us."

Step forward

The change will also be affected by the volume of shoes. The US is currently weighing defence cuts that could see a decline in military personnel from 520,000 to between 440,000 and 450,000 – which could result in a net loss to some brands or component supplies, such as Wolverine, whose compliant offering is the widest.

The AAFA cautions that the complex wording of the amendment could be open to interpretation. "It depends on how the army decides to implement the programme," says Michael McDonald, its manager of government relations. "They are given a lot of flexibility in terms of determining what type of footwear is readily available, and we think a lot more is available than maybe they're saying already.

"If you read the letter from the DOD, it wasn't saying 'as of today, we will start requiring incoming trainees to use only US-made shoes under the Berry Amendment', there were a lot of caveats, so we have to see how this is rolled out," he adds. "The devil is always in the detail, but we think it's a great step forward." 

New Balance's compliant trainers: where are the components from?

Thread – Hendersonville & Marion, NC
 Textile spacer mesh – Pine Grove, PA
 TPU – Newburyport, MA
 Insert – Wadsworth, OH
 Lace – Pawtucket, RI
 Tongue – Spartanburg, SC
 Synthetic – New Haven, CT,
 Collar foam – Jessup, MD
 EVA foam – Coldwater, MI
 Lining – Haverhill, MA
 Reflective – Brownwood, TX
 Rubber outsole – North Brookfield, MA
 Thermoplastic boxtoe – Newburyport, MA
 EVA midsole – Brighton, MA
 EVA pellets – Charlotte, NC
 Sole adhesive – Nashua, NH
 Medial post – Sullivan, MO
 Thermoplastic counter – Newburyport, MA



MUNICH: 4-5TH NOVEMBER 2014
WINTER 2016/17 + SUMMER 2016



**REGISTER NOW TO GET
 YOUR FREE BADGE**

www.performancedays.eu