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## **THE JOINT INDUSTRY GROUP'S 2009 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. In light of the current emphasis on creating jobs and strengthening the economy, JIG would like to highlight several issues that impact our membership and, if addressed correctly, could provide a source for positive growth.

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, primarily those involving port and border security and customs. 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 the government and private sector, while also effectively supporting CBP's stated dual mission of border protection and trade facilitation.

### **RENEWED EMPHASIS ON TRADE FACILITATION**

Various threats to national security created a need for Congress to focus on enhancing supply chain security. While security has been greatly enhanced, JIG urges Congress' continual consideration of the impact any legislation will have on the flow of trade. Specifically, JIG believes CBP and DHS should adhere to the following concepts:

- Equal emphasis on commercial operations, including practices advocated by the World Customs Organization;
- Greater alignment of customs processing and security programs with those of other nations and regional bodies;
- Increased harmonization of domestic programs implemented by various agencies and departments that impact customs processes;
- Continued development of automated tools for the timely screening and processing of goods, as well as support for the International Trade Data System (ITDS) that enables a single interface for the exchange of relevant data elements; and
- Adoption of meaningful account management practices that reduce the frequency of filings by regular importers.

### **SUPPLY CHAIN SECURITY**

JIG strongly supports implementation of the multi-layered approach to supply chain security 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. The risk management principles utilized by DHS and CBP provide a prime example of this concept. JIG maintains the following positions:

- Opposition to immediate 100 percent scanning of US-bound cargo in foreign ports;



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- Support for close consultation with the trade community in implementing the SAFE Port Act and its derivative or associated programs;
  - Support for continued discourse between CBP and the private sector during the phased implementation and enforcement of the Security Filing Initiative, or “10+2” program; and
  - Support for reduction of inspection rates for compliant importers.

#### **CUSTOMS REAUTHORIZATION**

JIG supports a timely passage of a customs reauthorization bill. This legislation should allocate sufficient resources that enable CBP to meet its stated mission of securing the nation's borders while facilitating the flow of legitimate cross-border commerce. Additionally, by working in close collaboration with the private sector throughout the legislative process, Congress will ensure the needs of the trade community are met.

#### **CUSTOMS ENFORCEMENT OF NON-REVENUE PROGRAMS**

Increasingly, Customs is being required, without the addition of resources or proper training for its personnel, to enforce new and highly complex laws dealing with food and product safety, environmental concerns, intellectual property rights, and other subjects having little or nothing to do with its traditional role in duty assessment and collection. JIG strongly supports the policies that motivate these new laws, but believes they must be simplified and carefully drawn to promote understanding by both Customs and the trade community, encourage compliance by importers, and allow for proper enforcement by Customs.

#### **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. ITDS, as a component of ACE, will expedite timely communication between all government agencies and the trade community. JIG appreciates the support provided by Congress thus far and endorses the expansion of ACE since its genesis to include added security protocols. Even though full implementation of ACE to include these elements will require an extension beyond 2012, JIG encourages Congress to continue funding and provide legislative oversight for this critical program. 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 and crossing operations at ports of entry. JIG asks Congress to ensure adequate resources are devoted at border crossings to allow for the timely processing of both goods and people. Unreasonable delays in processing legitimate goods and businesspeople who regularly cross the border significantly diminish a business's ability to compete in the global marketplace. JIG also supports adequate funding to develop and employ newer, more effective and efficient technology.

#### **INTERNATIONAL TRADE AND IMPORT COMPLIANCE**



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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 was also 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 AND TRAINING**

As trade continues to grow, more resources are dedicated to securing our country's borders and new laws are passed for Customs to administer. CBP personnel levels for some of the more traditional roles in the cargo clearance process must not suffer. Inadequate CBP personnel levels and improper or nonexistent training create unnecessary delays at the border that result in extreme hardships for US importers. JIG supports sufficient staffing and training levels for CBP, which will in turn mitigate delays throughout the decision-making and response process.

#### **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 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.

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 US borders while facilitating the flow of legitimate commerce across borders.