

**H.R. 4418, THE CUSTOMS BORDER SECURITY
AND TRADE AGENCIES AUTHORIZATION ACT OF 2004, AS REPORTED BY
THE SUBCOMMITTEE ON TRADE
SECTION-BY-SECTION SUMMARY
PREPARED BY THE SUBCOMMITTEE ON TRADE OF THE COMMITTEE ON
WAYS AND MEANS**

Section 1: Short title, table of contents

**TITLE I: BUREAU OF CUSTOMS AND BORDER PROTECTION (CBP) AND
BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE)**

Subtitle A: Authorization of Appropriations; Related Provisions

Section 101: Authorization of Appropriations

Section 101(a) amends section 301 of the Customs Procedural Reform and Simplification Act of 1978 to make technical and conforming changes reflecting the division of the former U.S. Customs Service into CBP and ICE and its incorporation into the Department of Homeland Security (DHS).

Section 101(b) amends section 301 of the Customs Procedural Reform and Simplification Act of 1978 to authorize appropriations for salaries and expenses of CBP for fiscal year 2005 of \$6.203 billion and for fiscal year 2006 of \$6.470 billion. It requires funds authorized for CBP with respect to customs revenue functions to be appropriated from the Customs User Fee Account. It further authorizes appropriations for salaries and expenses of ICE for fiscal year 2005 of \$4.011 billion and for fiscal year 2006 of \$4.336 billion.

**Section 102: Establishment and Implementation of Cost Accounting System;
Reports**

Section 102 amends the requirement in section 334 of the Customs and Border Security Act of 2002 to require CBP and ICE to establish cost accounting systems that can distinguish between commercial and noncommercial operations, and expenses incurred in administering and enforcing the customs laws of the United States and the federal immigration laws by September 30, 2005. The section further requires the accounting systems to provide for an identification of expenses based on the type of operation and the amount of time spent on the operation by personnel of the relevant agency. The section further requires reports: (1) by the Commissioner of Customs and the Assistant Secretary for United States Immigration and Customs Enforcement on a quarterly basis on the progress of implementing the cost accounting systems and on an annual basis itemizing the expenses once the accounting systems are in place; and (2) by the Inspector General of DHS not later than March 31, 2006, on the level of compliance with this section.

Section 103: Study and Report Relating to Customs User Fees

Section 103(a) requires the Comptroller General to conduct a study on the extent to which the amount of the customs user fees approximates the cost of services provided beginning 180 days after the date on which the cost accounting systems described in Section 102 are fully implemented.

Section 103(b) requires the Comptroller General to report to the Committee on Ways and Means and the Committee on Finance within one year of the implementation of the cost accounting systems described in Section 102 on the results of the study required in Section 103(a) and any recommendations for the appropriate amount of customs user fees.

Subtitle B: Technical Amendments Relating to Entry and Protest

Sections 111 through 118 are technical amendments dealing with reconfigured entries. In the past, importers paid duties on each entry as the entry was processed. Under the new periodic payment system, CBP allows participating importers to provide payments of duties on a monthly basis. The reconfigured entry process allows importers to separate individual shipments from a larger entry if there are disputes about the individual shipments, thus allowing the rest of the shipments to be processed.

Subtitle C: Miscellaneous Provisions

Section 121: Designation of San Antonio International Airport for Customs Processing of Certain Private Aircraft Arriving in the United States

Section 121 extends the designation of San Antonio International Airport for customs processing of private aircraft arriving in the United States for four years effective November 9, 2002.

Section 122: Authority for the Establishment of Integrated Border Inspection Areas at the United States-Canada Border

Section 122 requires the Commissioner of Customs to seek to establish Integrated Border Inspection Areas on either side of the United States-Canada border, in which U.S. Customs officers can inspect vehicles entering the United States from Canada before they enter the United States, or Canadian Customs officers can inspect vehicles entering Canada from the United States before they enter Canada.

Section 123: Designation of Foreign Law Enforcement Officers

Section 123 amends Section 401(i) of the Tariff Act of 1930 to provide for inspections and preclearance in foreign countries and to authorize the Secretary of State to enter into agreements with foreign countries for the stationing of foreign customs and agriculture inspection officers in the United States.

Section 124: Customs Services

Section 124 amends section 13031(e)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 to permit CBP to provide services for charter air carriers for flights arriving after normal operating hours upon their request and at their expense.

Section 125: Sense of Congress on Interpretation of Textile and Apparel Provisions

Section 125 expresses the sense of Congress the CBP should interpret provisions of the African Growth and Opportunity Act, the Andean Trade Preference Act, and the Caribbean Basin Economic Recovery Act relating to preferential treatment of textile and apparel articles broadly in order to expand trade by maximizing opportunities for imports of such articles from eligible beneficiary countries.

Section 126: Technical Amendments

Section 126(a) amends section 505(a) of the Tariff Act of 1930 to increase the time period for importers to make periodic payments from 10 working days to 12 working days and permits participating importers to deposit estimated duties and fees for entries of merchandise no later than 15 working days following the month in which the merchandise is entered or released, whichever comes first.

Section 126(b) amends section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 to change the threshold for the merchandise processing fee from "less than \$2,000" to "\$2,000 or less" and to create a user fee for express courier facilities.

TITLE II: OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Section 201: Authorization of Appropriations

Section 201 amends the Trade Act of 1974 to authorize appropriations for fiscal years 2005 and 2006 for the Office of the United States Trade Representative of \$39.6 million per year. It further authorizes an earmark of \$2 million per year for the specific purpose of additional staff for the Office of General Counsel and the Office of Monitoring and Enforcement of USTR.

TITLE III: UNITED STATES INTERNATIONAL TRADE COMMISSION

Section 301: Authorization of Appropriations

Section 301(a) amends section 330(e)(2)(A) of the Tariff Act of 1930 to authorize appropriations for the United States International Trade Commission for fiscal year 2005 of \$61.7 million and for fiscal year 2006 of \$65.3 million.

Section 301(b) provides that the authorization in subsection (a) shall not be construed to affect the availability of funds appropriated before the date of the enactment of the Act.