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(Original Signature of Member)

112TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To direct the Commissioner responsible for U.S. Customs and Border Protection to submit to Congress, the United States Trade Representative, the United States International Trade Commission, and the Secretary of Commerce an annual report on the economic impact of transshipment and duty evasion on the United States.

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IN THE HOUSE OF REPRESENTATIVES

Mr. MICHAUD introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To direct the Commissioner responsible for U.S. Customs and Border Protection to submit to Congress, the United States Trade Representative, the United States International Trade Commission, and the Secretary of Commerce an annual report on the economic impact of transshipment and duty evasion on the United States.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. REPORT ON ECONOMIC IMPACT OF TRANS-**  
2 **SHIPMENT AND DUTY EVASION ON THE**  
3 **UNITED STATES.**

4 (a) **IN GENERAL.**—Not later than April 1 of each  
5 year, the Commissioner responsible for U.S. Customs and  
6 Border Protection shall submit to Congress, the United  
7 States Trade Representative, the United States Inter-  
8 national Trade Commission, and the Secretary of Com-  
9 merce a report on the economic impact of transshipment  
10 and duty evasion on the United States.

11 (b) **MATTERS TO BE INCLUDED.**—The report should  
12 analyze relevant variables, including the following:

- 13 (1) Misclassification.
- 14 (2) False country of origin marking.
- 15 (3) Smuggling.
- 16 (4) Undervaluation.
- 17 (5) Other false claims.
- 18 (6) Countries employing transshipment and  
19 duty evasion tactics.
- 20 (7) Countries through which transshipment and  
21 duty evasion tactics are employed.
- 22 (8) Loss of United States revenues resulting  
23 from transshipment and duty evasion.
- 24 (9) Loss of sales to United States sectors from  
25 transshipment and duty evasion.

1           (10) United States sectors harmed the most by  
2           transshipment and duty evasion.

3           (11) The number of importers of record deter-  
4           mined to have transshipped or evaded duties.

5           (12) The number of importers of record re-  
6           quired to pay single-entry bonds.

7           (c) CONSULTATION.—In preparing the report, the  
8           Commissioner should consult with representatives from af-  
9           fected United States industries, as appropriate, including  
10          through voluntary questionnaires intended to obtain sec-  
11          tor-specific information on transshipment and duty eva-  
12          sion from United States industries.

13          (d) AVAILABILITY.—The Commissioner shall make  
14          the report publicly available on the Internet website of  
15          U.S. Customs and Border Protection or otherwise.

16          (e) DEFINITIONS.—In this Act—

17                 (1) the term “false country of origin marking”  
18                 means labeling goods as originating in a country  
19                 other than the country of origin;

20                 (2) the term “misclassification” means incor-  
21                 rect tariff code classification or misdescription to  
22                 avoid imposition of duties;

23                 (3) the term “other false claims” means incor-  
24                 rect case claims;

1           (4) the term “smuggling” means under-  
2           declaring or failing to declare goods;

3           (5) the term “transshipment” or “trans-  
4           shipped” means falsifying documents, product mark-  
5           ing, or transloading containers to mask true country  
6           of origin; and

7           (6) the term “undervaluation” means falsifying  
8           documents to undercut price and avoid duties.