

June 28, 2023

The Honorable Louis DeJoy Postmaster General United States Postal Service 475 L'Enfant Plaza, SW Washington, D.C. 20260

Dear Postmaster General DeJoy,

The House Select Committee on Strategic Competition between the United States and the Chinese Communist Party and the House Committee on Oversight and Accountability (Committees) write to request documents, information, and data collected by the United States Postal Service (USPS) as they relate to inbound mail from the People's Republic of China (PRC). We are examining the ability of Chinese companies to use existing regulations to avoid U.S. duties on and inspection of imports destined for the U.S. market.

Most shipments valued at less than \$800 fall under the so-called *de minimis* rule and enter the United States exempt from duties, taxes, and scrutiny. Chinese companies can take advantage of the *de minimis* rule and ship products via commercial shipping companies, as well as the USPS, directly to U.S. consumers without paying duties and fees or subjecting their products to investigation by authorities. It has been reported that Chinese companies routinely break large shipments into numerous smaller ones in order to take advantage of the *de minimis* threshold and avoid customs duties and tariffs. Such practices abuse the intent of the threshold and provide unfair advantages to Chinese importers to the detriment of the U.S. economy and national security.

Other federal agencies—including U.S. Customs and Border Protection (CBP) —publish or have otherwise made available certain data on PRC-origin shipments that might use *de minimis* entry. However, the information provided by CBP does not include data from the USPS. These data are insufficient without properly accounting for the USPS channel, which includes information regarding the specific volume of shipments from the PRC into the United States. USPS

¹ See, e.g., 19 C.F.R. §§ 10.151, 128.24, and 145.31, which provide "de minimis" admission of articles free of duty, of any tax imposed on or by reason of importation, and of certain reporting requirements, which are valued at less than \$800.

² Josh Zumbrun, *The \$67 Billion Tariff Dodge That's Undermining U.S. Trade Policy*, WALL St. Journal (Apr. 25, 2022) *available at* www.wsj.com/articles/the-67-billion-tariff-dodge-thats-undermining-u-s-trade-policy-diminimis-rule-customs-tourists-11650897161.

is uniquely positioned to provide this information because a significant proportion of small parcel shipments come through the USPS channel and are not publicly broken down by country. Such information will provide the Committees with important insight into the volume and value of shipments from the PRC.

Therefore, we respectfully request that you provide the following documents, information, and data by July 19, 2023:

- 1) All available inbound mail records and data pertaining to mail from the PRC, including but not limited to duties, revenues, pieces, and weights, for fiscal year (FY) 2021 and FY 2022;
- 2) All available records and data pertaining to *de minimis* shipments from the PRC, including but not limited to revenues, pieces, and weights, for FY 2021 and FY 2022;
- 3) The total U.S. dollar value of terminal dues and inward land rates currently assessed to the PRC; and
- 4) The full terminal dues schedule for every country in the world.

The House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party has broad authority to "investigate and submit policy recommendations on the status of the Chinese Communist Party's economic, technological, and security progress and its competition with the United States" under H. Res. 11.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time", and has jurisdiction over the "[p]ostal service generally, including transportation of the mails" under House Rule X.

To make arrangements to deliver a response or ask any follow-up questions, please contact Select Committee staff at (202) 308-8977 and Oversight Committee staff at (202) 225-5074.

Thank you for your attention to this important matter and prompt reply.

Sincerely,

Mike Gallagher Chairman

Select Committee on China

James Comer Chairman

Committee on Oversight and Accountability