

**SUSPEND THE RULES AND PASS THE BILL, H.R. 3129, WITH AN
AMENDMENT**

**(Note: The amendment strikes all after the enacting clause and
inserts a new text)**

107TH CONGRESS
1ST SESSION

H. R. 3129

To authorize appropriations for fiscal years 2002 and 2003 for the United States Customs Service for antiterrorism, drug interdiction, and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2001

Mr. CRANE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To authorize appropriations for fiscal years 2002 and 2003 for the United States Customs Service for antiterrorism, drug interdiction, and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.



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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Customs Border Secu-
5 rity Act of 2001”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—UNITED STATES CUSTOMS SERVICE

Subtitle A—Drug Enforcement and Other Noncommercial and Commercial
Operations

- Sec. 101. Authorization of appropriations for noncommercial operations, com-
mercial operations, and air and marine interdiction.
- Sec. 102. Antiterrorist and illicit narcotics detection equipment for the United
States-Mexico border, United States-Canada border, and Flor-
ida and the Gulf Coast seaports.
- Sec. 103. Compliance with performance plan requirements.

Subtitle B—Child Cyber-Smuggling Center of the Customs Service

- Sec. 111. Authorization of appropriations for program to prevent child pornog-
raphy/child sexual exploitation.

Subtitle C—Miscellaneous Provisions

- Sec. 121. Additional Customs Service officers for United States-Canada border.
- Sec. 122. Study and report relating to personnel practices of the Customs Ser-
vice.
- Sec. 123. Study and report relating to accounting and auditing procedures of
the Customs Service.
- Sec. 124. Establishment and implementation of cost accounting system; re-
ports.
- Sec. 125. Study and report relating to timeliness of prospective rulings.
- Sec. 126. Study and report relating to Customs user fees.
- Sec. 127. Fees for Customs inspections at express courier facilities.

Subtitle D—Antiterrorism Provisions

- Sec. 141. Immunity for United States officials that act in good faith.
- Sec. 142. Emergency adjustments to offices, ports of entry, or staffing of the
Customs Service.
- Sec. 143. Mandatory advanced electronic information for cargo and passengers.
- Sec. 144. Border search authority for certain contraband in outbound mail.
- Sec. 145. Authorization of appropriations for reestablishment of Customs oper-
ations in New York City.



Subtitle E—Textile Transshipment Provisions

- Sec. 151. GAO audit of textile transshipment monitoring by Customs Service.
- Sec. 152. Authorization of appropriations for textile transshipment enforcement operations.
- Sec. 153. Implementation of the African Growth and Opportunity Act.

TITLE II—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

- Sec. 201. Authorization of appropriations.

TITLE III—UNITED STATES INTERNATIONAL TRADE COMMISSION

- Sec. 301. Authorization of appropriations.

TITLE IV—OTHER TRADE PROVISIONS

- Sec. 401. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.
- Sec. 402. Regulatory audit procedures.

1 **TITLE I—UNITED STATES**
 2 **CUSTOMS SERVICE**
 3 **Subtitle A—Drug Enforcement and**
 4 **Other Noncommercial and Com-**
 5 **mmercial Operations**

6 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS FOR NON-**
 7 **COMMERCIAL OPERATIONS, COMMERCIAL**
 8 **OPERATIONS, AND AIR AND MARINE INTER-**
 9 **DICTION.**

10 (a) NONCOMMERCIAL OPERATIONS.—Section
 11 301(b)(1) of the Customs Procedural Reform and Sim-
 12 plification Act of 1978 (19 U.S.C. 2075(b)(1)) is
 13 amended—

14 (1) in subparagraph (A) to read as follows:

15 “(A) \$899,121,000 for fiscal year 2002.”;

16 and



1 (2) in subparagraph (B) to read as follows:

2 “(B) \$922,405,000 for fiscal year 2003.”.

3 (b) COMMERCIAL OPERATIONS.—

4 (1) IN GENERAL.—Section 301(b)(2)(A) of the
5 Customs Procedural Reform and Simplification Act
6 of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

7 (A) in clause (i) to read as follows:

8 “(i) \$1,606,068,000 for fiscal year 2002.”;

9 and

10 (B) in clause (ii) to read as follows:

11 “(ii) \$1,647,662,000 for fiscal year
12 2003.”.

13 (2) AUTOMATED COMMERCIAL ENVIRONMENT
14 COMPUTER SYSTEM.—Of the amount made available
15 for each of fiscal years 2002 and 2003 under section
16 301(b)(2)(A) of the Customs Procedural Reform and
17 Simplification Act of 1978 (19 U.S.C.
18 2075(b)(2)(A)), as amended by paragraph (1),
19 \$308,000,000 shall be available until expended for
20 each such fiscal year for the development, establish-
21 ment, and implementation of the Automated Com-
22 mercial Environment computer system.

23 (3) REPORTS.—Not later than 90 days after
24 the date of the enactment of this Act, and not later
25 than each subsequent 90-day period, the Commis-



1 sioner of Customs shall prepare and submit to the
2 Committee on Ways and Means of the House of
3 Representatives and the Committee on Finance of
4 the Senate a report demonstrating that the develop-
5 ment and establishment of the Automated Commer-
6 cial Environment computer system is being carried
7 out in a cost-effective manner and meets the mod-
8 ernization requirements of title VI of the North
9 American Free Trade Agreement Implementation
10 Act.

11 (c) AIR AND MARINE INTERDICTION.—Section
12 301(b)(3) of the Customs Procedural Reform and Sim-
13 plification Act of 1978 (19 U.S.C. 2075(b)(3)) is
14 amended—

15 (1) in subparagraph (A) to read as follows:

16 “(A) \$181,860,000 for fiscal year 2002.”;

17 and

18 (2) in subparagraph (B) to read as follows:

19 “(B) \$186,570,000 for fiscal year 2003.”.

20 (d) SUBMISSION OF OUT-YEAR BUDGET PROJEC-
21 TIONS.—Section 301(a) of the Customs Procedural Re-
22 form and Simplification Act of 1978 (19 U.S.C. 2075(a))
23 is amended by adding at the end the following:

24 “(3) By not later than the date on which the Presi-
25 dent submits to Congress the budget of the United States



1 Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means
2 of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for
3 the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in sub-
4 section (b).”.

8 **SEC. 102. ANTITERRORIST AND ILLICIT NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-**
9 **MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF**
10 **COAST SEAPORTS.**

13 (a) FISCAL YEAR 2002.—Of the amounts made available for fiscal year 2002 under section 301(b)(1)(A) of
14 the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section
15 101(a) of this Act, \$90,244,000 shall be available until expended for acquisition and other expenses associated
16 with implementation and deployment of antiterrorist and illicit narcotics detection equipment along the United
17 States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

23 (1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:



1 (A) \$6,000,000 for 8 Vehicle and Con-
2 tainer Inspection Systems (VACIS).

3 (B) \$11,200,000 for 5 mobile truck x-rays
4 with transmission and backscatter imaging.

5 (C) \$13,000,000 for the upgrade of 8
6 fixed-site truck x-rays from the present energy
7 level of 450,000 electron volts to 1,000,000
8 electron volts (1-MeV).

9 (D) \$7,200,000 for 8 1-MeV pallet x-rays.

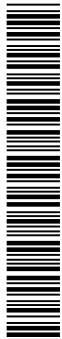
10 (E) \$1,000,000 for 200 portable contra-
11 band detectors (busters) to be distributed
12 among ports where the current allocations are
13 inadequate.

14 (F) \$600,000 for 50 contraband detection
15 kits to be distributed among all southwest bor-
16 der ports based on traffic volume.

17 (G) \$500,000 for 25 ultrasonic container
18 inspection units to be distributed among all
19 ports receiving liquid-filled cargo and to ports
20 with a hazardous material inspection facility.

21 (H) \$2,450,000 for 7 automated targeting
22 systems.

23 (I) \$360,000 for 30 rapid tire deflator sys-
24 tems to be distributed to those ports where port
25 runners are a threat.



1 (J) \$480,000 for 20 portable Treasury En-
2 forcement Communications Systems (TECS)
3 terminals to be moved among ports as needed.

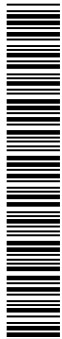
4 (K) \$1,000,000 for 20 remote watch sur-
5 veillance camera systems at ports where there
6 are suspicious activities at loading docks, vehi-
7 cle queues, secondary inspection lanes, or areas
8 where visual surveillance or observation is ob-
9 scured.

10 (L) \$1,254,000 for 57 weigh-in-motion
11 sensors to be distributed among the ports with
12 the greatest volume of outbound traffic.

13 (M) \$180,000 for 36 AM traffic informa-
14 tion radio stations, with 1 station to be located
15 at each border crossing.

16 (N) \$1,040,000 for 260 inbound vehicle
17 counters to be installed at every inbound vehicle
18 lane.

19 (O) \$950,000 for 38 spotter camera sys-
20 tems to counter the surveillance of customs in-
21 spection activities by persons outside the bound-
22 aries of ports where such surveillance activities
23 are occurring.



1 (P) \$390,000 for 60 inbound commercial
2 truck transponders to be distributed to all ports
3 of entry.

4 (Q) \$1,600,000 for 40 narcotics vapor and
5 particle detectors to be distributed to each bor-
6 der crossing.

7 (R) \$400,000 for license plate reader auto-
8 matic targeting software to be installed at each
9 port to target inbound vehicles.

10 (2) UNITED STATES-CANADA BORDER.—For the
11 United States-Canada border, the following:

12 (A) \$3,000,000 for 4 Vehicle and Con-
13 tainer Inspection Systems (VACIS).

14 (B) \$8,800,000 for 4 mobile truck x-rays
15 with transmission and backscatter imaging.

16 (C) \$3,600,000 for 4 1-MeV pallet x-rays.

17 (D) \$250,000 for 50 portable contraband
18 detectors (busters) to be distributed among
19 ports where the current allocations are inad-
20 equate.

21 (E) \$300,000 for 25 contraband detection
22 kits to be distributed among ports based on
23 traffic volume.



1 (F) \$240,000 for 10 portable Treasury
2 Enforcement Communications Systems (TECS)
3 terminals to be moved among ports as needed.

4 (G) \$400,000 for 10 narcotics vapor and
5 particle detectors to be distributed to each bor-
6 der crossing based on traffic volume.

7 (3) FLORIDA AND GULF COAST SEAPORTS.—
8 For Florida and the Gulf Coast seaports, the fol-
9 lowing:

10 (A) \$4,500,000 for 6 Vehicle and Con-
11 tainer Inspection Systems (VACIS).

12 (B) \$11,800,000 for 5 mobile truck x-rays
13 with transmission and backscatter imaging.

14 (C) \$7,200,000 for 8 1-MeV pallet x-rays.

15 (D) \$250,000 for 50 portable contraband
16 detectors (busters) to be distributed among
17 ports where the current allocations are inad-
18 equate.

19 (E) \$300,000 for 25 contraband detection
20 kits to be distributed among ports based on
21 traffic volume.

22 (b) FISCAL YEAR 2003.—Of the amounts made avail-
23 able for fiscal year 2003 under section 301(b)(1)(B) of
24 the Customs Procedural Reform and Simplification Act of
25 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section



1 101(a) of this Act, \$9,000,000 shall be available until ex-
2 pended for the maintenance and support of the equipment
3 and training of personnel to maintain and support the
4 equipment described in subsection (a).

5 (c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR
6 EQUIPMENT; TRANSFER OF FUNDS.—

7 (1) IN GENERAL.—The Commissioner of Cus-
8 toms may use amounts made available for fiscal year
9 2002 under section 301(b)(1)(A) of the Customs
10 Procedural Reform and Simplification Act of 1978
11 (19 U.S.C. 2075(b)(1)(A)), as amended by section
12 101(a) of this Act, for the acquisition of equipment
13 other than the equipment described in subsection (a)
14 if such other equipment—

15 (A)(i) is technologically superior to the
16 equipment described in subsection (a); and

17 (ii) will achieve at least the same results at
18 a cost that is the same or less than the equip-
19 ment described in subsection (a); or

20 (B) can be obtained at a lower cost than
21 the equipment described in subsection (a).

22 (2) TRANSFER OF FUNDS.—Notwithstanding
23 any other provision of this section, the Commissioner
24 of Customs may reallocate an amount not to exceed
25 10 percent of—



1 (A) the amount specified in any of sub-
2 paragraphs (A) through (R) of subsection
3 (a)(1) for equipment specified in any other of
4 such subparagraphs (A) through (R);

5 (B) the amount specified in any of sub-
6 paragraphs (A) through (G) of subsection
7 (a)(2) for equipment specified in any other of
8 such subparagraphs (A) through (G); and

9 (C) the amount specified in any of sub-
10 paragraphs (A) through (E) of subsection
11 (a)(3) for equipment specified in any other of
12 such subparagraphs (A) through (E).

13 **SEC. 103. COMPLIANCE WITH PERFORMANCE PLAN RE-**
14 **QUIREMENTS.**

15 As part of the annual performance plan for each of
16 the fiscal years 2002 and 2003 covering each program ac-
17 tivity set forth in the budget of the United States Customs
18 Service, as required under section 1115 of title 31, United
19 States Code, the Commissioner of Customs shall establish
20 performance goals, performance indicators, and comply
21 with all other requirements contained in paragraphs (1)
22 through (6) of subsection (a) of such section with respect
23 to each of the activities to be carried out pursuant to sec-
24 tion 102.



1 **Subtitle B—Child Cyber-Smuggling**
2 **Center of the Customs Service**

3 **SEC. 111. AUTHORIZATION OF APPROPRIATIONS FOR PRO-**
4 **GRAM TO PREVENT CHILD PORNOGRAPHY/**
5 **CHILD SEXUAL EXPLOITATION.**

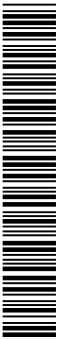
6 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
7 authorized to be appropriated to the Customs Service
8 \$10,000,000 for fiscal year 2002 to carry out the program
9 to prevent child pornography/child sexual exploitation es-
10 tablished by the Child Cyber-Smuggling Center of the
11 Customs Service.

12 (b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY
13 CYBER TIPLINE.—Of the amount appropriated under sub-
14 section (a), the Customs Service shall provide 3.75 percent
15 of such amount to the National Center for Missing and
16 Exploited Children for the operation of the child pornog-
17 raphy cyber tipline of the Center and for increased public
18 awareness of the tipline.

19 **Subtitle C—Miscellaneous**
20 **Provisions**

21 **SEC. 121. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR**
22 **UNITED STATES-CANADA BORDER.**

23 Of the amount made available for fiscal year 2002
24 under paragraphs (1) and (2)(A) of section 301(b) of the
25 Customs Procedural Reform and Simplification Act of



1 1978 (19 U.S.C. 2075(b)), as amended by section 101 of
2 this Act, \$28,300,000 shall be available until expended for
3 the Customs Service to hire approximately 285 additional
4 Customs Service officers to address the needs of the of-
5 fices and ports along the United States-Canada border.

6 **SEC. 122. STUDY AND REPORT RELATING TO PERSONNEL**

7 **PRACTICES OF THE CUSTOMS SERVICE.**

8 (a) STUDY.—The Commissioner of Customs shall
9 conduct a study of current personnel practices of thecus-
10 toms Service, including an overview of performance stand-
11 ards and the effect and impact of the collective bargaining
12 process on drug interdiction efforts of the Customs Service
13 and a comparison of duty rotation policies of the Customs
14 Service and other Federal agencies that employ similarly-
15 situated personnel.

16 (b) REPORT.—Not later than 120 days after the date
17 of the enactment of this Act, the Commissioner ofcus-
18 toms shall submit to the Committee on Ways and Means
19 of the House of Representatives and the Committee on
20 Finance of the Senate a report containing the results of
21 the study conducted under subsection (a).



1 **SEC. 123. STUDY AND REPORT RELATING TO ACCOUNTING**
2 **AND AUDITING PROCEDURES OF THE CUS-**
3 **TOMS SERVICE.**

4 (a) STUDY.—(1) The Commissioner of Customs shall
5 conduct a study of actions by the Customs Service to en-
6 sure that appropriate training is being provided to Cus-
7 toms Service personnel who are responsible for financial
8 auditing of importers.

9 (2) In conducting the study, the Commissioner—

10 (A) shall specifically identify those actions
11 taken to comply with provisions of law that protect
12 the privacy and trade secrets of importers, such as
13 section 552(b) of title 5, United States Code, and
14 section 1905 of title 18, United States Code; and

15 (B) shall provide for public notice and comment
16 relating to verification of the actions described in
17 subparagraph (A).

18 (b) REPORT.—Not later than 6 months after the date
19 of the enactment of this Act, the Commissioner of Cus-
20 toms shall submit to the Committee on Ways and Means
21 of the House of Representatives and the Committee on
22 Finance of the Senate a report containing the results of
23 the study conducted under subsection (a).

24 **SEC. 124. ESTABLISHMENT AND IMPLEMENTATION OF**
25 **COST ACCOUNTING SYSTEM; REPORTS.**

26 (a) ESTABLISHMENT AND IMPLEMENTATION.—



1 (1) IN GENERAL.—Not later than September
2 30, 2003, the Commissioner of Customs shall, in ac-
3 cordance with the audit of the Customs Service's fis-
4 cal years 2000 and 1999 financial statements (as
5 contained in the report of the Office of the Inspector
6 General of the Department of the Treasury issued
7 on February 23, 2001), establish and implement a
8 cost accounting system for expenses incurred in both
9 commercial and noncommercial operations of the
10 Customs Service.

11 (2) ADDITIONAL REQUIREMENT.—The cost ac-
12 counting system described in paragraph (1) shall
13 provide for an identification of expenses based on
14 the type of operation, the port at which the oper-
15 ation took place, the amount of time spent on the
16 operation by personnel of the Customs Service, and
17 an identification of expenses based on any other ap-
18 propriate classification necessary to provide for an
19 accurate and complete accounting of the expenses.

20 (b) REPORTS.—Beginning on the date of the enact-
21 ment of this Act and ending on the date on which the
22 cost accounting system described in subsection (a) is fully
23 implemented, the Commissioner of Customs shall prepare
24 and submit to Congress on a quarterly basis a report on



1 the progress of implementing the cost accounting system
2 pursuant to subsection (a).

3 **SEC. 125. STUDY AND REPORT RELATING TO TIMELINESS**
4 **OF PROSPECTIVE RULINGS.**

5 (a) STUDY.—The Comptroller General shall conduct
6 a study on the extent to which the Office of Regulations
7 and Rulings of the Customs Service has made improve-
8 ments to decrease the amount of time to issue prospective
9 rulings from the date on which a request for the ruling
10 is received by the Customs Service.

11 (b) REPORT.—Not later than 1 year after the date
12 of the enactment of this Act, the Comptroller General shall
13 submit to the Committee on Ways and Means of the
14 House of Representatives and the Committee on Finance
15 of the Senate a report containing the results of the study
16 conducted under subsection (a).

17 (c) DEFINITION.—In this section, the term “prospec-
18 tive ruling” means a ruling that is requested by an im-
19 porter on goods that are proposed to be imported into the
20 United States and that relates to the proper classification,
21 valuation, or marking of such goods.

22 **SEC. 126. STUDY AND REPORT RELATING TO CUSTOMS**
23 **USER FEES.**

24 (a) STUDY.—The Comptroller General shall conduct
25 a study on the extent to which the amount of each customs



1 user fee imposed under section 13031(a) of the Consoli-
2 dated Omnibus Budget Reconciliation Act of 1985 (19
3 U.S.C. 58c(a)) is commensurate with the level of services
4 provided by the Customs Service relating to the fee so im-
5 posed.

6 (b) REPORT.—Not later than 120 days after the date
7 of the enactment of this Act, the Comptroller General shall
8 submit to the Committee on Ways and Means of the
9 House of Representatives and the Committee on Finance
10 of the Senate a report in classified form containing—

11 (1) the results of the study conducted under
12 subsection (a); and

13 (2) recommendations for the appropriate
14 amount of the customs user fees if such results indi-
15 cate that the fees are not commensurate with the
16 level of services provided by the Customs Service.

17 **SEC. 127. FEES FOR CUSTOMS INSPECTIONS AT EXPRESS**
18 **COURIER FACILITIES.**

19 (a) CUSTOMS USER FEES.—Section 13031 of the
20 Consolidated Omnibus Budget Reconciliation Act of 1985
21 (19 U.S.C. 58c) is amended as follows:

22 (1) Subsection (a) is amended—

23 (A) by redesignating paragraphs (7)
24 through (10) as paragraphs (8) through (11),
25 respectively;



1 (B) by inserting after paragraph (6) the
2 following new paragraph:

3 “(7) For the processing of merchandise that is
4 informally entered or released at a centralized hub
5 facility or an express consignment carrier facility
6 (other than shipments valued at \$200 or less, which
7 shall not be subject to any fee under this sub-
8 section), \$5.50”; and

9 (C) in the last sentence of paragraph (11),
10 as so redesignated, by striking “subparagraphs
11 (A), (B), and (C),” and inserting “subpara-
12 graphs (A) and (B), see paragraph (7), and at
13 facilities referred to in subparagraph (C),”.

14 (2) Subsection (b) is amended—

15 (A) in paragraph (5), by striking “(8)”
16 and inserting “(9)”;

17 (B) in paragraph (6)—

18 (i) by striking “(a)(8)” and inserting
19 “(a)(9)”;

20 (ii) by striking “(8)” and inserting
21 “(9)”;

22 (C) in paragraph (8)—

23 (i) in subparagraph (A)(i), by striking
24 “(a)(9)” and inserting “(a)(10)”;



1 (ii) in subparagraphs (B), (C), (D),
2 and (E), by striking “(9) or (10)” each
3 place it appears and inserting “(10) or
4 (11)”;
5 (D) in paragraph (9)—

6 (i) in subparagraph (A), in the matter
7 preceding clause (i), by striking “a central-
8 ized hub facility, an express consignment
9 carrier facility, or”;

10 (ii) by striking clause (ii) of subpara-
11 graph (A);

12 (iii) in clause (i) of subparagraph
13 (A)—

14 (I) by striking—

15 “(i) In the case of a small airport or other facil-
16 ity—”;

17 (II) by redesignating subclauses
18 (I) and (II) as clauses (i) and (ii), re-
19 spectively, and aligning the text of
20 those clauses with clauses (i) and (ii)
21 of paragraph (8)(E); and

22 (III) in clause (ii), as so redesign-
23 ated, by striking “(a)(10) for such
24 fiscal year, in an amount equal to the
25 reimbursement under subclause (I)”



1 and inserting “(a)(11) for such fiscal
2 year, in an amount equal to the reim-
3 bursement under clause (i)”; and
4 (iv) by amending subparagraph (B) to
5 read as follows:

6 “(B) For purposes of this paragraph, the term ‘small
7 airport or other facility’ means any airport or facility to
8 which section 236 of the Trade and Tariff Act of 1984
9 applies, if more than 25,000 informal entries were cleared
10 through such airport or facility during the preceding fiscal
11 year.”; and

12 (E) in paragraphs (10) and (11), by strik-
13 ing “(9) or (10)” each place it appears and in-
14 serting “(10) or (11)”.

15 (3) Subsection (c) is amended by adding at the
16 end the following:

17 “(6) The terms ‘centralized hub facility’ and ‘ex-
18 press consignment carrier facility’ mean a separate
19 or shared specialized facility approved by a port di-
20 rector of the Customs Service for examination and
21 release of imported merchandise carried by an ex-
22 press consignment carrier. Entry filing is also per-
23 mitted at a centralized hub facility.”.



1 (4) Subsection (d)(4) is amended by striking
2 “(a)(7)” each place it appears and inserting
3 “(a)(8)”.

4 (5) Subsection (e) is amended by adding at the
5 end the following:

6 “(7) Notwithstanding section 451 of the Tariff Act
7 of 1930 or any other provision of law, all services rendered
8 by the United States Customs Service at a centralized hub
9 facility or an express consignment carrier facility relating
10 to the inspection or release of merchandise from such facil-
11 ity, either inbound or upon arrival from another country
12 or outbound when departing to another country (includ-
13 ing, but not limited to, normal and overtime services) shall
14 be adequately provided when needed, at no cost to such
15 facility (other than the fees imposed under subsection (a)
16 of this section).”.

17 (6) Subsection (f)(3)(A) is amended—

18 (A) in the matter preceding clause (i), by
19 striking “(9) or (10)” and inserting “(10) or
20 (11)”;

21 (B) in clause (i)—

22 (i) in subclause (IV), by striking
23 “and” at the end;

24 (ii) in subclause (V), by adding “and”
25 after “1993,”; and



1 (iii) by inserting after subclause (V)
2 the following:

3 “(VI) providing the services described in
4 subsection (e)(7) at centralized hub facilities
5 and express consignment carrier facilities,”; and

6 (C) in clause (ii), by striking “(8)” each
7 place it appears and inserting “(9)”.

8 (7) Subsection (f)(6) is amended by striking
9 “(9) and (10)” and inserting “(10) and (11)”.

10 (b) ADDITIONAL CONFORMING AMENDMENT.—Sec-
11 tion 301(b)(2)(B) of the Customs Procedural Reform and
12 Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(B)) is
13 amended by striking “(9) and (10)” and inserting “(10)
14 and (11)”.

15 **Subtitle D—Antiterrorism**
16 **Provisions**

17 **SEC. 141. IMMUNITY FOR UNITED STATES OFFICIALS THAT**
18 **ACT IN GOOD FAITH.**

19 (a) IMMUNITY.—Section 3061 of the Revised Stat-
20 utes (19 U.S.C. 482) is amended—

21 (1) by striking “Any of the officers” and insert-
22 ing “(a) Any of the officers”; and

23 (2) by adding at the end the following:

24 “(b) Any officer or employee of the United States
25 conducting a search of a person pursuant to subsection



1 (a) shall not be held liable for any civil damages as a result
2 of such search if the officer or employee performed the
3 search in good faith.”.

4 (b) REQUIREMENT TO POST POLICY AND PROCE-
5 DURES FOR SEARCHES OF PASSENGERS.—Not later than
6 30 days after the date of the enactment of this Act, the
7 Commissioner of the Customs Service shall ensure that at
8 each Customs border facility appropriate notice is posted
9 that provides a summary of the policy and procedures of
10 the Customs Service for searching passengers, including
11 a statement of the policy relating to the prohibition on
12 the conduct of profiling of passengers based on gender,
13 race, color, religion, or ethnic background.

14 **SEC. 142. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS**
15 **OF ENTRY, OR STAFFING OF THE CUSTOMS**
16 **SERVICE.**

17 Section 318 of the Tariff Act of 1930 (19 U.S.C.
18 1318) is amended—

19 (1) by striking “Whenever the President” and
20 inserting “(a) Whenever the President”; and

21 (2) by adding at the end the following:

22 “(b)(1) Notwithstanding any other provision of law,
23 the Secretary of the Treasury, when necessary to respond
24 to a national emergency declared under the National
25 Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific



1 threat to human life or national interests, is authorized
2 to take the following actions on a temporary basis:

3 “(A) Eliminate, consolidate, or relocate any of-
4 fice or port of entry of the Customs Service.

5 “(B) Modify hours of service, alter services ren-
6 dered at any location, or reduce the number of em-
7 ployees at any location.

8 “(C) Take any other action that may be nec-
9 essary to directly respond to the national emergency
10 or specific threat.

11 “(2) Notwithstanding any other provision of law, the
12 Commissioner of Customs, when necessary to respond to
13 a specific threat to human life or national interests, is au-
14 thorized to close temporarily any Customs office or port
15 of entry or take any other lesser action that may be nec-
16 essary to respond to the specific threat.

17 “(3) The Secretary of the Treasury or the Commis-
18 sioner of Customs, as the case may be, shall notify the
19 Committee on Ways and Means of the House of Rep-
20 resentatives and the Committee on Finance of the Senate
21 not later than 72 hours after taking any action under
22 paragraph (1) or (2).”.

23 **SEC. 143. MANDATORY ADVANCED ELECTRONIC INFORMA-**
24 **TION FOR CARGO AND PASSENGERS.**

25 (a) CARGO INFORMATION.—



1 (1) IN GENERAL.—Section 431(b) of the Tariff
2 Act of 1930 (19 U.S.C. 1431(b)) is amended—

3 (A) in the first sentence, by striking “Any
4 manifest” and inserting “(1) Any manifest”;
5 and

6 (B) by adding at the end the following:

7 “(2) In addition to any other requirement under this
8 section, for each land, air, or vessel carrier required to
9 make entry under the customs laws of the United States,
10 the pilot, the master, operator, or owner of such carrier
11 (or the authorized agent of such operator or owner) shall
12 provide by electronic transmission cargo manifest informa-
13 tion in advance of such entry in such manner, time, and
14 form as prescribed under regulations by the Secretary.
15 The Secretary may exclude any class of land, air, or vessel
16 carrier for which the Secretary concludes the requirements
17 of this subparagraph are not necessary.”.

18 (2) CONFORMING AMENDMENTS.—Subpara-
19 graphs (A) and (C) of section 431(d)(1) of such Act
20 are each amended by inserting before the semicolon
21 “or subsection (b)(2)”.

22 (b) PASSENGER INFORMATION.—Part II of title IV
23 of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is
24 amended by inserting after section 431 the following:



1 **“SEC. 432. PASSENGER AND CREW INFORMATION RE-**
2 **QUIRED FOR LAND, AIR, OR VESSEL CAR-**
3 **RIERS.**

4 “(a) IN GENERAL.—For every person arriving or de-
5 parting on a land, air, or vessel carrier required to make
6 entry or obtain clearance under the customs laws of the
7 United States, the pilot, the master, operator, or owner
8 of such carrier (or the authorized agent of such operator
9 or owner) shall provide by electronic transmission informa-
10 tion described in subsection (b) in advance of such entry
11 or clearance in such manner, time, and form as prescribed
12 under regulations by the Secretary.

13 “(b) INFORMATION DESCRIBED.—The information
14 described in this subsection shall include for each person
15 described in subsection (a), if applicable, the person’s—

16 “(1) full name;

17 “(2) date of birth and citizenship;

18 “(3) gender;

19 “(4) passport number and country of issuance;

20 “(5) United States visa number or resident
21 alien card number;

22 “(6) passenger name record; and

23 “(7) such additional information that the Sec-
24 retary, by regulation, determines is reasonably nec-
25 essary to ensure aviation and maritime safety pursu-



1 ant to the laws enforced or administered by the Cus-
2 toms Service.”.

3 (c) DEFINITION.—Section 401 of the Tariff Act of
4 1930 (19 U.S.C. 1401) is amended by adding at the end
5 the following:

6 “(t) The term ‘land, air, or vessel carrier’ means a
7 land, air, or vessel carrier, as the case may be, that trans-
8 ports goods or passengers for payment or other consider-
9 ation, including money or services rendered.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect beginning 45 days after the
12 date of the enactment of this Act.

13 **SEC. 144. BORDER SEARCH AUTHORITY FOR CERTAIN CON-**
14 **TRABAND IN OUTBOUND MAIL.**

15 The Tariff Act of 1930 is amended by inserting after
16 section 582 the following:

17 **“SEC. 583. EXAMINATION OF OUTBOUND MAIL.**

18 “(a) EXAMINATION.—

19 “(1) IN GENERAL.—For purposes of ensuring
20 compliance with the Customs laws of the United
21 States and other laws enforced by the Customs Serv-
22 ice, including the provisions of law described in
23 paragraph (2), a Customs officer may, subject to the
24 provisions of this section, stop and search at the
25 border, without a search warrant, mail of domestic



1 origin transmitted for export by the United States
2 Postal Service and foreign mail transiting the
3 United States that is being imported or exported by
4 the United States Postal Service.

5 “(2) PROVISIONS OF LAW DESCRIBED.—The
6 provisions of law described in this paragraph are the
7 following:

8 “(A) Section 5316 of title 31, United
9 States Code (relating to reports on exporting
10 and importing monetary instruments).

11 “(B) Sections 1461, 1463, 1465, and 1466
12 and chapter 110 of title 18, United States Code
13 (relating to obscenity and child pornography).

14 “(C) Section 1003 of the Controlled Sub-
15 stances Import and Export Act (21 U.S.C. 953;
16 relating to exportation of controlled sub-
17 stances).

18 “(D) The Export Administration Act of
19 1979 (50 U.S.C. app. 2401 et seq.).

20 “(E) Section 38 of the Arms Export Con-
21 trol Act (22 U.S.C. 2778).

22 “(F) The International Emergency Eco-
23 nomic Powers Act (50 U.S.C. 1701 et seq.).

24 “(b) SEARCH OF MAIL NOT SEALED AGAINST IN-
25 SPECTION AND OTHER MAIL.—Mail not sealed against in-



1 spection under the postal laws and regulations of the
2 United States, mail which bears a customs declaration,
3 and mail with respect to which the sender or addressee
4 has consented in writing to search, may be searched by
5 a Customs officer.

6 “(c) SEARCH OF MAIL SEALED AGAINST INSPEC-
7 TION.—(1) Mail sealed against inspection under the postal
8 laws and regulations of the United States may be searched
9 by a Customs officer, subject to paragraph (2), upon rea-
10 sonable cause to suspect that such mail contains one or
11 more of the following:

12 “(A) Monetary instruments, as defined in sec-
13 tion 1956 of title 18, United States Code.

14 “(B) A weapon of mass destruction, as defined
15 in section 2332a(b) of title 18, United States Code.

16 “(C) A drug or other substance listed in sched-
17 ule I, II, III, or IV in section 202 of the Controlled
18 Substances Act (21 U.S.C. 812).

19 “(D) National defense and related information
20 transmitted in violation of any of sections 793
21 through 798 of title 18, United States Code.

22 “(E) Merchandise mailed in violation of section
23 1715 or 1716 of title 18, United States Code.

24 “(F) Merchandise mailed in violation of any
25 provision of chapter 71 (relating to obscenity) or



1 chapter 110 (relating to sexual exploitation and
2 other abuse of children) of title 18, United States
3 Code.

4 “(G) Merchandise mailed in violation of the Ex-
5 port Administration Act of 1979 (50 U.S.C. app.
6 2401 et seq.).

7 “(H) Merchandise mailed in violation of section
8 38 of the Arms Export Control Act (22 U.S.C.
9 2778).

10 “(I) Merchandise mailed in violation of the
11 International Emergency Economic Powers Act (50
12 U.S.C. 1701 et seq.).

13 “(J) Merchandise mailed in violation of the
14 Trading with the Enemy Act (50 U.S.C. app. 1 et
15 seq.).

16 “(K) Merchandise subject to any other law en-
17 forced by the Customs Service.

18 “(2) No person acting under authority of paragraph
19 (1) shall read, or authorize any other person to read, any
20 correspondence contained in mail sealed against inspection
21 unless prior to so reading—

22 “(A) a search warrant has been issued pursuant
23 to Rule 41, Federal Rules of Criminal Procedure; or

24 “(B) the sender or addressee has given written
25 authorization for such reading.”



1 **SEC. 145. AUTHORIZATION OF APPROPRIATIONS FOR REES-**
2 **TABLISHMENT OF CUSTOMS OPERATIONS IN**
3 **NEW YORK CITY.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There is authorized to be
6 appropriated for the reestablishment of operations of
7 the Customs Service in New York, New York, such
8 sums as may be necessary for fiscal year 2002.

9 (2) OPERATIONS DESCRIBED.—The operations
10 referred to in paragraph (1) include, but are not
11 limited to, the following:

12 (A) Operations relating to the Port Direc-
13 tor of New York City, the New York Customs
14 Management Center (including the Director of
15 Field Operations), and the Special Agent-In-
16 Charge for New York.

17 (B) Commercial operations, including tex-
18 tile enforcement operations and salaries and ex-
19 penses of—

20 (i) trade specialists who determine the
21 origin and value of merchandise;

22 (ii) analysts who monitor the entry
23 data into the United States of textiles and
24 textile products; and



1 (iii) Customs officials who work with
2 foreign governments to examine textile
3 makers and verify entry information.

4 (b) AVAILABILITY.—Amounts appropriated pursuant
5 to the authorization of appropriations under subsection (a)
6 are authorized to remain available until expended.

7 **Subtitle E—Textile Transshipment**
8 **Provisions**

9 **SEC. 151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONI-**
10 **TORING BY CUSTOMS SERVICE.**

11 (a) GAO AUDIT.—The Comptroller General of the
12 United States shall conduct an audit of the system estab-
13 lished and carried out by the Customs Service to monitor
14 textile transshipment.

15 (b) REPORT.—Not later than 9 months after the date
16 of enactment of this Act, the Comptroller General shall
17 submit to the Committee on Ways and Means of the
18 House of Representatives and Committee on Finance of
19 the Senate a report that contains the results of the study
20 conducted under subsection (a), including recommenda-
21 tions for improvements to the transshipment monitoring
22 system if applicable.

23 (c) TRANSSHIPMENT DESCRIBED.—Transshipment
24 within the meaning of this section has occurred when pref-
25 erential treatment under any provision of law has been



1 claimed for a textile or apparel article on the basis of ma-
2 terial false information concerning the country of origin,
3 manufacture, processing, or assembly of the article or any
4 of its components. For purposes of the preceding sentence,
5 false information is material if disclosure of the true infor-
6 mation would mean or would have meant that the article
7 is or was ineligible for preferential treatment under the
8 provision of law in question.

9 **SEC. 152. AUTHORIZATION OF APPROPRIATIONS FOR TEX-**
10 **TILE TRANSSHIPMENT ENFORCEMENT OPER-**
11 **ATIONS.**

12 (a) AUTHORIZATION OF APPROPRIATIONS.—

13 (1) IN GENERAL.—There is authorized to be
14 appropriated for textile transshipment enforcement
15 operations of the Customs Service \$9,500,000 for
16 fiscal year 2002.

17 (2) AVAILABILITY.—Amounts appropriated pur-
18 suant to the authorization of appropriations under
19 paragraph (1) are authorized to remain available
20 until expended.

21 (b) USE OF FUNDS.—Of the amount appropriated
22 pursuant to the authorization of appropriations under sub-
23 section (a), the following amounts are authorized to be
24 made available for the following purposes:



1 (1) IMPORT SPECIALISTS.—\$1,463,000 for 21
2 Customs import specialists to be assigned to selected
3 ports for documentation review to support detentions
4 and exclusions and 1 additional Customs import spe-
5 cialist assigned to the Customs headquarters textile
6 program to administer the program and provide
7 oversight.

8 (2) INSPECTORS.—\$652,080 for 10 Customs
9 inspectors to be assigned to selected ports to exam-
10 ine targeted high-risk shipments.

11 (3) INVESTIGATORS.—(A) \$1,165,380 for 10
12 investigators to be assigned to selected ports to in-
13 vestigate instances of smuggling, quota and trade
14 agreement circumvention, and use of counterfeit
15 visas to enter inadmissible goods.

16 (B) \$149,603 for 1 investigator to be assigned
17 to Customs headquarters textile program to coordi-
18 nate and ensure implementation of textile production
19 verification team results from an investigation per-
20 spective.

21 (4) INTERNATIONAL TRADE SPECIALISTS.—
22 \$226,500 for 3 international trade specialists to be
23 assigned to Customs headquarters to be dedicated to
24 illegal textile transshipment policy issues and other
25 free trade agreement enforcement issues.



1 (5) PERMANENT IMPORT SPECIALISTS FOR
2 HONG KONG.—\$500,000 for 2 permanent import
3 specialist positions and \$500,000 for 2 investigators
4 to be assigned to Hong Kong to work with Hong
5 Kong and other government authorities in Southeast
6 Asia to assist such authorities pursue proactive en-
7 forcement of bilateral trade agreements.

8 (6) VARIOUS PERMANENT TRADE POSITIONS.—
9 \$3,500,000 for the following:

10 (A) 2 permanent positions to be assigned
11 to the Customs attaché office in Central Amer-
12 ica to address trade enforcement issues for that
13 region.

14 (B) 2 permanent positions to be assigned
15 to the Customs attaché office in South Africa to
16 address trade enforcement issues pursuant to
17 the African Growth and Opportunity Act (title
18 I of Public Law 106–200).

19 (C) 4 permanent positions to be assigned
20 to the Customs attaché office in Mexico to ad-
21 dress the threat of illegal textile transshipment
22 through Mexico and other related issues under
23 the North American Free Trade Agreement
24 Act.



1 (D) 2 permanent positions to be assigned
2 to the Customs attaché office in Seoul, South
3 Korea, to address the trade issues in the geo-
4 graphic region.

5 (E) 2 permanent positions to be assigned
6 to the proposed Customs attaché office in New
7 Delhi, India, to address the threat of illegal tex-
8 tile transshipment and other trade enforcement
9 issues.

10 (F) 2 permanent positions to be assigned
11 to the Customs attaché office in Rome, Italy, to
12 address trade enforcement issues in the geo-
13 graphic region, including issues under free
14 trade agreements with Jordan and Israel.

15 (7) ATTORNEYS.—\$179,886 for 2 attorneys for
16 the Office of the Chief Counsel of the Customs Serv-
17 ice to pursue cases regarding illegal textile trans-
18 shipment.

19 (8) AUDITORS.—\$510,000 for 6 Customs audi-
20 tors to perform internal control reviews and docu-
21 ment and record reviews of suspect importers.

22 (9) ADDITIONAL TRAVEL FUNDS.—\$250,000
23 for deployment of additional textile production ver-
24 ification teams to sub-Saharan Africa.



1 (10) TRAINING.—(A) \$75,000 for training of
2 Customs personnel.

3 (B) \$200,000 for training for foreign counter-
4 parts in risk management analytical techniques and
5 for teaching factory inspection techniques, model law
6 Development, and enforcement techniques.

7 (11) OUTREACH.—\$60,000 for outreach efforts
8 to United States importers.

9 **SEC. 153. IMPLEMENTATION OF THE AFRICAN GROWTH**
10 **AND OPPORTUNITY ACT.**

11 Of the amount made available for fiscal year 2002
12 under section 301(b)(2)(A) of the Customs Procedural Re-
13 form and Simplification Act of 1978 (19 U.S.C.
14 2075(b)(2)(A)), as amended by section 101(b)(1) of this
15 Act, \$1,317,000 shall be available until expended for the
16 Customs Service to provide technical assistance to help
17 sub-Saharan Africa countries develop and implement ef-
18 fective visa and anti-transshipment systems as required by
19 the African Growth and Opportunity Act (title I of Public
20 Law 106–200), as follows:

21 (1) TRAVEL FUNDS.—\$600,000 for import spe-
22 cialists, special agents, and other qualified Customs
23 personnel to travel to sub-Saharan Africa countries
24 to provide technical assistance in developing and im-



1 plementing effective visa and anti-transshipment sys-
2 tems.

3 (2) IMPORT SPECIALISTS.—\$266,000 for 4 im-
4 port specialists to be assigned to Customs head-
5 quarters to be dedicated to providing technical as-
6 sistance to sub-Saharan African countries for devel-
7 oping and implementing effective visa and anti-
8 transshipment systems.

9 (3) DATA RECONCILIATION ANALYSTS.—
10 \$151,000 for 2 data reconciliation analysts to review
11 apparel shipments.

12 (4) SPECIAL AGENTS.—\$300,000 for 2 special
13 agents to be assigned to Customs headquarters to be
14 available to provide technical assistance to sub-Saha-
15 ran African countries in the performance of inves-
16 tigations and other enforcement initiatives.

17 **TITLE II—OFFICE OF THE**
18 **UNITED STATES TRADE REP-**
19 **RESENTATIVE**

20 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

21 (a) IN GENERAL.—Section 141(g)(1) of the Trade
22 Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

23 (1) in subparagraph (A)—

24 (A) in the matter preceding clause (i), by
25 striking “not to exceed”;



1 (B) in clause (i) to read as follows:

2 “(i) \$30,000,000 for fiscal year 2002.”; and

3 (C) in clause (ii) to read as follows:

4 “(ii) \$31,000,000 for fiscal year 2003.”; and

5 (2) in subparagraph (B)—

6 (A) in clause (i), by adding “and” at the
7 end;

8 (B) by striking clause (ii); and

9 (C) by redesignating clause (iii) as clause
10 (ii).

11 (b) SUBMISSION OF OUT-YEAR BUDGET PROJEC-
12 TIONS.—Section 141(g) of the Trade Act of 1974 (19
13 U.S.C. 2171(g)) is amended by adding at the end the fol-
14 lowing:

15 “(3) By not later than the date on which the Presi-
16 dent submits to Congress the budget of the United States
17 Government for a fiscal year, the United States Trade
18 Representative shall submit to the Committee on Ways
19 and Means of the House of Representatives and the Com-
20 mittee on Finance of the Senate the projected amount of
21 funds for the succeeding fiscal year that will be necessary
22 for the Office to carry out its functions.”.

23 (c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT
24 U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AF-
25 FAIRS.—



1 (1) IN GENERAL.—There is authorized to be
2 appropriated such sums as may be necessary for fis-
3 cal year 2002 for the salaries and expenses of two
4 additional legislative specialist employee positions
5 within the Office of the Assistant United States
6 Trade Representative for Congressional Affairs.

7 (2) AVAILABILITY.—Amounts appropriated pur-
8 suant to the authorization of appropriations under
9 paragraph (1) are authorized to remain available
10 until expended.

11 **TITLE III—UNITED STATES**
12 **INTERNATIONAL TRADE COM-**
13 **MISSION**

14 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

15 (a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff
16 Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

17 (1) in clause (i) to read as follows:

18 “(i) \$51,400,000 for fiscal year 2002.”; and

19 (2) in clause (ii) to read as follows:

20 “(ii) \$53,400,000 for fiscal year 2003.”.

21 (b) SUBMISSION OF OUT-YEAR BUDGET PROJEC-
22 TIONS.—Section 330(e) of the Tariff Act of 1930 (19
23 U.S.C. 1330(e)(2)) is amended by adding at the end the
24 following:



1 “(4) By not later than the date on which the Presi-
2 dent submits to Congress the budget of the United States
3 Government for a fiscal year, the Commission shall submit
4 to the Committee on Ways and Means of the House of
5 Representatives and the Committee on Finance of the
6 Senate the projected amount of funds for the succeeding
7 fiscal year that will be necessary for the Commission to
8 carry out its functions.”.

9 **TITLE IV—OTHER TRADE**
10 **PROVISIONS**

11 **SEC. 401. INCREASE IN AGGREGATE VALUE OF ARTICLES**
12 **EXEMPT FROM DUTY ACQUIRED ABROAD BY**
13 **UNITED STATES RESIDENTS.**

14 (a) **IN GENERAL.**—Subheading 9804.00.65 of the
15 Harmonized Tariff Schedule of the United States is
16 amended in the article description column by striking
17 “\$400” and inserting “\$800”.

18 (b) **EFFECTIVE DATE.**—The amendment made by
19 subsection (a) shall take effect 90 days after the date of
20 the enactment of this Act.

21 **SEC. 402. REGULATORY AUDIT PROCEDURES.**

22 Section 509(b) of the Tariff Act of 1930 (19 U.S.C.
23 1509(b)) is amended by adding at the end the following:

24 “(6)(A) If during the course of any audit con-
25 cluded under this subsection, the Customs Service



1 identifies overpayments of duties or fees or over-dec-
2 larations of quantities or values that are within the
3 time period and scope of the audit that the Customs
4 Service has defined, then in calculating the loss of
5 revenue or monetary penalties under section 592,
6 the Customs Service shall treat the overpayments or
7 over-declarations on finally liquidated entries as an
8 offset to any underpayments or underdeclarations
9 also identified on finally liquidated entries if such
10 overpayments or over-declarations were not made by
11 the person being audited for the purpose of violating
12 any provision of law.

13 “(B) Nothing in this paragraph shall be con-
14 strued to authorize a refund not otherwise author-
15 ized under section 520.”.

