



THE JOINT INDUSTRY GROUP'S 2008 POLICY PRIORITIES

The Joint Industry Group commends Congress for its efforts to heighten port and border security without impeding the flow of legitimate international commerce. With the wide array of issues and concepts presently confronting both the House and the Senate that could impact the global business community, we wish to reiterate our coalition's position on several areas of particular interest to our membership.

The Joint Industry Group (JIG) is a broad coalition of Fortune 500 importers and exporters, shippers and carriers, customs brokers and forwarders, trade associations, service providers, and law firms with an active involvement in global commerce. JIG frequently engages Congress and the Administration on a variety of international trade-related issues, and we focus specifically on issues involving port and border security and customs. In particular, we work closely with the Bureau of Customs and Border Protection (CBP), the Department of Homeland Security (DHS), and Congress to promote international trade policy that reflects the needs of both government and the private sector, while also effectively supporting CBP's stated dual mission of border protection and trade facilitation.

SUPPLY CHAIN SECURITY

JIG adamantly supports the multi-layered approach to supply chain security being implemented by the Department of Homeland Security. JIG also subscribes to the notion that heightened security must not come at the expense of American prosperity achieved through global trade. If properly implemented, a balance can be achieved between security and trade facilitation, without one detracting from the other. In particular, the risk management principles utilized by DHS and CBP provide a prime example of this concept. In terms of specific supply chain security, JIG maintains the following positions:

- Opposition to immediate 100 percent scanning of US-bound cargo in foreign ports; and
- Support for close consultation with the trade community in implementing the SAFE Port Act and its derivative or associated programs.

JIG compliments CBP for the manner in which it has engaged the trade community throughout development of the "10+2 Initiative." Nonetheless, many of the mandated data elements will be difficult and costly to transmit 24 hours before loading. Therefore, there must be meaningful and continued public input to ensure minimum disruption to the supply chain, while still improving security targeting. Implementation needs to be phased in, and every effort should be made to ensure there are links between the data submitted by carriers and data submitted by importers. The proposed Global Trade Exchange (GTX), meanwhile, represents a program that was developed without consultation with the trade community. As such, we know almost nothing about the program, even though an RFQ has been issued for a GTX pilot. JIG therefore withholds its support unless compelling information to the contrary can be shown.



IMPORT PRODUCT SAFETY

We support the administration's risk-based efforts on import safety. The issue of product and food safety is of critical importance to U.S. consumers. JIG supports efforts to ensure that agencies have the necessary funding for safety programs aimed at both imports and domestically produced goods. Successful legislation, however, should refrain from imposing limitations on U.S. businesses so severe as to diminish their ability to remain competitive.

DUTY DRAWBACK

The Duty Drawback program is the vehicle through which the US Government refunds up to 99 percent of the duties leveled on goods that are imported to the US on a temporary basis and will eventually be re-exported to another country. Drawback is a potentially important source of assistance to the US business community, but the current program is significantly flawed. For the past several years, the trade community has worked in collaboration with CBP to design a more effective duty drawback program. The proposed new draft has widespread business support, but enactment of new legislation has taken far too long. JIG strongly encourages Congress to enact legislation this year that implements these important changes.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE) IMPLEMENTATION

ACE is the government-funded comprehensive customs modernization and automation program that, when fully operational, will streamline virtually every aspect of CBP's commercial operations. JIG appreciates the support provided by Congress and encourages it to continue to provide adequate funding and the necessary legislative oversight to achieve full implementation of ACE by the targeted year of 2011. JIG also encourages CBP to remain in close communication with the trade community in order to develop an effective and efficient ACE system.

BORDER CROSSING FACILITATION

JIG understands the need to heighten security at our nation's borders, but such measures must not compromise the commercial operations at ports of entry. JIG asks Congress to ensure adequate resources are devoted at border crossings to allow for the timely processing of goods. Unreasonable delays significantly diminish a business's ability to compete in the global marketplace. JIG also supports adequate funding to develop and implement newer, more effective and efficient technology.

INTERNATIONAL TRADE AND IMPORT COMPLIANCE

Informed compliance has been an area of interest to JIG ever since it was founded in 1975 to change Customs penalty law. JIG's efforts culminated in the enactment of the Customs Procedural Reform and Simplification Act of 1978. JIG also was intensely involved in the Customs Modernization Act enacted as part of NAFTA. We continue to support a dialogue between business and customs to achieve a common understanding on compliance issues.



JIG fully recognizes the many complex issues that face Congress and, therefore, is happy to provide a perspective from the trade community on issues related to international trade and customs compliance.

CBP PERSONNEL LEVELS

As trade continues to grow and more resources are dedicated to securing our country's borders, CBP personnel levels for some of the more traditional roles in the cargo clearance process must not suffer. Inadequate CBP personnel levels create unnecessary delays at the border that create extreme hardships for US importers. Further, CBP presently lacks sufficient resources to enforce and/or administer many of the laws under its authority. This creates extensive delays throughout the decision-making and response process, which in turn strains importers' ability to conduct business and invites needless litigation.

GENERALIZED SYSTEM OF PREFERENCES

For over thirty years, the Generalized System of Preferences (GSP) program has been very successful for more than 130 beneficiary developing countries in promoting development through trade. Using GSP, US companies can import products and components from these countries free of US tariffs, at a savings of nearly \$1 billion in 2006. This significant savings helps to keep manufacturing costs down, thereby benefiting US consumers. JIG supports the renewal of GSP in 2008 without CNL waiver restrictions or the "wholesale" graduation of beneficiary countries.

JIG remains committed to working with Congress as it creates policy that impacts our membership. We would be pleased to provide input on behalf of the trade community at any time, and we look forward to working with the House and Senate as they work to strengthen U.S. borders while facilitating the flow of legitimate commerce across borders.