

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

JOHN MURPHY
SENIOR VICE PRESIDENT
INTERNATIONAL POLICY

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April 15, 2020

Mr. Mark A. Morgan
Acting Commissioner
Customs and Border Protection
U.S. Department of Homeland Security
1300 Pennsylvania Ave, N.W.
Washington, DC 20229

Dear Commissioner Morgan:

On behalf of the U.S. Chamber of Commerce, I urge CBP to redouble its efforts to expedite the processing of duty drawback claims, including the issuance of pending rulings and payments of all pending claims, in the context of the coronavirus pandemic and the subsequent liquidity crunch affecting many American companies.

Duty drawback enhances the competitiveness of U.S. manufacturers by allowing firms to receive refunds on duties, taxes, and fees paid on imported items that are incorporated in products that are later exported. While the hundreds of millions of dollars in duties annually refunded to companies provided significant savings before the current downturn, these funds represent a critical source of liquidity today. For some firms, these refunds could help avert or limit layoffs and other adverse outcomes.

While years have passed since enactment of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), implementation of its drawback regulations has been slow. The system for returning these funds to firms slowed further last year when CBP was obliged to issue updated rulings for every company to be eligible to receive refunds of the various forms of drawback and accelerated payment. Some businesses report that drawback refunds that previously took 30-60 days are in some instances tied up for as long as a year or more. This is particularly painful for industry at a time when both U.S. tariffs and drawback eligibility under TFTEA have increased, potentially increasing the value of drawback due to U.S. businesses.

The current national emergency related to the coronavirus has exacerbated the situation even as the liquidity crisis affecting many companies has become acute. In this context, we respectfully request that CBP quickly address all pending applications for new or modified rulings and quickly clear out the backlog of pending drawback claims by U.S. businesses.

Sincerely,



John Murphy

cc: Tim Skud, Deputy Assistant Secretary of the Treasury for Tax, Trade and Tariff Policy