



August 31, 2012

The Honorable Max Baucus  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

The Honorable Orrin Hatch  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch,

The Express Association of America (EAA) and the 27 other trade associations listed below are writing to request your support for drafting a Senate companion bill to H.R. 1653, introduced by Representatives Schock, Crowley and Owens, that would raise the de minimis level for low value shipments. This legislation will simplify and streamline the customs entry process and offer significant benefits for both trade and to the government. The members of the Express Association of America (EAA) and the numerous members of the other associations co-signing this letter represent over several hundred billion dollars in revenue and serve millions of customers who all will benefit significantly from the simplification and streamlining of the customs entry process resulting from a higher de minimis level.

U.S. citizens returning from overseas are allowed to bring in up to \$800 worth of purchases without having to file any customs documents or pay customs duties. However, if U.S. citizens purchase these same goods overseas and ship them back to the U.S., these shipments are subject to customs document requirements and duties if over \$200. This disparate treatment of identical goods makes no practical sense and the cost of customs processing can outweigh the amount of duty collected. The requirement for entry documentation, review, and paperwork for these low value “de minimis” shipments under \$800 is not the most efficient use of resources and adds millions of dollars in additional costs to shippers and U.S. consumers. It is also important to note that these de minimis levels have not been changed in almost 20 years.

This is not a security issue. This is an issue of efficiency, job creation and economic stimulus. Security is not affected by this legislation, as manifest information on all shipments, regardless of value, is analyzed for security threats and subject to CBP risk assessment processes prior to arrival. The entry reform changes apply only to smaller and lower value shipments, thus there is no increased risk of commercial violations. Simplified entry and release of these low value shipments facilitates CBP focusing of resources on larger commercial shipments where such enforcement is better justified.

Reducing and simplifying the workload for CBP will allow officers to focus on security issues and higher risk shipments. The changes would also allow CBP to reallocate resources from entry document processing and review to security, targeting and trade facilitation. CBP will thus obtain millions in resource savings that will easily offset any decreases in annual government revenues from a higher de minimis level.

From an economic and trade perspective, filing fewer formal entries will be advantageous for all parties in the shipping process – from producer to carrier to consumers. With internet purchases increasing every year, the proposed changes would simplify the entry process for personal use shipments. Low value shipments will see a proportionately greater reduction in costs and subsequent increase in volume. When more shipments are eligible for simplified entry procedures, the total costs are reduced for all customers and small businesses.

The Peterson Institute of International Studies conducted a study that showed raising the de minimis and informal entry levels along with the corresponding simplification of the entry process for numerous small importers would result in annual savings of over \$100 million, both to the trade community and the government. Such studies, however, cannot estimate the economic benefits of the increase in commerce that would result from a higher de minimis level, as more entrepreneurs would be encouraged to engage in international trade. The associations co-signing this letter are confident, based on first-hand experience with the trade community, that this expansion of trade would generate more business opportunities and economic growth.

We look forward to working with you and your fellow Committee members to advance this important issue. It is critical that you support drafting a Senate companion bill to H.R. 1653 that would raise the de minimis level for low value shipments, simplify and streamline the Customs entry process and offer significant benefits for both trade and the government.

For more information please contact me at (703) 759-0369 or via email at [michael.mullen@expressamerica.org](mailto:michael.mullen@expressamerica.org).

Sincerely,



Michael C. Mullen  
Executive Director  
Express Association of America

Cc: The Honorable Dave Camp, Chairman, House Ways & Means Committee  
The Honorable Sander Levin, Ranking Member, House Ways & Means Committee

**CO-SIGNING ORGANIZATIONS:**

Airforwarders Association – AFA  
Airlines for America – A4A  
American Apparel & Footwear Association – AAFA  
American Association of Exporters and Importers – AAIE  
American Trucking Associations – ATA  
Association for Postal Commerce – PostCom  
Canadian/American Border Trade Alliance – CANAMBTA  
Cargo Airline Association – CAA  
Coalition of Service Industries – CSI

Emergency Committee for American Trade – ECAT  
Express Association of America – EAA  
Express Delivery and Logistics Association – XLA  
Fashion Accessories Shippers Association – FASA  
Footwear Distributors and Retailers of America – FDRA  
Grocery Manufacturers Association – GMA  
Information Technology Industry Council – ITIC  
National Association of Free Trade Zones – NAFTAZ  
National Association of Manufacturers – NAM  
National Foreign Trade Council – NFTC  
National Retail Federation – NRF  
Retail Industry Leaders Association – RILA  
TechAmerica  
The International Air Cargo Association – TIACA  
Travel Goods Association – TGA  
United States Council for International Business – USCIB  
U.S. Association of Importers of Textiles and Apparel – USA-ITA  
U.S. Business Alliance for Customs Modernization – BACM  
U.S. Chamber of Commerce