

Crapo Statement at Hearing on Customs Modernization
February 16, 2023

Washington, D.C.--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing entitled, "Ending Trade that Cheats American Workers By Modernizing Trade Laws and Enforcement, Fighting Forced Labor, Eliminating Counterfeits, and Leveling the Playing Field."

The text of Ranking Member Crapo's remarks, as prepared, is below.

"Thank you, Mr. Chairman, and thank you to our witnesses for appearing before the Committee today.

"Before we begin, I will mention two things—particularly since this is the Committee's first trade hearing of the new Congress.

"First, I welcome Ms. Cindy Allen of Fed Ex Logistics. She traveled here to testify today from Tennessee, the home state of one of our new Finance Committee Members, Senator Marsha Blackburn. Very happy to have you both here. Of course, I am also glad to see Senators Tillis and Johnson here, who have also just joined the Committee, but we will have to wait a little longer to get some fine folks from your states here to share their expertise.

"Second, I must thank Senator Cassidy for his leadership on the issue of customs modernization. He spends a lot of time thinking about how to ensure our customs laws are effectively enforced and how to better harness data to that effect. We all look forward to hearing his insights as we consider this issue further. Modernizing U.S. customs laws is fast becoming of critical importance.

"The last comprehensive update to our customs laws occurred exactly thirty years ago. A smart reform, now, will not only allow us to seize new opportunities, but also to confront the rise of opportunists. Opportunity is out there, right now, waiting for the law to catch up with it.

"The drafters of the last modernization could not possibly foresee the technological tools available to us today, or the sheer number of small businesses that now take advantage of international trade, or the benefit to consumers from widespread access to e-commerce. But, with any new opportunity, unfortunately, also comes opportunists. Modernization is imperative to counter both existing threats trying to make their way into this country, and those on the horizon.

"At the El Paso port of entry, the brave men and women of U.S. Customs and Border Protection, or CBP, seized—in just the month of January alone—over 327 pounds of methamphetamine, 139 pounds of cocaine and 42 pounds of fentanyl. We have got to close the supply of those drugs coming across our southern border.

“On January 29, CBP officers at Chicago’s O’Hare seized counterfeit jewelry and apparel that would have been worth over \$686,000, if genuine. CBP is also actively enforcing a number of ‘withhold-release orders’ and the Uyghur Forced Labor Implementation Act to keep goods made with forced labor out of this country. The good news about customs modernization is that it is not an either/or proposition when it comes to trade facilitation and trade enforcement. By making smarter use of data collection, we can reduce burdens on both lawful commerce and CBP personnel so that we can better focus resources on enforcement challenges.

“Let us take, as an example, something as simple as importing wet pet food. Importation currently requires the importer to submit data to assist three of CBP’s partner agencies—USDA, FDA and the National Oceanographic and Atmospheric Administration, or NOAA.

“These agencies cumulatively want 54 data elements. But, 21 of these elements are redundant, and there are 16 inconsistent definitions for the same data. Under these circumstances, the importer faces the challenge of figuring out what exactly is required and our law enforcement authorities may end up with information of little utility.

“We can and must do better—particularly given some of the supply chain bottlenecks we see at our ports. Fortunately, we are well situated to attack the modernization effort, today, because CBP and its advisory committees started thinking about many of these issues, starting in 2018, when CBP launched its ‘21st Century Customs Framework Initiative’ to develop ideas about what a modernized customs regime might look like.

“Combining CBP’s efforts with additional expertise—including that of our witnesses today—we can create an efficient and effective framework. New tools, including automation, can help us identify risks at an early stage.

“We need a system where contraband never enters the United States in the first place. By catching threats early, we can save CBP from engaging in lengthy investigations on U.S. soil to figure out whether something is a threat or not. A modern system will also expedite lawful commerce to get essential inputs faster to our manufacturers and goods to our consumers.

“To sum up, smart customs modernization will fight and deter crime, create jobs, move goods faster and save Americans’ money—all at the same time. This is precisely the type of work this Committee was set up to do, and does well. I look forward to working with my colleagues on the Committee to take on the challenge.

“Now, I look forward to hearing from the witnesses on their ideas to improve our customs laws.

“Thank you, Mr. Chairman.”