

American Iron and Steel Institute
American Wire Producers Association
Coalition to Enforce Antidumping and Countervailing Duty Orders
National Association of Manufacturers

April 22, 2015

The Honorable Paul Ryan
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

Dear Chairman Ryan and Ranking Member Levin:

As associations representing tens of thousands of small, medium and large manufacturers in every industrial sector in all 50 states, we have long championed a robust, manufacturing U.S. trade policy that opens markets and levels the playing field overseas, improves the competitiveness of manufacturers in the United States and ensures the strong enforcement of the rules of the trading system at home and by our trading partners. For this reason, our organizations urge you to improve the ability of the U.S. government to address the growing threat of evasion of trade-remedy orders at our nation's borders by enacting the Enforcing Orders and Reducing Customs Evasion (ENFORCE) Act, as contained in the customs and trade facilitation bill being considered by the Senate Committee on Finance.

The ENFORCE Act legislation is critical to ensure a transparent, regularized and fair process to ensure the enforcement of U.S. trade remedy laws that help manufacturers address government-subsidized and other unfair competition. Too often, manufacturers spend significant time and resources to utilize the trade remedy rules and obtain antidumping/countervailing duty (AD/CVD) orders only to find importers that are evading these orders. Despite ongoing efforts by affected industries to work alongside the U.S. Government and in particular Customs and Border Protection (CBP) to seek the proper classification of entries evading trade remedy orders, reviews often go on for years with no resolution. In many cases, U.S. businesses have collected and presented overwhelming evidence of wrongdoing to CBP and other agencies only to watch that information disappear into a black hole of government bureaucracy. CBP's failure to enforce adequately trade-remedy orders in a timely and effective way has deprived the U.S. Treasury of an estimated \$1 billion in revenue every year and leaves domestic manufacturing industries with no remedy despite having been found already to be injured by unfairly traded foreign imports.

The problem is clear. As detailed recently by the Office of the United States Trade Representative (USTR) to the World Trade Organization (WTO)¹ "the United States has witnessed a dramatic increase in activities expressly designed to evade the application of

¹ "Antidumping Duty 'Evasion Services,'" Paper from the United States to the WTO Committee on Anti-Dumping Practices, Informal Group on Anti-Circumvention (17 Mar. 2015), accessed at <http://documents.nam.org/IEA/G-ADP-IG-W-54.pdf>.

antidumping duties.” USTR has asked our trading partners for help to address this problem at the multilateral level.

Manufacturers cannot wait for consensus at the WTO. Congress can, and should, act now to modernize the approach that CBP takes to this growing problem. Manufacturers urge the House Ways and Means Committee to adopt the ENFORCE provisions being considered by the Senate Finance Committee today. This legislation includes several important features, including:

- Timelines for CBP to initiate, investigate, and make determinations on allegations of evasion within one year so that this issue can be reviewed carefully but in a timely manner.
- Judicial review of CBP’s decisions on evasion allegations by the Court of International Trade. Judicial review safeguards the rights of all parties that could be affected by CBP’s decisions and is consistent with other analogous CBP decisions such as Domestic Party Petition determinations and importer protest procedures.
- Allocation of resources and regulatory changes to allocate resources and personnel appropriately for the purposes of implementing the act, as well as language ensuring that regulations will be issued to ensure the proper coordination between CBP and the Commerce Department.

It is important to note that the only entities that are negatively impacted by this legislation will be those involved in duty evasion. The ENFORCE Act ensures that companies complying with U.S. trade laws also have a fair and transparent process.

Manufacturers across industry urge Congress to address this growing problem in the implementation of U.S. trade remedy laws by enacting ENFORCE legislation that will provide manufacturers in the United States with greater confidence that U.S. trade-remedy laws will be fully and fairly enforced.

Sincerely,

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