



June 22, 2012

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

RE: Support for HR 5750, watch duty simplification

Dear Chairman Camp and Ranking Member Levin,

On behalf of the people at Invicta Watch Company in Hollywood, Florida, I am writing in support of H.R. 5750 as part of the Miscellaneous Tariff Bill (MTB) process. Successful passage of this MTB will simplify the unnecessarily complex value calculations for imported watches that are required under current rules.

Our company has grown significantly since our relocation to Florida in 1991 and now provides jobs for 96 employees. We are optimistic about our prospects for even greater growth in the future. However, in order to continue on this successful path we need government rules that are rational and fair. We believe the current rules need to be amended on imported watches in a manner that provides a simplified tariff assessment process for both US Customs and Border Protection (CBP) verification and US importer compliance. We believe there is a revenue neutral way for the government to do this, which is why we support the changes proposed under H.R. 5750.

Under current rules, duties are levied on the individual components of a watch and not on the value of the whole watch itself. Consequently, companies are obliged to (CBP) with information on the value of the straps, batteries, case and movement of each individual watch, with each parts being assessed a different rate of duty. No other product is assessed duties in this manner.

For example, when a car is imported, the importer is not required to assess one rate on the value of the engine, another on the value of the tires, another on the value on steering wheel and another rate on the value of the body. The practical result is that companies are not just responsible for the importation of one watch, but also for three other component products for which we do not ultimately have full knowledge of its costs. CBP investigations are often triggered because the disparities in duties paid by importers of apparently similar watches. Needless to say, CBP investigations are burdensome and costly for U.S. businesses and CBP, particularly when CBP itself does not often have updated or applicable information related to all watch components.

The watch chapter of the tariff schedule is long overdue for a simplification review. We strongly urge Congress to take up this bill or another mechanism that would result in a change to the manner in which tariffs are assessed on watches. Congress could simplify compliance for businesses so that watches pay a duty based on a value percentage for the whole watch. Simplification and compliance can be achieved without affecting in any way US government's revenue or law enforcement ability. Furthermore, we are aware of other watch companies in the industry who support this proposal for reform.



We recognize that the MTB process is ongoing and in the meantime we look forward to working with your committee, other agencies in the Administration and US companies in this effort to modernize the and minimize wasted efforts by government and businesses.

Kind regards,

Eyal Lalo
CEO

A handwritten signature in black ink, appearing to be "Eyal Lalo", written over the typed name and title.