

Customs Reauthorization Bill

Background: Passage of a reauthorization bill for Customs and Border Protection (CBP) has not occurred since the agency was moved to the Department of Homeland Security (DHS) in 2002, although the committees of jurisdiction -- the House Ways and Means Committee and the Senate Finance Committee -- have worked hard to develop customs authorization legislation over the past several years.

Current Legislation: In the 111th Congress, the House, Ways and Means Committee Chairman Charlie Rangel and Trade Subcommittee Chairman Sander Levin introduced H.R. 496, the Trade Enforcement Act, which authorizes funding to strengthen CBP's trade enforcement functions. A portion of this bill will provide the framework for a stand-alone House CBP reauthorization bill this year.

In the Senate, Finance Committee Chairman Max Baucus and Ranking Member Charles Grassley recently introduced S. 1631, the Customs Facilitation and Trade Enforcement Reauthorization Act of 2009. The bill is intended to further streamline trade processes and provide the tools and resources for CBP to make customs facilitation and trade enforcement a priority again. Some key features of the bill include:

- * Creates new high-level positions at CBP devoted exclusively to trade;
- * Authorizes funding for automated systems to expedite import processing;
- * Provides trade facilitation benefits for importers and others engaged in international trade with a history of complying with U.S. customs and trade laws;
- * Requires CBP to engage in more robust consultation with Congress and the private sector before taking significant actions.

Position: We support passage of a strong customs reauthorization bill that provides firm direction to revitalize CBP's commercial trade facilitation and enforcement function. Much attention has been given in recent years to CBP's national security mission. Now is the time to rebalance the agency's focus so that the nation's economic security is likewise protected. We urge Congress to include the following elements in any final customs reauthorization legislation:

- **Restore CBP Focus On Commercial Function:** While we strongly supports CBP's attention to our homeland security, there needs to be renewed focus on commercial operations and trade facilitation. This applies to management attention, policy development and resourcing.
- **Resourcing:** Reprioritizing CBP's commercial trade function means having sufficient numbers of import specialists and other personnel at the border, staff attorneys at Office of Regulation and Rulings and a management structure that supports efficient trade facilitation and effective trade enforcement.
- **Intensify Efforts to Complete the Automated Commercial Environment (ACE):** ACE was designed to be a sophisticated, state-of-the-art system consolidating and automating border processing. ACE is an integral part of CBP's trade facilitation and border security strategy. The functions of ACE that are in place have drawn mixed reviews. Customs brokers would focus ACE priorities on CBP's basic responsibility to process entries. Now, funding shortfalls have caused delays, stretching the original deadlines to 2012 and beyond. Completion of ACE should be the highest priority.
- **Modernize Duty Drawback Program:** Duty-drawback is a program important to U.S. competitiveness, allowing exporters to reclaim 99 percent of duties paid on imported products used to produce products that are exported. A CBP reauthorization bill should include provisions to streamline and simplify the program, including automation of the claims process, to reduce the cumbersome and overly complex system that currently exists.
- **Detention/Seizure Reform:** With regard to heightened enforcement against goods that may violate intellectual property, health and safety, or other trade laws, legislation must **not impede legitimate trade**. It is imperative that CBP provides adequate notice and timely disposition of such enforcement actions to facilitate compliance and reduce undue costs borne by CBP as well as the trade community during prolonged proceedings.

**WE URGE PASSAGE OF A STRONG BALANCED CUSTOMS
REAUTHORIZATION BILL THAT PROTECTS NATIONAL AND
ECONOMIC SECURITY AND FACILITATES TRADE.**

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