

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. INTERNATIONAL
TRADE COMMISSION, THE U.S. CUSTOMS SERVICE, AND THE OFFICE OF
THE U.S. TRADE REPRESENTATIVE

MAY 22 (legislative day, MAY 21), 1984.—Ordered to be printed

Mr. DOLE, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 5188]

The Committee on Finance, to which was referred the bill (H.R. 5188) to authorize appropriations for fiscal year 1985 to the U.S. International Trade Commission, the Office of the U.S. Trade Representative, and the U.S. Customs Service, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

I. SUMMARY

The committee bill would authorize fiscal year 1985 appropriations of \$28,410,000 to the U.S. International Trade Commission, \$662,239,000 to the U.S. Customs Service, and \$14,179,000 to the Office of the U.S. Trade Representative.

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 a bill to authorize fiscal year 1985 appropriations to the U.S. International Trade Commission (ITC), to the U.S. Customs Service, and to the Office of the U.S. Trade Representative (USTR).

AUTHORIZATION OF APPROPRIATIONS TO THE ITC (SECTION 1 OF THE BILL)

Current law

Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires annual enactment of an authorization of appropriations for the ITC. Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requires that the estimated expenditures and proposed appropriations of the agency be included in the President's budget without revision. The ITC appropriation for fiscal year 1984 was \$21,238,000 (assuming enactment of a supplemental appropriation).

Committee bill

Section 1 of the bill would authorize appropriations of \$28,410,000 for fiscal year 1985, as requested by the ITC. This represents an increase of \$7.172 million over the fiscal year 1984 appropriation. The increase is attributable to built-in cost increases and inflation; a needed increase in staff; and building relocation costs.

Reasons for committee bill

In hearings and through an on-site visit by several members, the committee last year became aware of the seriously deteriorating condition of the building housing the ITC. The committee is gratified that its interest in this matter was shared by other congressional committees, and that as a result, the ITC, General Services Administration, and the Smithsonian Institution have made good progress toward resolving the unnecessary conflicts that led to the deplorable condition of the ITC's headquarters. The committee included in its authorization \$3.522 million to be used for relocation expenses associated with the ITC's move to new quarters.

The committee also approved the Commission's request for \$1.709 million to fund 44 new positions which will bring the authorized permanent level to 482. The Commission serves an increasingly critical role in providing the President and the Congress with objective advice on sensitive trade matters, and in processing requests by U.S. industries for relief from both unfairly and fairly traded imports. Both requests for advice and trade cases have been increasing rapidly, without a concomitant increase in Commission resources. Chairman Alfred Eckes testified that "the ITC is under siege"—not an inaccurate estimation of the Commission's current and foreseeable workload. Between fiscal years 1981 and 1983, the Commission's investigative caseload increased 82 percent; at the end of the first quarter of this fiscal year, the number of completed and pending cases equaled nearly 90 percent of the caseload for all of 1981.

The maintenance of effective avenues for seeking import relief and fair trade is an integral component of U.S. trade policy. The Commission plays an essential role in the legal system established by Congress to address these concerns. Given the mushrooming workload of the ITC, the committee determined that a 10-percent increase in staff was necessary to maintain the high quality and timely work the Commission must continue to provide.

While considering the Commission's budget request, the Committee became aware of concerns about the administration of section 484(e) of the Tariff Act of 1930 (19 U.S.C. 1484(e)). This section authorizes and directs the Secretaries of Treasury and Commerce and the ITC to establish statistical subcategories for items in the Tariff Schedules of the United States (TSUS). The section is intended to provide a means for more accurate collection and analysis of import and export data. Because many TSUS items necessarily represent basket categories of distinct articles, it is sometimes difficult for industries to know the extent of trade in their products. It is thus important that the procedures authorized by section 484(e) function smoothly and effectively in response to requests for the creation of statistical break-outs in the TSUS.

Currently, an interagency group (the "Committee for Statistical Annotation of the Tariff Schedules") informally considers such requests and makes determinations regarding them. Factors affecting the decision include the administerability of the proposed category; business confidentiality; and the estimated volume of trade. The overwhelming majority of requests are approved, but TSUS adjustments are only made annually.

The committee is satisfied that section 484(e) is operating generally as intended. Nevertheless, the sometimes lengthy delay in publishing approved changes unfortunately deprives the public of data that the interagency group agrees is important to produce. In noting the response of ITC Chairman Eckes to Chairman Dole's inquiry on this matter, as expressed in the following correspondence, the committee believes that legislation is unnecessary to address any issues currently arising from the operation of section 484(e). The committee encourage all agencies involved with this process to cooperate in implementing it effectively, including the steps outlined in Chairman Eckes' letter.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., May 14, 1984.

Hon. ALFRED E. ECKES, Jr.,
Chairman, International Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: Industry representatives have communicated to the Committee on Finance some concerns about their ability to obtain statistical information on articles contained in TSUS basket categories. They did not believe that existing procedures were adequate to obtain timely information on import surges of articles not currently identified by name in the TSUS. In subsequent discussions with the Committee staff and your Commission personnel, it became evident that the "484(e) Committee," which is responsible for considering requests for new TSUS statistical categories, acted promptly on the requests and with a high approval rate. However, the approved categories often did not appear in the TSUS for some time.

After reviewing the matter I believe that the Committee authorized by Section 484(e) of the Tariff Act of 1930 should consider two changes in its procedures:

First, I understand the Committee at present makes additional TSUS break-outs for statistical purposes only on a calendar-year basis. It would appear useful for the committee to establish an additional effective date of July 1 so that requests received too late to be acted upon by December 31 are not deferred for an entire year.

Secondly, some concerns were expressed about the criteria used by the Committee in acting upon requests on statistical break-outs, in particular the requirements that there be at least \$1,000,000 in imports of the item in question. I believe the Committee should review whether its criteria are as responsive as possible to the needs and concerns of domestic industries, particularly those for which \$1,000,000 in imports would represent a significant percentage of the domestic market.

After reviewing its procedures and criteria, I also believe it would be helpful if the Committee were to publish them in the Federal Register as informal guidelines. Such publication would enhance awareness of the existence of the committee and its ground rules and procedures for acting on requests for statistical break-outs. I consider the procedure for obtaining such break-outs an important tool for understanding the operation of the trade agreements program, and therefore believe the public should be made aware of the 484(e) Committee and its functions.

I would very much appreciate your views on the above points.

Sincerely,

BOB DOLE, *Chairman.*

U.S. INTERNATIONAL TRADE COMMISSION,
Washington, D.C., May 10, 1984.

HON. ROBERT J. DOLE,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I refer to your letter of May 8, 1984, requesting our views on several suggestions to improve procedures for obtaining statistical information on articles contained in TSUS basket categories.

We appreciate your concern that, due to the practice of implementing new categories on a calendar year basis, there can occur an unreasonable lag between the time a request is granted and the time it goes into effect. In accordance with your suggestion, we will request the "484(e) Committee" to establish additional effective dates, such as July 1. Additionally, the Committee will be asked to implement approved requests at those times which coincide with the issuance of supplements to the tariff schedules.

As to your suggestion that the \$1,000,000 trade criteria be reviewed, I note that the standard has not been rigidly followed in practice. However, the matter will be reviewed by the Committee with the aim of introducing necessary flexibility in the consideration of requests.

Finally, we have had discussions with the Department of Commerce concerning the publication in the Federal Register of the Committee's procedures and guidelines, and I am happy to report that both agencies can agree on the desirability of doing so.

We will keep you informed of progress on these matters.

Sincerely,

ALFRED ECKES, *Chairman.*

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. CUSTOMS SERVICE
(SECTION 2 OF THE BILL)

Current 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 1984 (assuming enactment of a supplemental appropriation for pay increases of \$9,961,000) is \$625,904,000.

Committee bill

The committee bill would authorize an appropriation of \$662,239,000, or \$59.834 million more than requested by the administration for fiscal year 1985. The committee bill also (a) requires the Service to report a major internal reorganization to Congress at least 6 months before it is to take effect; (b) requires that certain information about imports be made public; and (c) authorizes the establishment of fees at five airports that, without them, would be deprived of Customs services.

Reasons for committee bill

The \$662,239,000 authorized by the committee bill for fiscal year 1985 is an increase of approximately \$36.335 million over the \$625,904,000 appropriated for fiscal year 1984 and \$59.834 million more than the administration requested for fiscal year 1985.

As was the case last year, the administration proposed significant changes in Customs Service operations. In general, the administration sought, first, to increase somewhat Customs Service operations aimed at the enforcement of U.S. laws regarding the unlawful export of certain products and the importation of illicit drugs, and second, to reduce substantially personnel devoted to Customs' traditional commercial responsibilities. The administration suggested that management efficiencies and the increased use of advanced technological equipment would prevent a curtailment in the current level of Customs Service activities.

The committee fully shares the administration's general objectives of enhancing enforcement activities regarding unlawful importations and exportations, and strongly encourages efforts to improve the efficiency of Customs' operations. A number of Customs' steps to automate documents' processing and to implement new clearance procedures are long overdue, for example.

While significant savings may be realized over the long run by modernization, however, the Customs Service budget submission did not justify the proposed changes that served as the basis for a reduction-in-force of 954 positions. For example, the Service did not provide, as requested by the Chairman and ranking member of the Subcommittee on International Trade, information describing in what manner the personnel cuts would be made, and the basis for the claimed improvements in management efficiencies. Further,

several elements of the proposed budget were changed after submission or appeared to be based on incorrect premises. For instance, the budget submission contemplates \$11 million for "increased Department of Defense support" in Customs' air interdiction program, which will not be forthcoming.

Thus, the committee concluded that it would not be prudent to reduce the personnel of the Customs Service as proposed. Rather, the committee encourages Customs to reprogram personnel into commercial investigative and inspection functions as management improvements lessen the need for labor-intensive documents processing. To the extent that personnel are reprogrammed, moreover the committee would expect the Commissioner of Customs to consider assigning them to those port facilities evidencing high potential growth in trade activity, so that sufficient manpower is available to administer the customs laws properly.

Based on the Services' data, the committee estimates that an addition of \$35.139 million to the FY84 appropriations level is required to maintain current operating levels, which is the committee's intent. The committee's authorization includes this amount, plus the \$16,994,000 requested by the service for program improvements. The authorization also accounts for \$15,793,000 in reductions from current appropriated levels for Operation Exodus and the air interdiction program. These cuts were contemplated by the administration.

The committee believes that closer supervision of the internal operations of the Service is appropriate as the Service attempts to refine its plans for reorganization and for undertaking new and different responsibilities. Therefore, it approved a requirement that the Service notify the committee and the Ways and Means Committee of the House of Representatives, in writing, any major changes in its internal organization not fewer than 6 months before such changes are scheduled to take effect. This provision is intended to require notification of any permanent major change in the assignment of any authorized position or in the existence of any facility; for example, changing the number of import specialists at a particular port or discontinuing a regional office. This reporting provision is not intended to interfere with management efficiency, but it will enable the committee to supervise significant program changes proposed by the Service more closely.

The committee further adopted a provision to require the disclosure of more information than is presently available on imports. The committee is persuaded that such information will facilitate better public analysis of import trends, and allow port authorities and transportation companies, among others, more easily to identify potential customers and changes in their industry. The amendment retains sufficient protection for the business-confidential data of importing firms.

The committee also adopted a provision authorizing the Customs Service to establish user's fees for up to five airports at which the volume of traffic is insufficient otherwise to justify the availability of customs services at the airport. The proposal is based on S. 2495, on which the committee had earlier requested public comment but had received none.

The committee's intent is to provide a means of maintaining customs services for small communities for which such services are important and worth expenditures by the users to keep them available. The community of Lebanon, New Hampshire, provides a good example. The Lebanon airport serves many businesses in the surrounding area. The number of international flights, however, is insufficient for the airport to be designated as a port-of-entry, although current airport users frequently travel internationally to and from the facility. If Customs is provided sufficient notice, an officer will travel to Lebanon to clear passengers on a reimbursable basis (except for the officer's salary). However, even this service will be terminated.

The committee bill will allow the Secretary of the Treasury to designate up to five airports at which fees may be charged by users of customs services, in an amount equal to the cost of those services including an official's salary and expenses. As a condition of designation, the Secretary must first determine that the airport has an insufficient volume or value of business requiring customs clearance in order to justify the availability of customs services. Further, the governor of the State in which the airport is located must approve the designation. These conditions are intended to limit the authorization of user fees to airports where, without them, the services simply would be unavailable or discontinued. The provision should not be construed to encourage arbitrary conversion of existing ports-of-entry into user's fee facilities. It is the committee's intent that the reorganizational notice established in section 2 be utilized with respect to designations of airports under this provision.

Finally, the committee notes that the U.S. Customs Service has recommended to the U.S. Department of the Treasury that it amend certain regulations embodying a 50 year-old policy with regard to importation of trademarked articles (19 CFR 133.21). Under this policy, U.S. trademark holders may prevent the importation of trademarked goods without their written consent subject to certain exceptions, including when the U.S. trademark holder is owned or controlled by the foreign manufacturer. The proposed change would delete the exception and, in effect, prevent the importation of such goods except through U.S. distributors that are owned or controlled by the foreign manufacturers, even though the manufacturer has placed the goods on the open market overseas. It is contended that the proposed change in long-standing policy will increase substantially the prices of such goods to the American consumer.

In testimony to the Subcommittee on International Trade, the Commissioner of Customs stated that there were several law suits pending in which the existing regulations were being challenged, and that, until the suits were concluded, the Customs Service would take no action to change these regulations. Each of these cases has a central issue the question whether the current Customs Service regulations are authorized by section 526 of the Tariff Act of 1930. The cases are:

1. *Vivitar Corporation v. The United States*, No 84-1-00067, (U.S. Court of International Trade, filed January 19, 1984);

2. *Coalition to Preserve the Integrity of the American Trade-mark v. The United States*, No. 84-0390 (D.D.C., filed February 5, 1984);

3. *Olympus Corporation v. The U.S. Customs Service, et al.*, No. 84-920 (E.D.N.Y., filed March 5, 1984);

4. *Bell & Howell: Mamiya Co. v. Masel Supply Corp.*, 584 F. Supp. 1063 (E.D.N.Y. 1982), rev'd, 719 F. 2d 42 (2d Cir. 1983); and

5. *Osawa & Company v. B & H Photo, et al.*, No. 83-6874 (S.D.N.Y. filed September 20, 1983).

The committee has taken particular note of the fact that in *Vivitar*, *COPIAT*, and *Olympus*, the most recently filed cases, the official position of the U.S. Department of Justice has been that the regulations found at 19 CFR 133.21 are not only authorized by the Tariff Act, but that they also are an accurate reflection of Congressional intent.

The committee accepts Commissioner von Raaba's assurances, which were repeated by Custom staff at the committee's markup of this bill, that no steps will be taken to amend these regulations until the legal issues underlying the above-mentioned cases have been resolved. The following correspondence confirms that this is the position of the Department of the Treasury. Nevertheless, the committee expects to be kept fully informed by the Customs regulatory change in the status quo.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., May 15, 1984.

HON. JOHN M. WALKER, JR.,
*Assistant Secretary (Enforcement and Operations),
Department of the Treasury,
Washington, D.C.*

DEAR MR. WALKER: On March 12, 1984, Commissioner of Customs von Raab testified before the Subcommittee on International Trade regarding the Service's request for an authorization of appropriations for fiscal year 1985. During that hearing I took the opportunity to question the Commissioner about proposed regulations that would significantly modify those set forth in 19 C.F.R. 133.21, relating to importations of articles bearing recorded trademarks. As you are aware, the current, long-standing regulations provide certain exception to the general rule, based on section 526 of the Tariff Act of 1930, that articles bearing a recorded trademark may be denied entry into the United States.

I oppose any changes in current regulations, which I believe accurately implement section 526 and its legislative history. I further believe that current law continues to represent sound policy: consumers stand to lose a great deal from the less-competitive market that would result from the proposed change in regulations.

I was thus pleased by Commissioner von Raab's assurances that no further steps would be taken to implement changes in current regulations, pending the outcome of litigation concerning them. I would be grateful, however, if you would confirm that this is indeed the position of the Department of the Treasury, and further, if you would keep the Committee on Finance and me informed, in

the event this position changes as a result of the pending cases or for any other reason.

Sincerely,

JOHN H. CHAFEE.

DEPARTMENT OF THE TREASURY,
Washington, D.C., May 18, 1984.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHAFEE: Thank you for your letter concerning Customs enforcement of the trademark regulations issued under section 526, Tariff Act of 1930, as amended (19 U.S.C. 1526).

Section 133.21 of the Customs Regulations (19 CFR 133.21) currently provides that there is no Customs restriction on the importation of articles bearing genuine trademarks where the foreign and U.S. trademark are owned by the same person or business entity; or the foreign and domestic trademark owners are parent and subsidiary companies or are otherwise subject to common ownership or control; or the articles bear a trademark applied under authorization of the U.S. owner. These regulations reflect the Customs Service's long-standing interpretation of 19 U.S.C. 1526. Genuine trademarked goods imported by persons other than the authorized distributors are frequently described as "parallel imports" or "grey market goods."

Because of the legislative and litigative history and longstanding Customs practice on this matter, the Treasury Department has declined to change this practice by a mere regulatory change. We are currently defending that practice and the regulations in litigation in the Federal courts. However, because of the controversy and considerable interest on both sides of the issue expressed in many letters to, and requests for meetings with, Executive Branch Departments and Agencies, the Cabinet Council on Commerce and Trade's Working Group on Intellectual Property (WGIP) is studying the issues relating to parallel imports. To help this Group (WGIP) assess the long and short term economic effects of parallel imports, the Department of the Treasury has agreed to solicit relevant economic data from interested parties.

A document based on questions submitted by the Antitrust Division of the Department of Justice, the Patent and Trademark Office of the Commerce Department, the United States Trade Representative, the Office of Management and Budget, and the Department of State has been prepared for publication in the Federal Register. The questions are intended to focus attention on certain specific aspects of the matter and to aid in gathering information from interested parties, including trademark owners, persons who sell "parallel" imports, and the general public.

The WGIP may make a recommendation to the Cabinet Council on Commerce and Trade with respect to parallel imports of trademarked products when it concludes its study.

We hope this information will be helpful to you. Please do not hesitate to let us know if we can be of further assistance to you.

Sincerely,

JOHN M. WALKER, Jr.,
Assistant Secretary
(Enforcement and Operations).

AUTHORIZATION OF APPROPRIATIONS TO THE OFFICE OF THE U.S. TRADE
 REPRESENTATIVE (SECTION 3 OF THE BILL)

Present law

Section 141(f) of the Trade Act of 1974 authorized appropriations to the Office of the U.S. Trade Representative in such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 through fiscal year 1980. In Public Law No. 97-456, section 3(a), the Congress amended this section to authorize appropriations for fiscal year 1983. For fiscal year 1984, the Congress appropriated \$12,645,000 to the office (assuming enactment of a supplemental pay appropriation.)

Committee bill

Section 3 of the committee bill amends section 141(f)(1) of the Trade Act of 1974 to authorize appropriations to the Office of the U.S. Trade Representative of \$14,179,000 for fiscal year 1985. Of such sums, an amount not to exceed \$80,000 may be used for entertainment and representation expenses. The administration requested the authorized amount.

Reasons for committee bill

The committee bill authorizes appropriations to the USTR of \$14,179,000 (of which not to exceed \$80,000 is for entertainment and representation expenses) for the purpose of carrying out its functions in fiscal year 1985. This amount represents an increase of \$2.68 million over the amount appropriated by the Congress for fiscal year 1985. The committee believes these additional funds are necessary if the USTR is to perform its increasing responsibilities.

The authorized amount is intended principally to maintain the USTR's current operating level. The committee, however, also included \$1.534 million to implement a work program to implement the Harmonized Code System (HCS). The HCS is a proposed uniform system of tariff and statistical nomenclature that is being negotiated under the auspices of the General Agreement on Tariffs and Trade. If completed and approved by the Congress, the HCS would replace the current Tariff Schedules of the United States. Extensive negotiations will be required to conclude the desired uniform tariff structure. The authorized amount contemplates the relocation of several staff members to Geneva, Switzerland, for this exercise; an additional agency staff position; and support costs required for this massive undertaking.

Finally, the committee believes that the \$60,000 previously authorized for representation and entertainment expenses is inadequate for this necessary and important function of our trade negotiating office. This is especially the case with the addition last year of a third Deputy USTR. The committee thus has increased the au-

thorized level for this function to \$80,000, within the overall authorized level of appropriations.

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 favorably reported without objection.

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 1985 for the U.S. International Trade Commission in the amount of \$28,410,000; \$662,239,000 for the U.S. Customs Service; and \$14,179,000 for the Office of the U.S. Trade Representative. 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, 1984.

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

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 5188, a bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1985, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5188.
2. Bill title: A bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service and the Office of the United States Trade Representative for fiscal year 1985, and for other purposes.
3. Bill status: As ordered reported by the Senate Committee on Finance May 3, 1984.

Bill purpose: H.R. 5188 authorizes fiscal year 1985 appropriations of \$28,410,000 for the International Trade Commission (ITC) \$14,179,000 for the Office of the United States Trade Representative (OUSTR), and \$662,239,000 for the salaries and expenses of the United States Customs Service (USCS). The bill also allows the Secretary of the Treasury to designate four airports plus the Lebanon,

New Hampshire airport, where customs services may be made available for a fee which will reflect the cost of providing the services.

5. Estimated cost to the Federal Government.

[By fiscal years, in millions of dollars]

| | 1985 | 1986 | 1987 | 1988 | 1989 |
|----------------------------|-------|------|------|------|------|
| Authorization level: | | | | | |
| ITC (Function 150) | 28.4 | | | | |
| OUSTR (Function 800) | 14.2 | | | | |
| USCS (Function 750) | 662.2 | | | | |
| Total | 704.8 | | | | |
| Estimated outlays: | | | | | |
| ITC (Function 150) | 26.2 | 1.7 | 0.5 | | |
| OUSTR (Function 800) | 13.0 | 1.2 | | | |
| USCS (Function 750) | 582.7 | 72.9 | 6.6 | | |
| Total | 621.9 | 75.8 | 7.1 | | |

Basis of estimate: This estimate assumes that all funds authorized will be appropriated prior to the beginning of fiscal year 1985. Estimated outlays are based on historical spending patterns of the agencies. Based on information provided by the Customs Service and the U.S. Treasury, airport fees are not expected to exceed \$40,000 per airport per year.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: On March 29, 1984, CBO prepared a cost estimate of H.R. 5188, as reported by the House Committee on Ways and Means. The authorizations in that version of the bill for the International Trade Commission and the Office of the U.S. Trade Representative were identical to those in the Senate version. The amount authorized for the Customs Service was higher, and outlays in this estimate reflect that difference.

9. Estimate prepared by: Mary Ann Curtin, Lloyd Bernard and Carla Kruytbosch.

10. Estimate approved by: C. G. Nuckols for 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 section 2(c) of the bill provides for the public disclosure of certain vessel manifest information that under current law must be submitted to the Customs Service. Further, section 2(d) authorizes the collection of a user's fee at up to 5 small airports that otherwise would be deprived of customs services. These provisions of the committee bill will not significantly regulate any individuals or businesses, will not impact on the personal privacy of individuals, and will result in little or no additional paperwork. The bill otherwise authorizes continued funding of three Government agencies without substantially modifying the law governing their 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 enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

* * * * *

TITLE III—SPECIAL PROVISIONS

* * * * *

Part II—United States Tariff Commission

SEC. 330. ORGANIZATION OF THE COMMISSION.

(a) MEMBERSHIP.— * * *

* * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.

(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year [1983 not to exceed \$19,737,000] *1985, \$28,410,000, of which not to exceed \$2,500 may be used for entertainment and representation expenses.* No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.

(3) There are authorized to be appropriated to the Commission for each fiscal year after September 30, 1977, in addition to any other amount authorized to be appropriated for such fiscal year, such sums as may be necessary for increases authorized by law in salary, pay, retirement, and other employee benefits.

* * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

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Part II—Report, Entry, and Unlading of Vessels and Vehicles

SEC. 431. (a) MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:

First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined, particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders," and within fifteen days thereafter, but before the unloading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port of which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the part to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag [.]; and the names of the shippers of such merchandise.

* * * * *

(c)(1) Except as provided in paragraph (2), the following information, when contained in such manifest, shall be available for public disclosure:

(A) The name and address of each importer or consignee, the marks and numbers on the import containers, and the name and address of the shipper to such importer or consignee, unless the importer or consignee has made a biennial certification, in accordance with procedures adopted by the Secretary of the Treasury, claiming confidential treatment of such information.

(B) The general character of the cargo.

(C) The number of packages and gross weight.

(D) The name of the vessel or carrier.

(E) The port of loading.

(F) The port of discharge.

(G) The country of origin of the shipment.

(2) The information listed in paragraph (1) shall not be available for public disclosure if—

(A) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

(B) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

(3) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in paragraph (1), shall establish procedures to provide access to manifests. Such procedures shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests.

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

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 \$564,224,000 for the salaries and expenses of the United States Customs Service for fiscal year 1983, of which not to exceed \$31,464,000 is for salaries and expenses for the enforcement of the alcohol and tobacco revenue laws.]

(b) There are authorized to be appropriated to the Department of the Treasury \$662,239,000 for the salaries and expenses of the United States Customs Service for fiscal year 1985.

SECTION 141 OF THE TRADE ACT OF 1974

SEC. 141 OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

(a) There is established within the Executive Office of the President the Office of the United States Trade Representative (hereinafter in this section referred to as the "Office").

* * * * *

(f) [(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions \$11,100,000 for fiscal year 1983 of which not to exceed \$65,000 may be used for entertainment and representation expenses.] *(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions \$14,179,000 for fiscal year 1985, of which not to exceed \$80,000 may be used for entertainment and representation expenses.*

(2) For the fiscal year beginning October 1, 1982, and for each fiscal year thereafter, there are authorized to be appropriated to the Office for the salaries of its officers and employees 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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