March 20, 2020

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Re: Relief Measures to Aid American Businesses

Dear Mr. President:

On behalf of the members of the American Association of Exporters and Importers (AAEI), we offer the following suggestions for relief measures that will go a long way toward providing immediate and substantial relief to American businesses. AAEI’s membership includes American manufacturers of aircraft, alcohol, apparel, automobiles, chemicals, defense systems, electronics, footwear, medical devices, pharmaceuticals, textiles, wine and spirits.

- Delay USMCA implementation until January 1, 2021, in order to allow our members to focus exclusively on the COVID-19 operational impacts.

- Extend the payment of all customs duties, taxes and fees from 30 days to 90 days, similar to the delay in paying income taxes to the Internal Revenue Service to improve cash flow for American businesses during this national emergency.

- Extend the time for companies to respond to all “paper-based” processing deadlines, regulatory notices, and actions issued by federal regulatory agencies, including the U.S. Customs and Border Protection, U.S. Food & Drug Administration, U.S. Department of Agriculture. In particular, we ask for a temporary extension of the regulatory (19CFR174.12(e)) protest period for finality of customs duties and decisions by 180 days after liquidation.

- Relax export controls and import regulatory requirements for essential products as many countries are instituting export controls on medical devices, pharmaceuticals and chemicals needed for pharmaceuticals (e.g., the EU has a ban out on all 27 EU countries now).

- Extend the exclusions to Section 301 tariffs on goods from China granted by the U.S. Trade Representative. These exclusions expire in a few months, but companies may not be able to take advantage of the exclusions due to supply chain interruptions.

- Suspend payment of Section 232 and 301 duties on goods imported from all countries.

- Refund to American companies the $53 billion collected (but not already refunded through exclusions or drawback) by U.S. Customs and Border Protection for section 232 and 301 duties.
All these measures will provide an immediate infusion of cash to the very companies that you seek to assist, simply by signing an Executive Order without the need for legislation.

Our recommendations above are based on a survey of American companies asking about the impact of COVID-19 and the President’s Coronavirus Guidelines for America on their trade operations and global supply chains. Based on the first week results of the survey (attached), a few key findings support our recommendations:

- Most company employees are telecommuting and/or reducing hours of operations. This slowdown is affecting companies’ ability to make regulatory filings (e.g., entry filings with U.S. Customs and Border Protection).
- A significant number of companies are building up more inventory of necessary product from source countries.
- Most companies have experienced a slowdown in obtaining product from other countries.
- The slowdown has affected both export and import shipments. The imbalance of shipping containers will affect American companies’ ability to export product from the United States to other countries.

We hope that you consider these proposals and take immediate action on them to signal that your Administration will take whatever action is necessary to support American businesses to maintain their current operations until the national emergency on COVID-19 subsides. Should you wish to reach me directly, please call 202-857-8009 ext. 1105 or e-mail mrowden@aaei.org.

Sincerely,

Marianne Rowden
President & CEO

Attachment

cc: Senator Charles Grassley, Chairman, Senate Finance Committee
Representative Richard Neal, Chairman, House Ways and Means Committee
Wilbur Ross, Secretary of Commerce
Chad Wolf, Secretary of Homeland Security
Ambassador Robert Lighthizer, U.S. Trade Representative
82% of companies responding have been affected by supply chain disruption.

Uncertainty
67% impacted by source country slow down.
16% Inability to obtain products
18% Source Country Delays
14% Drawn down U.S. inventory
13% Late deliveries
82% of companies responding has been affected by supply chain disruption to customers.

Interim Solutions
33% Build up more inventory
13% Find manufacturer in other countries
11% Shift production to best value country
14% Drawn down U.S. inventory
29% Other solutions or nothing

Impact on Interaction with Customs.
44% Telecommuting
21% Reduced hours
56% Will impacted by source country slow down.
China 56%

Data and Information Brought to you by AAEI