

# JOINT INDUSTRY GROUP

1620 I Street, NW  
Suite 615

Washington, DC 20006

☎ (202) 466-5490 📠 (202) 463-8498 ✉ jig@moinc.com

*Chairman*  
Ronald Schoof  
Caterpillar Inc.

*Treasurer*  
William Outman, II  
Baker & McKenzie

*Secretariat*  
James B. Clawson  
JBC International

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Congressman Philip M. Crane  
233 Cannon House Office Building  
Washington, DC 20515  
Fax: 225-7830

Dear Congressman:

On behalf of the members of the Joint Industry Group (JIG), we urge you to support provisions included in the Trade Act of 2002 (H.R. 3983) that limit the use of funds raised through the Merchandise Processing Fee (MPF) for the commercial operations of the U.S. Customs Service. MPF funds should be restricted so that they only offset Customs programs for the purposes of Congressional budget rules.

The JIG supports the general 'sense of the Senate' that revenue generated by the Merchandise Processing Fee (MPF) should be used only to fund programs related to the work of the U.S. Customs Service. On several separate occasions in the 107<sup>th</sup> Congress, bills have been introduced which attempt to use this fee to fund unrelated programs, such as the Patient's Bill of Rights. We strongly oppose any extension of the MPF that does not earmark those funds exclusively to offset the costs of Customs commercial operations. This also excludes the use of MPF funds for Customs' Security Operations.

In addition, the JIG supports provisions in the Trade Act of 2002 that requires accountability for use of MPF funds. The MPF, which collects close to \$1 billion a year from U.S. companies, is a fee that importers must pay for the privilege of processing imports and paying tariffs (taxes). Essentially, the MPF is a tax imposed to give importers the privilege of paying an additional tax. If the Customs Service is to continue collecting this user fee, it **MUST** directly fund improvements to Customs processing, including the Automated Commercial Environment (ACE) and other U.S. Customs initiatives urgently needed to improve trade processes. Improving Customs' ability to handle trade will become more critical as the amount of commerce entering the United States continues at a double-digit rate of growth.

Therefore, we strongly urge that the Trade Act of 2002 be amended to expressly prohibit the diversion of the collected fees for any purpose other than funding the costs of Customs commercial operations. We thank you for your consideration and attention.

Sincerely,



Ron Schoof  
Chairman