

June 7, 2002

The Honorable  
Philip M. Crane  
Chairman, Subcommittee on Trade  
Committee on Ways and Means  
U.S. House of Representatives  
Room 1104  
Longworth House Office Building  
Washington, D.C. 20515-6354

Dear Mr. Chairman:

On behalf of the members of the Drawback Committee of the American Association of Exporters and Importers (AAEI), I write to you in support of H.R. 1756, H.R. 1838, and H.R. 3395, which would amend the Tariff Act of 1930 (the Act). From the vantage point of U.S. exporters, these bills would make practical and meaningful modifications to the provisions of the Act relating to drawback claims. As you well know, drawback has long played an important role in the promotion of U.S. exports. To enable American businesses to continue to compete and prosper in the 21st century's global economy, we believe our trade laws must take notice of -- and evolve with -- the changing nature of such commerce. The provisions of these bills are consistent with this notion and would provide welcome relief to U.S. exporters.

Among other things, with respect to both the liquidation of drawback entries and penalties for false drawback claims, H.R. 1838 would eliminate inconsistencies resulting under existing law. In addition, H.R. 1838 broadens the provisions relating to drawback on packaging materials, thus leading to a more rational and commercially reasonable treatment of such goods. Moreover, H.R. 1838 relieves the trade from antiquated requirements under 19 U.S.C. 1313(c) mandating that merchandise be returned to the custody of the Customs Service. H.R. 1838 also corrects an oversight on tradeoff. On the whole, H.R. 1838 is common sense legislation that makes important substantive and technical modifications to the Act. These changes would substantially ease the administrative burdens of drawback for both Customs and the exporting community.

H.R. 1756 would reinstate Congressional intent that drawback can be claimed for all duties, taxes and fees paid on imported merchandise when later exported.

H.R. 3395 allows certain exports to be eligible for drawback when shipped to certain locations, thus enabling U.S. exporters to compete more effectively in a global economy.

The AAEI Drawback Committee gives its full support to these bills. The changes they propose make good business sense and are consistent with the commercial realities faced

by today's exporting community. Indeed, the changes proposed are consistent with the views of the House Ways and Means Committee as articulated, for example, in 1993. With respect to changes then being made to the drawback law, the Committee noted that certain of the changes were intended to "expand U.S. exports, facilitate drawback use, and ease administrative burdens." (See House Report 103-361). We believe the changes proposed are consistent with this view and hope that you will agree with us that this important legislation deserves your support.

I would be pleased to discuss this matter with you or your staff in greater detail. My AAEI colleagues and I are also available to answer any questions you may have. Please feel free to contact me at (201) 967-0414 (ext. 112) at your convenience. On behalf of the members of the AAEI Drawback Committee, please accept our sincere thanks for your time and your consideration of our views on this important matter.

Sincerely,

Edwin Van Ek  
Chairman, Drawback Committee