

United States Senate Committee on Finance

For Immediate Release
Friday, July 14, 2006

Contact: Carol Guthrie (Baucus)
Jill Gerber (Grassley)
(202) 224-4515

GRASSLEY-BAUCUS BILL TO PROMOTE SAFE, EFFICIENT INTERNATIONAL TRADE

*Legislation would provide resources for governmental trade agencies
to facilitate and secure cross-border commerce, boost trade enforcement*

Washington, DC – U.S. Senators Chuck Grassley (R-Iowa) and Max Baucus (D-Mont.) introduced legislation yesterday to empower United States trade agencies to work with federal, state and local officials, U.S. and foreign ports, private sector stakeholders and foreign governments to ensure safe and efficient international trade. The Customs and Trade Facilitation Reauthorization Act of 2006 adds personnel at all U.S. ports, and restores vital resources for trade facilitation and enforcement at the Bureau of Customs and Border Protection (CBP) and the Bureau of Immigration and Customs Enforcement (ICE). The legislation also requires CBP to plan for the swift resumption of trade in the event of a transportation disruption that could harm the U.S. economy.

Grassley and Baucus are Chairman and Ranking Member of the Senate Finance Committee, which has jurisdiction over the revenue functions, commercial operations and trade facilitation, regulation and enforcement functions of the Bureau of U.S. Customs and Border Protection and the Bureau of Immigration and Customs Enforcement. The Finance Committee last authorized customs and trade functions in the Trade Act of 2002.

Grassley said, **“Customs and trade facilitation are critical to the health and growth of our economy. But that’s just one side of the coin. The other side is trade security. The Finance Committee has a long history of looking for that balance in its oversight of customs. We had to find the right balance to ensure that the dual demands of facilitating the efficient flow of international trade and securing our borders is each fully met. This bill achieves the right balance.”**

“Containerized traffic at American ports is expected to double by 2010, and threats are growing every day. But national security and economic prosperity through trade are not mutually exclusive interests. It is absolutely possible, and essential, to make trade both secure and efficient,” said Baucus. **“When a labor strike shut down the Port of Long Beach in 2002, it cost the U.S. economy more than \$1 billion per day. We need the smart solutions in this bill to ensure both the safety and the smooth flow of the international trade on which our economy depends.”**

Provisions of the Customs and Trade Facilitation Reauthorization Act are as follows:

- Requires, within one year, an assessment of nonintrusive container scanning in foreign ports
- Adds personnel for all U.S. ports of entry

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- Requires enhanced cargo targeting and analysis to facilitate trade and restart the movement of cargo following a transportation disruption
- Requires the Commissioner of Customs to develop a trade resumption plan, which must be routinely exercised with federal, state, local officials and private stakeholders
- Authorizes the negotiation of bilateral customs partnerships (such as the Container Security Initiative) with foreign governments to facilitate safer U.S.-bound trade
- Authorizes a Customs Industry Partnership Program (including the Customs-Trade Partnership Against Terrorism) to facilitate safer trade; the program shall offer benefits to qualifying customs users who use secure business systems and meet appropriate physical security requirements
- Authorizes multilateral negotiations in the World Customs Organization and in the World Trade Organization to facilitate safer trade
- Requires a one-portal government-wide system to collect mandatory import and export clearance documentation
- Adds personnel for Treasury Department oversight of delegated customs functions carried out by the Bureau of U.S. Customs and Border Protection
- Adds much needed resources for trade facilitation and enforcement
 - Restores and adds CBP import specialists (to comply with Section 412 of the Homeland Security Act)
 - Adds personnel for the oversight of ITDS implementation
 - Adds personnel for FTA implementation and enforcement
 - Restores and adds personnel to conduct customs violations investigations at the Bureau of Immigration and Customs Enforcement
 - Creates a New CBP Intellectual Property Rights Division, director and staff, including co-location of an ICE investigative liaison
- Requires CBP to target and report on Methamphetamine and precursor chemical seizures and traffic
- Requires a study on the competitiveness of United States Ports and Port Terminal Operators
- Streamlines and automates claim and collection of customs duty drawback

This legislation has been referred to the Senate Finance Committee for consideration.

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