

May XX, 2020

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Mr. Secretary:

We write today to continue to press for tariff relief for companies affected by the COVID-19 pandemic. We appreciate the Executive Order issued by the President on Sunday, April 19, that provided you with emergency authority and encouraged the temporary extension of deadlines for payment of certain duties, taxes, and fees.

We are concerned that Customs and Border Protection (CBP) took a narrow approach to implementation of this Order. This was an opportunity to provide significant and immediate relief, but unfortunately, we have heard from many constituents who are not able to benefit or expect only limited assistance. We request that you use your authority granted in the April 19 Executive Order to adjust the deferral process to provide broader relief as soon as possible.

First, more time must be provided for companies to file for a deferment. The midnight deadline on Monday, April 20, did not provide companies nearly enough time to react. This deadline should be extended to provide companies with the opportunity to submit an application to receive duty relief.

Second, the process used to determine significant financial hardship undermines the potential relief. The requirement for companies to show a 40 percent decline in sales between 2020 and 2019 does not provide the necessary flexibility to make this relief impactful. For example, the effect on the retail sector is particularly dire. As a low-margin and low-growth industry, sales success is determined within a range of -5 percent to +5 percent. We would propose a sliding scale model with the following increments: -40 percent = 100 percent deferral; -30 percent = 75 percent deferral; -20 percent = 50 percent deferral; and -10 percent = 25 percent deferral.

Third, duty relief must be extended beyond the end of April for as long as economic uncertainty associated with the COVID-19 crisis continues. Businesses should be notified of this extension as soon as possible so that there is time to prepare and adjust entry procedures.

Finally, the Executive Order should be expanded to include merchandise subject to Section 301, 232, and 201 tariffs. Payments will be made at the end of the deferral period, but the reprieve would provide immediate relief for businesses in our states that are facing severe cash flow problems during these unprecedented times.

Thank you for your consideration of these requests and your work to support the U.S. business community during this difficult time. If there are any questions please contact us directly or have your staff reach out to our offices.

Sincerely,