



OPENING STATEMENT OF SENATOR CHUCK GRASSLEY
Senate Finance Committee Hearing
Customs Reauthorization: Strengthening U.S. Economic Interests and Security
Thursday, March 13, 2008

Thank you, Mr. Chairman. I'm pleased to see the Committee begin its legislative process to reauthorize the commercial trade and customs revenue functions performed by personnel at the Department of Homeland Security. In particular, our focus today is on the operations of two agencies within the Department—the U.S. Customs and Border Protection agency (or CBP), and the U.S. Immigration and Customs Enforcement agency (or ICE)—and the perceptions of the business community regarding the adequacy of those operations and how they may be improved.

In the last Congress, I worked very hard with Senator Baucus to develop and introduce the Customs and Trade Facilitation Reauthorization Act of 2006. Today we renew that effort, and I look forward to working together in a bipartisan manner with my colleagues to fulfill the customs oversight responsibilities of the Finance Committee this year.

There are many issues for the Committee to consider. First, we need to update existing customs laws to reflect their administration by CBP and ICE as part of the Department of Homeland Security, as opposed to the Customs Service formerly housed within the Treasury Department. Second, there are a number of technical customs issues to be addressed, including valuation methodology, data submission requirements, and duty drawback simplification. Third, it is essential that we examine the operation of commercial customs functions to ensure that appropriate staffing and resources are in place at the relevant agencies because the economic security of the United States is increasingly dependent upon expanding international trade. Fourth, we need to examine ways to improve communication and cooperation among government agencies to strengthen our enforcement of intellectual property rights and our efforts to ensure import safety. And fifth, we should examine the operation and impact of supply chain management programs such as the Customs-Trade Partnership Against Terrorism.

There are additional issues that the Committee will need to address in a separate hearing with government officials. For example, we'll need to hear from CBP and from the Treasury Department on their ongoing efforts to implement the International Trade Data System as a component of the Automated Commercial Environment. We'll also need to review agency implementation of the provisions of title IV of the SAFE Port Act of 2006. Separately, we'll need to evaluate the priorities

of the various departments within CBP, particularly the Office of International Trade and the Office of Field Operations, and the manner in which any backlogs in workload are being mitigated. And we'll need to examine the working relationship between CBP and other agencies within the Department of Homeland Security to ensure that customs laws are being appropriately administered. Those are just some of the important oversight concerns facing the Committee.

The Department of Homeland Security recently celebrated its fifth anniversary. Now is an appropriate time for the Committee to engage in a vigorous review of what's been achieved in the area of customs to date, and what more needs to be accomplished during the coming years. The Committee's effort to reauthorize the customs functions administered by personnel within the Department of Homeland Security will create the framework for accomplishing those goals. And the testimony of today's witnesses will assist the Committee in that effort. I thank the witnesses for being here today, and I look forward to their testimony. Thank you, Mr. Chairman.