



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Oversight of Trade Functions in Customs and Other Agencies**

On July 4, 1789, President Washington signed into law what the newspapers heralded as the Nation's "second Declaration of Independence." This second act of the First Congress authorized the collection of import duties to help the nearly bankrupt nation generate revenues to pay off its debts. And four weeks later, the fifth act of Congress established our first customs agency and its ports of entry.

For the next 125 years, customs revenues funded virtually the entire Federal Government. Remember, there was no income tax then. And Customs revenues financed much of the nation's early growth and infrastructure. They bankrolled the Louisiana Purchase and the Transcontinental Railroad. They built the Nation's lighthouses, the U.S. military and naval academies, and our capital city. And by 1835, customs revenues alone had reduced the national debt to zero.

Import duties remain a significant source of Federal revenue today. But the mission of our customs agencies has expanded exponentially.

In addition to collecting revenue, our customs agencies must now secure our borders. These responsibilities are shared between two of the agencies before us today, Customs and Border Protection — or "CBP" — and Immigration and Customs Enforcement. They serve as our Nation's first line of defense against illegal drugs, hazardous imports, weapons of mass destruction, and potential terrorists.

We meet today for the second of two hearings on customs reauthorization. We heard testimony earlier this year from the business community. We will hear testimony today from the customs and trade agencies themselves.

At the last hearing, witnesses questioned whether our customs agencies have focused on their new security mission at the expense of their historical trade mission.

Witnesses questioned, for example, whether proposed new security measures at American ports could unduly delay shipments. They questioned whether those delays could lead importers to divert their shipments to Canadian or Mexican ports, which could damage the competitiveness of U.S. ports and the jobs that depend on them.

And the witnesses questioned whether our customs agencies have sufficient people on the ground to ensure robust trade enforcement and facilitation.

I have questions about whether CBP has devoted sufficient resources to the northern border. At the Port of Sweet Grass, Montana, more than 300 trucks cross the border every day. Three hundred trucks may not sound like a lot. But hundreds of small and medium-sized Montana businesses rely on those trucks and the cross-border trade that they bring with them. And yet CBP has failed to fill the dozens of vacant positions at Sweet Grass that we need to facilitate that trade.

I also have real questions about CBP's responsiveness to this Committee, particularly CBP's Office of International Trade. We established this Office as part of the SAFE Port Act in 2006 to prioritize CBP's trade functions. But it has failed to consult its oversight Committee before releasing significant new policy proposals. And it often fails to address Committee inquiries in a timely manner. We have to find a better way of working together.

And I have questions about whether two of the other agencies before us today — the International Trade Commission and the Office of the U.S. Trade Representative — have the resources that they need to fully enforce our trade laws and trade agreements.

I look forward to hearing answers to all of these questions.

I look forward to introducing legislation in the coming weeks to reauthorize the agencies before us today.

And I look forward to rededicating the attention of our customs agencies to their revenue collection and trade facilitation mission — the mission that our Founders established for them more than 200 years ago.

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