

DESIGNATION OF CERTAIN FREIGHT FORWARDERS AS CARRIERS OF BONDED MERCHANDISE

JUNE 14, 1962.—Ordered to be printed

Mr. BYRD, of Virginia, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 3508]

The Committee on Finance to whom was referred the bill (H.R. 3508) to amend the Tariff Act of 1930, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 3508 is to permit the Secretary of the Treasury to designate any freight forwarder, authorized to act as such by any agency of Government, as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued.

GENERAL STATEMENT

Section 551 of the Tariff Act of 1930, as amended (19 U.S.C. 1551), deals with carriage in bond of merchandise not finally released from customs custody. As originally enacted, section 551 authorized the Secretary of the Treasury to designate as carriers of bonded merchandise only common carriers who owned or operated railroad, steamship, or other transportation lines or routes. Public Law 285, 79th Congress (59 Stat. 667), broadened this authority to permit the Secretary to designate freight forwarders under the jurisdiction of the Interstate Commerce Commission to handle bonded merchandise in transit. No other freight forwarders were authorized to be so designated.

When Congress considered the above amendment to section 551 in 1945, other freight forwarders (for example, those handling airfreight) were much less important in that field than at present. There seems to have been no special reason why the privilege at that time was

limited to freight forwarders under the jurisdiction of the Interstate Commerce Commission. In any event, under present complex international trade arrangements it would greatly facilitate the movement of goods if the Secretary of the Treasury was authorized to extend the privilege of handling bonded merchandise to any freight forwarder licensed to act as such by any agency of the Government, subject, of course, to such regulations and terms as the Secretary of the Treasury may find necessary.

Government departments favor this legislation and no opposition has been found. The committee recommends the passage of the bill.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

SECTION 551 OF THE TARIFF ACT OF 1930

SEC. 551. BONDING OF CARRIERS.—Under such regulations and subject to such terms and conditions as the Secretary of the Treasury shall prescribe, any common carrier of merchandise owning or operating a railroad, steamship, or other transportation line or route for the transportation of merchandise in the United States, [or any freight forwarder, as defined in section 402 of part IV of the Interstate Commerce Act (U.S.C., 1940 edition, Supp. III, title 49, sec. 1002 (5)),] *or any freight forwarder authorized to operate as such by any agency of the United States,* upon application, may, in the discretion of the Secretary, be designated as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued.

