

September 11, 2024

The Honorable Joseph R. Biden, Jr.
President
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear President Biden,

We write to share our grave concerns about the *de minimis* trade loophole that allows more than four million packages to enter the United States every day without inspection while dodging taxes and tariffs.¹ These imports threaten U.S. manufacturers, hurt union workers and local retailers, and expose American consumers to great risk by flooding the market with fake and sometimes dangerous imported goods, including fentanyl and precursor chemicals from China. We write to encourage you to use the full scope of your executive authorities to halt this onslaught.

House and Senate Democrats have fought to close the *de minimis* loophole through comprehensive legislation that would completely close the *de minimis* loophole from products coming from China. This passed the House in 2022 and we are still working with a broad coalition of congressional, labor, business, law enforcement, and civil society allies to enact a comprehensive legislative solution. Meanwhile, the threats posed to American families, workers, and firms by the flood of *de minimis* imports continue to grow.

The urgency of closing the *de minimis* loophole cannot be overstated. Americans continue to die from mislabeled fentanyl-laced pills that are ordered online, skirt inspection thanks to *de minimis* and are delivered to Americans' doorsteps. *De minimis* imports, particularly from China, also evade most existing trade enforcement mechanisms, including the Uyghur Forced Labor Prevention Act and Section 301 tariffs used to hold trade cheats accountable. In a particularly stark example of the impact this loophole has on American manufacturers, over the past several months, 18 U.S. textile plants closed due to the flood of imports coming in via the *de minimis* loophole and putting hundreds of American workers out of jobs.²

As we continue our efforts toward a legislative solution, we write today to ask for your help to deliver relief to the American people. Congress provided the executive branch with broad discretion to designate what products may qualify for *de minimis* treatment in Section 321 of the Tariff Act of 1930. In the absence of a legislative solution at this time, we urge you to use the full range of your authorities to disqualify commercial shipments from *de minimis* treatment, so

¹ Rethink Trade, "MEMO: POTUS Has Authority to Fix the De Minimis Trade Loophole Now Facilitating Entry of Deadly Fentanyl from China and a Flood of Unfair Imports that Crush Domestic Firms," June 17, 2024, <https://rethinktrade.org/reports/memo-potus-has-authority-to-fix-the-de-minimis-trade-loophole-now-facilitating-entry-of-deadly-fentanyl-from-china-and-a-flood-of-unfair-imports-that-crush-domestic-firms/>.

² The American Prospect, "Domestic Textile Industry Crashing Because of Trade Loophole," David Dayen, January 23, 2024, <https://prospect.org/economy/2024-01-23-domestic-textile-industry-trade-loophole/>; Information shared by the National Council of Textile Organizations.

that packages entering the United States no longer evade inspection, information disclosure requirements, or the requisite tariffs and taxes.

Since its inception, and until relatively recently, the *de minimis* program largely only operated to allow individuals to avoid certain paperwork and tariffs on low-value gifts sent or received across borders or when returning from overseas travel with souvenirs. The development of massive direct-to-consumer e-commerce platforms and the exponential growth of e-commerce traffic has resulted in a dangerous mismatch. A blanket waiver of tariffs, trade-cheating penalties, taxes, and inspection is not an appropriate approach for the small-value packages ordered online that enter the United States, amounting to more than one billion in 2023 alone.³

Disqualifying commercial shipments from *de minimis* treatment would significantly reduce the volume of small package imports. Instead of millions of individual packages arriving daily in express air delivery centers and via international mail, legitimate goods ordered online would arrive at formal ports aggregated in shipping containers with detailed information about the goods submitted in advance online as required by the SAFE Port Act. This would make it possible for Customs and other regulatory agencies enforcing product safety, labor rights, drug interdiction, and other policies to target shipments that need inspection and seize violating imports. It would also close the door for bad actors now using the lack of inspection and information about *de minimis* shipments' contents to flood the U.S. with illicit, forced-labor, fake, and deadly goods – leveling the playing field for domestic manufacturers and workers.

The United States is not the only country facing a *de minimis* crisis. For example, the European Commission has proposed to eliminate *de minimis* altogether in 2025 and to change its import regulations to designate e-commerce platforms as the “importer of record,” making them liable for providing accurate information about imports and their value and for paying tariffs and taxes. South Africa has also decided to put an end to its *de minimis* program, as nations worldwide are being hit by the explosive growth of fraudulent and dangerous imports of goods purchased online, largely from China.

Closing the *de minimis* loophole has broad support in the United States, from law enforcement to unions and domestic manufacturers, to faith and consumer groups, to large and small retailers, to families who have lost loved ones to fentanyl-laced medications imported from China.

We pledge to continue our efforts to legislate a remedy to the *de minimis* crisis. In the interim, we are very eager to work with you to find a timelier remedy for this urgent and growing problem.

Sincerely,

³ The American Prospect, “Domestic Textile Industry Crashing Because of Trade Loophole,” David Dayen, January 23, 2024, <https://prospect.org/economy/2024-01-23-domestic-textile-industry-trade-loophole/>.



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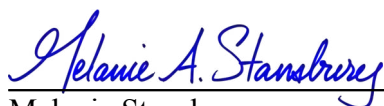
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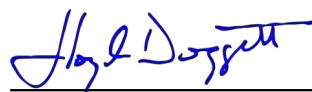
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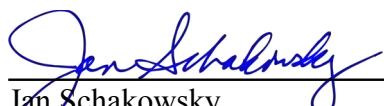
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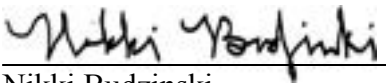
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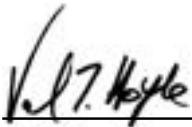
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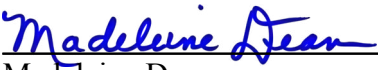
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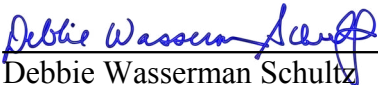
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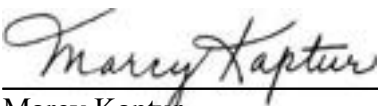
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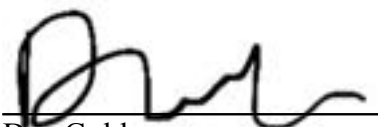
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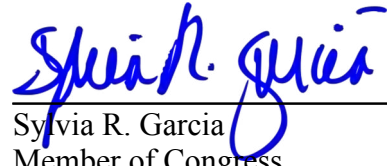
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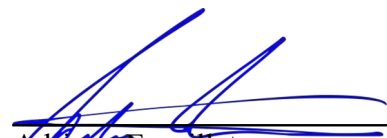
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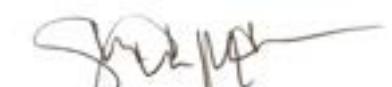
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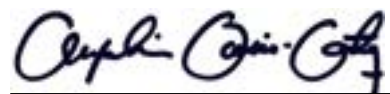
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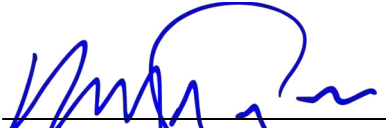
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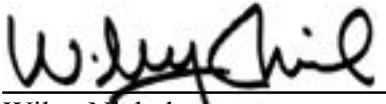
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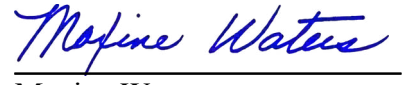
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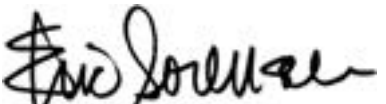
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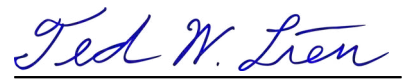
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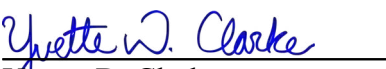
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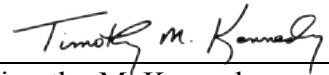
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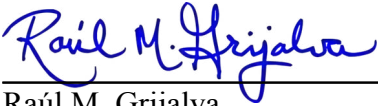
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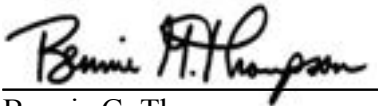
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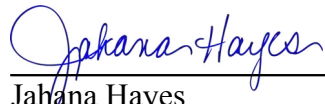
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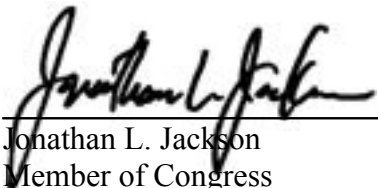
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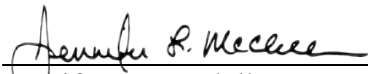
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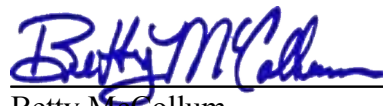

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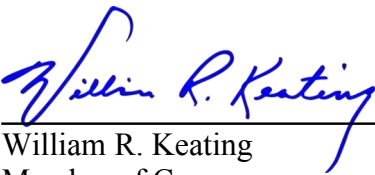

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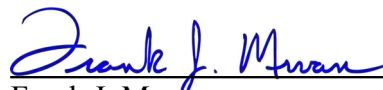

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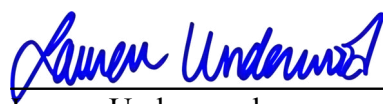

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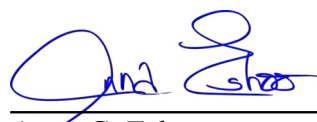

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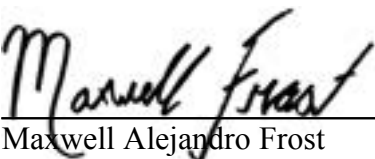

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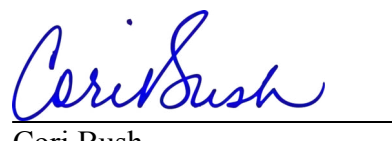

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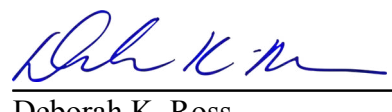
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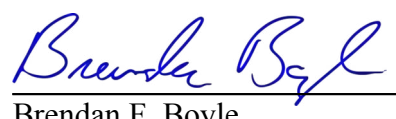
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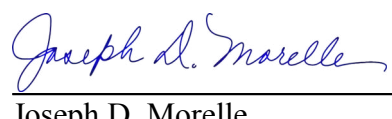
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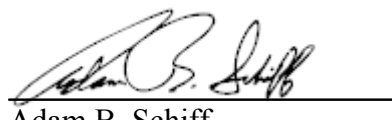
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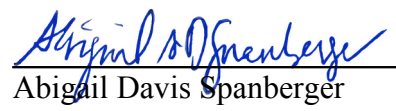
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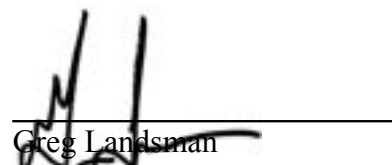
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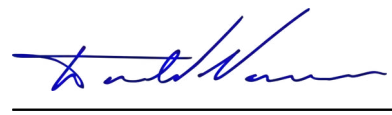
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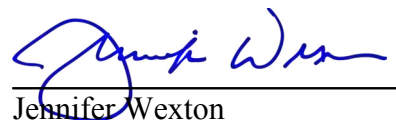
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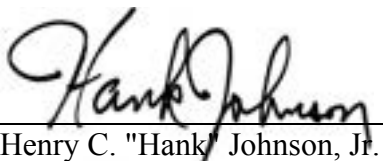
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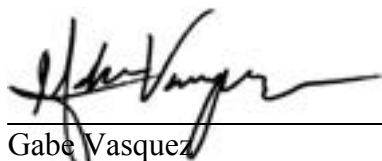
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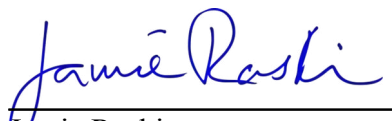
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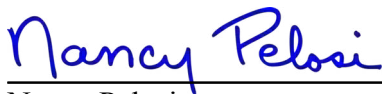
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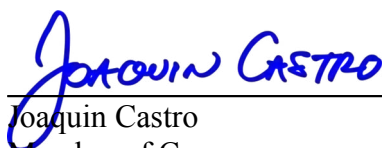
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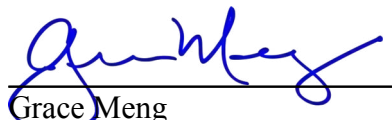
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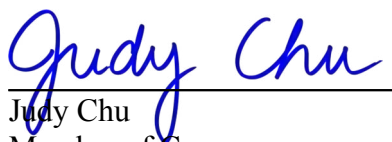
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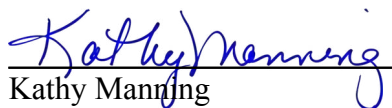
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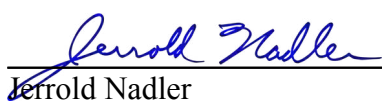
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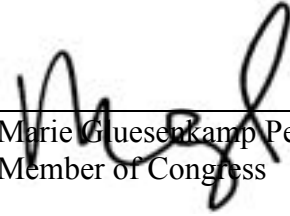
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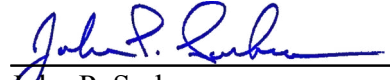
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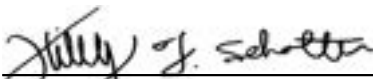
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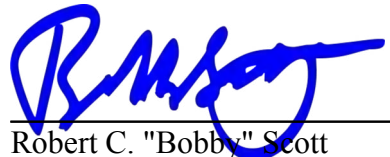
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