



Committee On Finance

Max Baucus, Chairman

NEWS RELEASE

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Press Release on Baucus-Grassley Amendment to Homeland Security Bill

Yesterday, Senator Max Baucus (D-MT), along with Senator Charles Grassley (R-IA) offered an amendment to the homeland security bill, which will protect the trade facilitation functions of the U.S. Customs Service as it moves from the Department of Treasury to the new Department of Homeland Security. The Senate accepted the Baucus-Grassley Amendment by unanimous consent.

On adoption of the Amendment, Senator Baucus stated:

“I am very pleased that the Senate has given its unanimous support to maintaining the Customs Service as a strong and effective trade agency, as well as a strong and effective law enforcement agency. Customs is critical to the protection of our nation’s borders. The Customs inspectors and officers who monitor the ports of entry into the United States are, in a very real sense, our first line of defense. At the same time, we must not forget that Customs performs vital commercial functions. In processing cargo coming into the United States, Customs helps to maintain the efficient flow of trade, which sustains our national economy. The amendment that was adopted yesterday will ensure that Customs continues to have the resources it needs to perform its commercial functions with the professionalism and efficiency that U.S. businesses have come to expect.”

The Baucus-Grassley Amendment contains three components. First, it makes clear that certain user fees collected from passengers and trucks, vessels, and other commercial conveyances entering the United States will be dedicated for support of the Customs Service exclusively.

Second, it sets up a special account at the Treasury to support development and implementation of Customs’ Automated Commercial Environment, known as “ACE.” ACE is a modern computer system that will replace the antiquated system Customs uses today for processing imports.

Third, the Amendment makes clear that the Advisory Committee on Commercial Operations of the United States Customs Service, known as “COAC,” will remain in existence. The COAC consists of 20 private sector representatives who have ably advised the Secretary of the Treasury since 1987. Under the Amendment, the COAC will advise the Secretary of Homeland Security as well as the Secretary of the Treasury on all matters pertaining to commercial operations of the Customs Service.