



For Immediate Release
March 13, 2008

Contact: Carol Guthrie
202-224-4515

**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Customs Reauthorization**

In December 1815, President James Madison began his address to Congress by saying:

“I have the satisfaction . . . of being able to communicate the successful termination of the war which had been commenced against the United States by the Regency of Algiers.”

And President Madison also expressed to Congress his hope that America’s infant manufacturing industry “will become at an early day not only safe against . . . competitions from abroad, but a source of domestic wealth and . . . external commerce.”

In his message, Madison sought to advance two goals: One, to raise revenues to support our nation’s security. And two, to protect America’s infant industry. And to achieve both goals, he proposed changes in tariffs.

The Senate referred President Madison’s proposal to a newly-formed Committee — called the Committee on Finance. And President Madison’s proposal became one the Committee’s first legislative actions, the Tariff Act of 1816.

Since that time, the Finance Committee has overseen the agency that has had responsibility for collecting revenues from custom duties.

In 1816, the functions of the U.S. Customs Service were small. At that time, America’s imports were a mere \$116 million a year. And duties collected on these imports totaled only \$35 million.

Today, America’s imports are \$2 trillion a year. And annual duties collected on these goods bring in almost \$30 billion.

Today, in addition to protecting our economic interests, our customs agencies also secure our borders. These responsibilities are shared between two agencies, Customs and Border Protection and Immigration and Customs Enforcement.

--more--

Consider the jobs that customs agents will do in the next 24 hours. In that short period, our customs officials will process 1.13 million passengers and pedestrians into or out of our country. They will handle more than 70,000 truck, rail, and sea containers. And they will approve for entry nearly 83,000 shipments of goods.

They will arrest 70 people at our ports of entry. They will seize 2,250 pounds of narcotics and more than \$650,000 worth of counterfeit goods. They will confiscate more than 4,000 meat or plant materials. And they will identify and destroy 164 agricultural pests.

But as much as the scope of the job has changed, one thing has remained the same since 1815: The job of customs affects both security and commerce.

The customs service is an invaluable part of our nation's defense. And it is also fundamentally rooted in international commerce.

Since 9-11, it has become increasingly difficult for our customs agencies to maintain the critical balance between those two goals.

The Senate Finance Committee has nearly 200 years of accumulated expertise in working with customs to balance these vital missions. And so we are here today to carry on our long tradition of overseeing customs. We are here today to continue our work to ensure the free and secure flow of goods into and out of our country.

Today's hearing is the first step toward reauthorizing our customs agencies and determining how we can better protect America's consumers by safeguarding our borders.

In the months that come, this Committee will craft new legislation to put more resources at our nation's borders. We will seek to ensure that imports of food and consumer goods are safe and healthy. We will buttress our ability to identify pirated and counterfeit goods and keep them off our store shelves. And we will make sure that our customs apparatus fully collects revenues due to the United States.

Today's witnesses have traveled from across the country — including from Billings, Montana — to provide the perspective of the trade community. This Committee plans to hold another hearing next month to hear from the government agencies tasked with securing our borders.

And so, I look forward to continuing this Committee's nearly 200 years of work to balance our nation's security and economy. I look forward to our maintaining our success in the war against America's enemies. And I look forward to working to keep America businesses, in Madison's words, as a "source of domestic wealth and . . . external commerce."

###