

Athletic Footwear for the Military: The Berry Amendment Controversy

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The [Berry Amendment](#), a 1941 federal law (10 U.S.C. §2533a) requires the Department of Defense (DOD) to purchase only wholly American-made clothing, textiles, and other essential items for the military (see CRS Report RL31236, [The Berry Amendment: Requiring Defense Procurement to Come from Domestic Sources](#)). Some in Congress seek to bring athletic footwear for new recruits under the Berry Amendment. Currently, most new recruits receive vouchers to buy running shoes, which need not be domestic in origin. Provisions in the 2017 National Defense Authorization Act (NDAA), of which one version ([H.R. 4909](#)) has passed the House and another version ([S. 2943](#)) is before the Senate, would require DOD to purchase only athletic footwear made in the United States from domestic materials and components for military recruits. This aspect of the NDAA has run into sharp criticism from some footwear manufacturers, the Pentagon, and the Obama Administration.

Some Members of Congress, especially from the few states that still manufacture shoes, such as Maine and Massachusetts, argue that the Berry Amendment's application to athletic shoes would bolster domestic footwear manufacturing and preserve American jobs. Opponents contend that the change in policy would restrict choice; increase costs to U.S. taxpayers; and possibly cause injury to military personnel by limiting their choice of running shoes. The Obama Administration identified the inclusion of the domestic source requirements for footwear as one reason for a potential presidential [veto](#) of the 2017 NDAA, stating, "only one company could benefit disproportionately from such DOD purchasing requirements" and "mandating a specific article of clothing be provided to new recruits is unprecedented."

Domestic Footwear Manufacturing

Assembling a running shoe may require as many as [20 parts](#), including the upper, which covers the top and sides of the foot, the bottom part, which consists of the midsole and outsole, and other components such as shoelaces, eyelets, and yarn for linings (see [Figure 1](#)). For decades, firms have been outsourcing the labor-intensive manufacturing process to low-wage countries while retaining design, marketing, and distribution functions in high-wage countries, notably the United States and Germany.

The United States accounts for [less than 1%](#) of the 24.3 billion pairs of shoes produced worldwide in 2014, while Asia

manufactures 88% of the world's shoes. About 99% of all footwear sold in the United States is imported, according to the [Footwear Distributors and Retailers of America](#). For example, [Nike](#) sources and imports virtually all of its footwear from independent manufacturers overseas, primarily in Vietnam, China, and Indonesia. Nike opposes a strict American-made athletic shoe purchase policy for the military.

The United States maintains a [small number of firms manufacturing non-orthopedic footwear](#), with value added of \$934 million in 2014. According to [the Census Bureau](#), these firms directly employed roughly 10,600 workers in 2014, including 8,700 production workers, who earned an average wage of around \$29,000.

Figure 1. An Example of Components Used in New Balance's 950 Running Shoe



Source: The New England Council, "Department of Defense to Procure 'Made in America' Running Shoes," <https://newenglandcouncil.com/blog-post/department-of-defense-to-procure-made-in-america-running-shoes/>.

Note: New Balance, based in Massachusetts, is a manufacturer of American-made athletic shoes, including what it says is a 100% Berry Amendment-compliant shoe, the [950v2](#) military shoe unveiled in August 2014.

New Balance, a major running shoe brand, reportedly manufactures about 25% of its domestically sold products in Massachusetts and Maine, but imports the majority of its inventory from China and Vietnam. A "Made in the USA" New Balance sneaker can include up to [30% foreign content](#), which would not meet a 100% American-made requirement. Wolverine Worldwide, a Michigan-based footwear firm, manufactures some shoes in the United States, including combat boots and military dress shoes, and the rest in Asia.

According to various estimates, U.S. military recruits go through as many as [250,000 pairs of running shoes a year](#). If each recruit is given a \$75.00 voucher this could result in about \$18.8 million of additional revenue for firms that manufacture such footwear in the United States.

The Berry Amendment Controversy

The Berry Amendment excludes athletic footwear for several reasons:

- it is not a uniform item supplied by the services, which instead give recruits (except in the Marine Corps) a one-time allowance of [\\$75 to \\$90](#) to buy running shoes at military exchanges;

- most running shoes are not 100% American-made; and
- DOD claims available footwear from U.S. manufacturers is too costly and not durable enough to meet military standards.

In April 2014, the [Acting Deputy Secretary of Defense](#) directed the military services to continue giving recruits one-time cash allowances to purchase athletic shoes, but said that if Berry Amendment-compliant shoes become available at a cost and durability similar to that of shoes currently available, recruits would be directed to buy those shoes from base exchanges. New Balance has submitted what it says is a wholly American-made athletic shoe for testing by DOD, but has yet to gain a contract to supply athletic footwear. Two New Balance models have reportedly met DOD's [wear and durability tests](#), but not its [cost requirements](#). Wolverine, manufacturer of Saucony athletic shoes, recently [announced plans](#) to develop a 100% American-made [running shoe](#) for the military. Other U.S. footwear manufacturers have expressed interest in doing the same.

According to [recent news reports](#), New Balance has stated its opposition to [the proposed Trans-Pacific Partnership \(TPP\) agreement](#) after DOD failed to offer it a contract to supply Berry Amendment-compliant athletic footwear for military recruits. New Balance previously had been neutral on the agreement. If approved by Congress and foreign governments, the TPP would phase out all duties on U.S. imports of footwear from Vietnam, the [second-largest exporter](#) of shoes to the United States, and 10 other TPP countries.

The U.S. Department of Commerce Bureau of Industry and Security is currently conducting a study of the [U.S. textile, apparel, and footwear industry](#), including the effectiveness of the Berry Amendment, which it expects to release in summer 2017.