

COMSTOCK & THEAKSTON, INC.

DRAWBACK SPECIALISTS SINCE 1894

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May 19, 2008

U.S. Customs and Border Protection (CBP)
Information Services Group
Attn: Tracey Denning
1300 Pennsylvania Avenue, NW, Room 3.2.C
Washington, DC 20229

RE: Comments in response to the Proposed Collection; Comments Request; Drawback Process Regulations and Entry Collection Documents, as published in the Federal Register: March 25, 2008 (Volume 73, Number 58, page 15764)

Dear Ms. Denning,

As one of the nation's oldest and largest duty drawback specialists, Comstock & Theakston, Inc. would like to offer the following comments on the various forms now required:

CBP Form 7551 (Drawback Entry)

Two additional boxes need to be added to the form in Section I - Claim Header. One would be to record the HMF being claimed, and the other to record any other fees being claimed, such as the Cotton Fee.

Box 15. ESP – This box requires a Yes or No response regarding ESP. Since the current regulations do not require application for Export Summary Procedure, and since any drawback claimant may use this procedure, such a response regarding ESP is irrelevant. We therefore recommend that this box be deleted. Our company made this same comment in a letter dated February 17, 2004 (see attached copy). In response to this, Customs, in a letter from Elizabeth G. Durant dated March 19, 2004 (see attached copy), stated "I am in agreement that this additional box could be considered a burden, as it is no longer relevant. Therefore, the CBP 7551 will be revised to remove the current block 15." Since this promised revision has not yet been made, we encourage you to make this revision at your earliest convenience.

Box 17. Drawback Section – The title of this box is confusing because this term usually suggests a particular branch of operations within Customs, and might lead the claimant to think that this box is "for Customs use only". What is really meant here is the statutory provision that applies to the particular drawback claim. We therefore recommend that a phrase such as "Statutory Provision" or "Statutory Section" be used. Our company made this same comment in a letter dated February 17, 2004 (see attached copy). In response to this, Customs, in a letter from Elizabeth G. Durant dated March 19, 2004 (see attached copy), stated "I concur that the heading "drawback section" may be misleading and the block should read "drawback statutory provision".

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Since this promised revision has not yet been made, we encourage you to make this revision at your earliest convenience.

On the back of the CBP Form 7551, there are a number of check boxes for certifications. The last one reads in pertinent part as follows: "The article(s) described above were manufactured or produced and disposed of..." The term "disposed of" is confusing to some people. Although we realize that the term can properly cover both exportation and destruction, it can also refer to waste in a drawback context. Therefore, to eliminate any confusion, we recommend that the words "disposed of" be deleted and the words "exported or destroyed" be inserted in their place. Our company made this same comment in a letter dated February 17, 2004 (see attached copy). In response to this, Customs, in a letter from Elizabeth G. Durant dated March 19, 2004 (see attached copy), stated "In order to avoid confusion, the CBP 7551 certifications will be updated to reflect the suggested wording." Since this promised revision has not yet been made, we encourage you to make this revision at your earliest convenience.

CBP Form 7552 (Delivery Certificate for Purposes of Drawback)

Correct the citation on page 2 in the Declarations Section, Second Statement, to read "19 U.S.C 1313(j)(2)."

Add two additional check boxes to page 2, Box 30 – one for HMF, and one for any other fees.

CBP Form 7553 (Notice of Intent to Export, Destroy or Return Merchandise for Drawback Purposes)

The instructions for the completion of CBP Form 7553 that are available on the Customs website do not follow the CBP Form 7553 currently on the website, and therefore need to be updated.

Box 2. Drawback Entry No. – This is very confusing since the form is not requiring an actual drawback entry number as is required in Box 1 on CBP Form 7551, but rather a document reference number. (The instructions for this box read as follows: "This number is company generated and is assigned by the exporter or destroyer of the merchandise. A drawback entry is not required if it is a consolidated shipment.") The term "Drawback Entry Number" should not be used in this context since it has a very precise meaning as used in Box 1 on the CBP Form 7551.

Box 7. Location of Merchandise – The location of the merchandise prior to exportation or destruction is irrelevant. If Customs notifies the claimant that they wish to examine the merchandise prior to exportation, then arrangements are made to determine the time *and place* of examination. If the merchandise is to be destroyed, then that information is indicated in Box 8. The location of the merchandise at the time of the preparation of the form is immaterial, so this box should be deleted.

Box 8. Method of Destruction/Location – This box should be split into 2 boxes; one describing the method of destruction and the other giving the location of the intended destruction.

Box 11. Unique Identifier No – In order to enable CBP to better track the CBP Form 7553, we suggest that a requirement be added to the instructions for this form that this unique identifier number be shown on the future drawback claim in conjunction with this export.

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Boxes 14 Import Entry No. and 16 Drawback Amount - The current form is confusing in that it appears to request much of the information required by a Drawback Entry (CBP Form 7551), even though this Notice of Intent form is prepared and filed long before a claim is prepared. As such, there should be no need to indicate on the CBP Form 7553 either the Import Entry Number (Box 14) or the Drawback Amount (Box 16). Therefore, these boxes should be deleted. If, however, in spite of this comment, these boxes are retained, then the parenthetical phrase "(if known)" should be added to the title of each box, as is the case for Box 9.

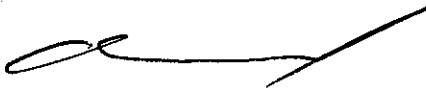
Box 19. "Drawback to be filled as": - This information should not be required, since a claimant may not know at the time of export which type of drawback is ultimately going to be claimed. The form's use is only to advise Customs of the intent to export, destroy or return merchandise to be claimed for drawback. The type of drawback being claimed will be indicated on the CBF Form 7551 when it is filed. Therefore this information is immaterial at the time of exportation or destruction when the CBP Form 7553 is filed.

If, in spite of this comment, this box and its contents are retained, then an additional check box should be added with the words "Unknown at this time". Secondly, the check box that reads "Distilled Spirits, Wine or Beer under" should be completed by adding at the end of that phrase the citation "26 U.S.C. 5062(c)", as stated in the instructions for this form. Thirdly, the word "filled" in the title of Box 19 ("Drawback to be filled as") should be corrected to read "filed".

Thank you for the opportunity to submit our comments.

Sincerely,

Comstock & Theakston, Inc.



David N. Simcox

President

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Encls.



U.S. Customs and
Border Protection

MAR 19 2004

FO-TP:SM:EDM SLH

Mr. William Hagedom
Vice President
Comstock & Theakston, Inc.
466 Kinderkamack Road
Oradell, NJ 07649

Dear Mr. Hagedom:

Trade Compliance and Facilitation is in receipt of your comments, dated February 17, 2004, regarding the Federal Register Notice of December 17, 2003, which solicited comments on the drawback entry collection documents. As a result of the comments, some of the modifications you suggested will be incorporated into the drawback forms. Yet, other changes suggested were found to be unsuitable and will not be included. A response to each of your comments is outlined below.

The first suggestion presented in your letter was the removal of block 15 from the CBP 7551, as the export summary procedure is irrelevant since any claimant can elect to utilize the procedure and it is no longer considered a drawback privilege. I am in agreement that this additional box could be considered a burden, as it is no longer relevant. Therefore, the CBP 7551 will be revised to remove the current block 15.

Your next suggestion was clarification of block 17 on the CBP 7551. Currently, this section indicates "drawback section" which you stated could be misconstrued as a request for the division within Customs and Border Protection (CBP). The previous version of the 7551 read "drawback provision" as you have suggested renaming this column. Again, I concur that the heading "drawback section" may be misleading and the block should read "drawback statutory provision."

The third point in your comments suggest an additional block on the CBP 7551 for duty per unit, which would in turn eliminate blocks 28 and 29, or at least provide a filer with the option of completing blocks 28 and 29 or the new block for duty per unit. In order for CBP to verify the import value, blocks 28 and 29 are necessary and can not be eliminated. If a new block were to be included on the CBP 7551 for duty per unit, blocks 28 and 29 would still be required. Therefore, CBP believes including the

additional block for duty per unit would create an unnecessary burden to the filer and will not add such a box to the form. As point four in your letter reiterates point 3, except in conjunction with the CBP 7552, the response is the same. CBP requires the information requested in block 18 of the CBP 7552 and can not eliminate it.

The fifth recommendation found in your comments is clarification of the wording on the CBP 7551 for the last certification. You state that the word "disposed" should read "exported or destroyed." In order to avoid confusion, the CBP 7551 certifications will be updated to reflect the suggested wording.

The sixth comment recommends that CBP remove four boxes from the CBP 7553. The four blocks suggested for removal are block 2 (Drawback Entry No.), block 5 (Drawback Center), block 16 (Drawback Amount), and block 19 (Drawback to be filed as). Each of these data elements is necessary for CBP to properly track and record filings of the CBP 7553. The requirement to report these elements assists CBP in eliminating fraud and stops "port shopping." Therefore, each of these elements will remain a requirement for completion of the CBP 7553.

The final comment asserts that the instructions for the CBP 7553 do not include directions for completing block 14. The instructions for the CBP 7553 do properly list the instructions for completion of block 14. The instructions read as follows:
"14. **Import Entry No.** – Record import entry number(s) you are designating, on which this drawback transaction is based. These numbers are used to identify the entry for retrieval in order to verify actual duties paid and merchandise imported. Entry numbers consist of XXX-NNNNNNN-C, and appear on the CF 7501 or the delivery certificate prepared by the importer and issued to your company." Therefore, this comment is irrelevant and no change is necessary.

If you should have any questions or concerns, please contact Ms. Sherri Hoffman of my staff, at (202) 927-0542.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth G. Durant", with a stylized flourish at the end.

Elizabeth G. Durant
Executive Director, Trade Programs
Office of Field Operations

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February 17, 2004

Bureau of Customs and Border Protection
Information Services Group
Attention: Tracey Denning, Room 3.2.C
1300 Pennsylvania Avenue, NW
Washington, DC 20229

RE: Comments on Drawback Process Regulations and Entry Collection
Documents published in Federal Register on December 17, 2003

Dear Ms. Denning:

On December 17, 2003, the Bureau of Customs and Border Protection published a Notice and request for comments regarding drawback entry collection documents (68 FR 70283). Below are our comments.

1. On the proposed CBP 7551, Box 15 requires a Yes or No response regarding ESP. Since the current regulations do not require application for Export Summary Procedure, and since any drawback claimant may use this procedure, such a response regarding ESP seems irrelevant. We therefore recommend that this box be deleted.
2. On the proposed CBP 7551, Box 17 simply states "Drawback Section". This is confusing because this term usually suggests a particular branch of operations within Customs, and might lead the claimant to think that this box is "for Customs use only". What is really meant here is the statutory provision that applies to the particular drawback claim. We therefore recommend that a phrase such as "Statutory Provision" or "Statutory Section" be used.
3. On the proposed CBP 7551, boxes 28 and 29 ask for the entered value per unit and the duty rate, respectively. This information is usually readily available if the drawback claimant is also the importer of record. However, there are many cases in which the importer of record furnishes a certificate of delivery to the party who will be the drawback claimant. In some of these cases, the entered value per unit and the duty rate is still available to the prospective drawback claimant. But in many cases, which takes into consideration both the entered value per unit and the rate of duty while shielding the specifics of those fields from their customer (the drawback claimant). We recommend that either an additional box for "duty per unit" be provided on the form (with the instructions indicating that this box may be used in lieu of the entered value per unit and the duty rate), or that the instructions make clear that in cases where the drawback claimant is not the importer of record and has not been provided with the entered value per unit and the duty rate, the claimant may combine boxes 28 and 29 on an attachment to show a "duty per unit" factor.
4. This point raises the same issue as point 3 above in regards to CBP 7552, and also adds an additional related comment regarding CBP 7552. When a CBP 7552 is used as a certificate of delivery, the importer might be willing to provide the entered value per unit and the duty rate.

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If so, there should be a box on CBP 7552 for the duty rate. (The proposed form requests the entered value per unit in box 18, but does not provide a box for the duty rate.) On the other hand, in a situation as described in point 3 above, the importer might not provide such information but will instead provide a "duty per unit" factor. Therefore our first recommendation is that CBP add an additional box for "duty rate" after the box for the "entered value per unit". Our second recommendation, as per point 3 above, is that either an additional box for "duty per unit" be provided on the CBP 7552 form (with the instructions indicating that this box may be used in lieu of the entered value per unit and the duty rate), or that the instructions make clear that if the importer of record chooses not to provide the entered value per unit and the duty rate, the importer may combine, on an attachment, boxes 18 and the new box recommended in this point to show a "duty per unit" factor.

5. On the back of the CBP 7551, there are a number of check boxes for certifications. The last one reads in pertinent part as follows: "The article(s) described above were manufactured or produced and disposed of..." The term "disposed of" is confusing to some people. Although we realize that the term can properly cover both exportation and destruction, it can also refer to waste in a drawback context. Therefore, to eliminate any confusion, we recommend that the words "disposed of" be deleted and the words "exported or destroyed" be inserted in their place.
6. On the CBP 7553, there are four boxes that we believe are irrelevant for the purpose of the form and that create additional burdens for completion of the form. We refer specifically to box 2 (Drawback Entry No.), box 5 (Drawback Center), box 16 (Drawback Amount) and box 19 (Drawback to be filed as). (Box 16 on the form *might* be a valid requirement since the corresponding instructions ask for the "export value". But if that is the case, then the box on the form itself should read "Export Value" instead of "Drawback Amount"). According to the instructions for the CBP 7553, this form "is presented to Customs *prior to any action taken by the company*. It will be returned to the company, indicating Customs decisions on *examination, destruction or waiver*. *After* this form is signed off by Customs, it should be submitted as an attachment to the Drawback Entry..." In most cases, the party filing the form does not know, at the time of filing, what the Drawback Entry No. is or will be, what the amount of drawback will be on the prospective drawback claim, and might not even know the Drawback Center at which the eventual drawback entry will be filed. The point is that the form does not relate **directly** to a drawback claim, and therefore creates burdens for the filer in determining information that does not yet exist, or making decisions that do not need to be made until a later point in time. Therefore, we recommend that boxes 2, 5, 16 and 19 be removed from the CBP 7553.
7. The numbering of the boxes on the instructions for the CBP 7553 does not correspond in every case to the actual numbers on the form itself. Boxes 1 through 13 appear to be consistent on the form and the corresponding instructions. The problem begins with box 14, which the CBP 7553 shows as being the "Import Entry No." However, there is no corresponding instruction for this box. The boxes on the form and the instructions then seem to be in sync for the remainder of the items. (Note the observation in point 6 above about the

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terms "export value" and "drawback amount".) Our recommendation is therefore to correct the inconsistencies as described in this point.

Thank you for the opportunity to submit our comments.

Sincerely,

Comstock & Theakston, Inc.

William A. Hagedorn

William A. Hagedorn

Vice President

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