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DAILY NEWS

GAO Report Finds \$2.3 Billion In AD/CV Duties Uncollected By Customs

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An estimated \$2.3 billion in antidumping (AD) and countervailing (CV) duties have gone uncollected by Customs and Border Protection, sparking a series of recommendations from the U.S. Government Accountability Office this week to improve collections while reducing the likelihood of nonpayment.

The GAO, [in a report issued on Aug. 15](#), recommends that Customs issue guidance to collect and analyze data on a regular basis to address the cause of AD/CVD liquidation errors; conduct regular risk analysis that consider the likelihood and risk factors related to nonpayment; and take steps to mitigate nonpayment using its data and risk assessment strategy.

Customs concurred with all three recommendations, according to the report.

The report notes that 2.5 percent of duties owed, or \$2.3 billion, went uncollected between fiscal years 2001 and 2014. Within that, 20 importers accounted for half of the unpaid \$2.3 billion, and four owed more than a quarter of the delinquent duties.

The most owed by a single importer is \$220 million, according to the report. That importer, who is not named, had 4,199 unpaid duty bills.

The GAO report was based on data provided by CBP, which also requested the investigation. The GAO is a nonpartisan, independent investigative agency that works for Congress.

"According to that CBP report, the vast majority of manufacturers, exporters, importers, customs brokers, and other parties involved in shipments of goods subject to AD/CV duties lawfully pay the duties owed," according to GAO. "However, as the CBP report notes, elements of the U.S. system for determining and collecting AD/CV duties create an inherent risk that some importers will not pay the full amount they owe in AD/CV duties."

Key factors in unpaid duties include the way the U.S. system for determining duties first sets an initial estimated duty rate, followed by a retrospective assessment of a final duty; the final AD/CVD rate can significantly exceed what the importer already paid when goods enter the country; and the final duties can be issued several years after an importer's goods enter the U.S. market, during which time the importer may go out of business or become unable to pay additional duties.

House Ways & Means Chairman Kevin Brady (R-TX), in an Aug. 15 statement, said the GAO report shows the administration needs to do more to enforce U.S. trade laws. Brady added that Congress passed the Enforce and Protect Act last year as part of the Customs Bill to give the administration new tools to fight evasion of AD/CV duties.

Brady called on the administration to [meet its congressional deadline](#) to issue regulations implementing the Enforce and Protect Act, and to immediately implement procedures following GAO's recommendations listed in the report.

"Today's GAO report highlights that the Administration needs to do much more to enforce our trade laws," Brady said. "It is unacceptable that \$2.3 billion in antidumping and countervailing duties owed to the U.S. Government by foreign companies who have violated our trade laws still hasn't been collected by U.S. Customs and Border Protection." -- *Nate Robson* (nrobson@iwpnews.com)

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