

United States Senate

WASHINGTON, DC 20510

June 6, 2017

Kevin K. McAleenan
Acting Commissioner
United States Customs and Border Protection
1300 Pennsylvania Avenue, NW
Washington, DC 20229

Dear Mr. McAleenan:

We write to urge you to immediately resolve a long-standing issue involving the collection and distribution of anti-dumping duties and interest on imports of Chinese honey.

Montana and North Dakota are the top honey producing states in the country, which together produced nearly \$86.87 million worth of honey in 2016. It is a vital industry to our rural economies and to the strength of our rural communities. Our honey producers, however, face many pressing challenges, including Customs and Border Protection's (CBP) failure to uphold its role in combatting unfair international competition. It is imperative CBP fulfill its legal obligation to distribute the anti-dumping duties and interest owed to honey producers to help the industry counter unfair Chinese imports.

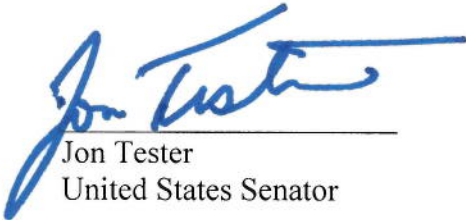
Honey producers have struggled with the illegal dumping of honey imported from China for nearly two decades. In 2001, the United States put anti-dumping duties in place to address the issue and protect domestic production. Unfortunately, CBP failed to collect many of these duties because China used a loophole to post bonds guaranteeing the duties and it took years to pursue payment of the duties through bond collections. Even today, hundreds of millions of dollars in duties and interest on these products remain uncollected and CBP is currently in litigation with several bond sureties.

The Continued Dumping and Subsidy Offset Act (CDSOA) requires collected anti-dumping duties and interest to be paid to the injured domestic producers to allow producers to recover and reinvest. CBP's slow enforcement and collection efforts on honey continue to deny American producers the recourses to deal with the harmful impacts of Chinese imports. In 2015, we further learned that CBP chose to pay itself interest from the duties collected rather than passing them on to producers. In one instance, this resulted in CBP deducting more than 90 percent of the duties collected to pay itself interest.

In response to this misguided and harmful CBP policy, Congress enacted Section 605 of the Trade Facilitation and Trade Enforcement Act of 2015 to direct that all duties collected and all interest on those duties be paid to producers. Unfortunately, CBP decided to selectively apply this new law because it claims calculating the amounts owed is too difficult. This is an unacceptable decision for jobs in our states. As Section 605 directs, all duties and interest collected on honey imports for the period covered by the law should be paid to honey producers.

It is essential the CBP work expeditiously and meticulously to ensure our honey producers are fully protected and compensated from unfair foreign trade by perusing the collection of all outstanding import duties and the interest accrued on those duties. We look forward to your reply.

Sincerely,



Jon Tester
United States Senator



John Hoeven
United States Senator



Heidi Heitkamp
United States Senator



Steve Daines
United States Senator