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AUTHORIZATION OF APPROPRIATIONS TO THE U.S.  
CUSTOMS SERVICE

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MAY 15, 1981.—Ordered to be printed  
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Mr. DOLE, from the Committee on Finance,  
submitted the following

R E P O R T

[To accompany S. 1202]

The Committee on Finance reports an original bill (S. 1202) to authorize appropriations for fiscal year 1982 to the U.S. Customs Service and recommends that the bill do pass.

I. SUMMARY

The committee bill would authorize fiscal year 1982 appropriations of \$480,001,000 to the U.S. Customs Service for fiscal year 1982.

II. GENERAL EXPLANATION

In order to meet the requirements of section 402(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1352), the Committee on Finance reports an original bill to authorize fiscal year 1982 appropriations to the U.S. Customs Service.

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. CUSTOMS SERVICE

*Present law.*—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service. The Customs Service's appropriation for fiscal year 1981 is \$495,000,000, assuming enactment of the supplemental appropriation requested for pay increases for fiscal year 1981.

*Committee bill.*—The committee bill would authorize appropriations of \$480,001,000 to the Customs Service for fiscal year 1982, a decrease

of \$15,599,000 from fiscal year 1981. The committee bill also provides permanent authorization for such sums for salaries in addition to annual authorizations as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.

*Reasons for committee bill.*—The \$480,001,000 authorized by the committee bill for fiscal year 1982 is a decrease of \$15,599,000 over the \$495,600,000 authorized for fiscal year 1981. Under this budget, personnel levels and existing levels of services would have to be curtailed. The committee believes, however, that with continued management innovations and increased productivity the necessary level of service will be provided.

Under the Customs Procedural Reform and Simplification Act of 1978, new procedures were authorized which permit the deferment of the deposit of estimated duties up to 30 days after release of merchandise from Customs' custody under special permit prior to completion of the formal entry process. The time period now permitted for deferral under customs procedures is up to 10 days. The Office of Management and Budget in the past has proposed to require deposit of estimated duties within a maximum 3 days after the release of merchandise, the 3-day period to be phased in over a number of years. This proposal was objected to by the committee in its report on the authorization of appropriations for the Customs Service for fiscal year 1981 (S. Rept. No. 96-701, p. 5). Since no such proposal is presently pending, the committee did not include a provision in the bill but notes its continued objection to such a proposal.

The committee bill would also provide that no part of any sum authorized for the Customs Service may be used to pay any Customs employee overtime in excess of \$25,000. In the past, certain Customs inspectors earned as much as \$40,000 in overtime pay. Although much of this overtime pay is reimbursed by users, it has created problems within the Customs Service. As a result, the committee has placed a \$25,000 "cap" on this overtime, replacing the present \$20,000 "cap". The present cap has caused serious management problems and administrative costs necessitated by the forced shifting of Customs personnel about to exceed the cap. The committee believes increasing the cap to \$25,000 will eliminate these problems.

The committee understands that during fiscal year 1982, the U.S. Customs Service, the Department of Agriculture, and the Immigration and Naturalization Service will conduct 6 month tests in at least two major international airports of new Federal inspection systems that would result in the facilitation of passenger entry into the United States.

The committee believes that the agencies should consider conducting tests of passenger facilitation systems at airports of varying sizes, including those with passenger volumes representative of medium-sized and smaller international airports in the United States.

The committee is concerned by reports that the U.S. Customs Service is considering the implementation of a random sample cargo inspection test program in a single port, which could result in the diversion and decline of cargo tonnage at that port. In order to avoid placing any one port at a competitive disadvantage, and to improve the validity of the results of any such test program, the committee believes that

Customs should not test, or operate any cargo inspection program, including but not limited to the Customs Effectiveness Measurement Program (CEMP), in a port which has shown a decline in general cargo in any of the two most recent calendar years for which such information is available and which is geographically proximate so as to be in competition with another major port to which cargo may be diverted.

### III. VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1946, the committee states that the bill was ordered reported by voice vote.

### IV. BUDGETARY IMPACT OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, sections 308 and 403 of the Congressional Budget Act of 1974, and paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the following statement is made relative to the cost and budgetary impact of the bill. The bill would authorize the enactment of new budget authority for fiscal year 1982 for the U.S. Customs Service in the amount of \$480,001,000. The committee accepts as its estimates the report of the Congressional Budget Office under section 403 of the Congressional Budget Act, as follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, D.C., May 15, 1981.*

HON. ROBERT DOLE,  
*Chairman, Committee on Finance, U.S. Senate, 2227 Dirksen Senate  
Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the United States Customs Service for fiscal year 1982 and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RAMOND C. SCHEPPACH  
ALICE M. RIVLIN, (For Director).

### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MAY 15, 19881.

1. Bill number: Not yet assigned.
2. Bill title: A bill to authorize appropriations for the U.S. Customs Service for fiscal year 1982 and for other purposes.
3. Bill status: As ordered reported by the Senate Committee on Finance, May 14, 1981.
4. Bill purpose: The bill authorizes the appropriation of \$480 million for fiscal year 1982 to the U.S. Customs Service and such additional sums as may be necessary to reflect pay increases authorized by law. The \$480 million specifically authorized in the bill is \$8 million

above appropriations to date for fiscal year 1981 and reflects the President's request for fiscal year 1982.

5. Cost estimate:

[In millions of dollars]

Estimated authorization level:

Fiscal year:

1982	-----	496
1983	-----	---
1984	-----	---
1985	-----	---
1986	-----	---

Estimated outlays:

Fiscal year:

1982	-----	449
1983	-----	47
1984	-----	---
1985	-----	---
1986	-----	---

Including 1981 and previous years' appropriations to date, total outlays for 1982 are estimated to be \$493 million. The costs of this bill fall within budget function 750.

6. Basis of estimate: The estimate assumes that all funds authorized will be appropriated prior to the start of fiscal year 1982. Approximately \$16 million was added to the authorization stated in the bill for increases in salaries as authorized by law. This increase was estimated to be 4.8 percent of the personnel compensation authorized by this bill. The estimate of outlays is based on historical spending patterns of the program.

7. Estimate comparison: None.

8. Previous CBO estimate: On April 8, 1981, CBO prepared a cost estimate for H.R. 2540, as ordered reported by the House Committee on Ways and Means on April 8, 1981. That bill also authorized \$480 million plus pay adjustments for the Customs Service. However, in that estimate CBO assumed a pay adjustment of 10.4 percent, based on current policy assumptions in effect at the time.

9. Estimate prepared by: Jeff Nitta.

10. Estimate approved by:

JAMES L. BLUM,  
*Assistant Director for Budget Analysis.*

## V. REGULATORY IMPACT OF THE BILL

In compliance with paragraph 11 (b) of rule XXVI of the Standing Rules of the Senate, the committee states that the provisions of the committee bill will not regulate any individuals or businesses, will not impact on the personal privacy of individuals, and will result in no additional paperwork. The bill authorizes continued funding of the U.S. Customs Service without substantively modifying the law governing its operations.

## VI. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by the bill as reported are shown below (existing law proposed to be omitted is en-

closed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

\* \* \* \* \*

SECTION 301 OF THE CUSTOMS PROCEDURAL REFORM AND  
SIMPLIFICATION ACT OF 1978

TITLE III—CUSTOMS SERVICE APPROPRIATIONS  
AUTHORIZATION

SEC. 301. (a) For the fiscal year beginning October 1, 1979, and each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for the United States Customs Service only such sums as may hereafter be authorized by law.

(b) *There are authorized to be appropriated to the Department of the Treasury not to exceed \$480,001,000 for the salaries and expenses of the United States Customs Service for fiscal year 1982.*

(c) *No part of any sum that is appropriated under the authority of subsection (b) may be used for administrative expenses to pay any employee of the United States Customs Service overtime pay in an amount exceeding \$25,000.*

(d) *For the fiscal year beginning October 1, 1981, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for salaries of the United States Customs Service such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.*

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