

PROTECTING AMERICAN INDUSTRY AND LABOR FROM
INTERNATIONAL TRADE CRIMES ACT OF 2024

NOVEMBER 29, 2024.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. JORDAN, from the Committee on the Judiciary,
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 9151]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 9151) to strengthen the Department of Justice's enforcement against trade-related crimes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:
Strike all that follows the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting American Industry and Labor from International Trade Crimes Act of 2024”.

SEC. 2. TRADE-RELATED CRIMES DEFINED.

In this Act, the term “trade-related crimes” shall be defined as violations of law that are implicated by criminal activities in furtherance of the evasion of duties, tariffs, and other import- and export-related fees, import and export restrictions, or requirements imposed by the Tariff Act of 1930, the Trade Expansion Act of 1962, the Trade Act of 1974, or the Countering America’s Adversaries Through Sanctions Act, as well as all other laws and regulations involving criminal activities relating to United States imports and exports, trade-based money laundering, and smuggling.

SEC. 3. ESTABLISHMENT OF NEW STRUCTURE TO PROSECUTE INTERNATIONAL TRADE CRIMES.

(a) IN GENERAL.—A task force, named program, or other similar structure to investigate and prosecute trade-related crimes, with particular emphasis on violations of the statutes enumerated in section 4(a)(2), shall be established within the Criminal Division of the Department of Justice not later than 120 days after the date on which appropriations are made available to carry out this Act, and coordinated by a supervisory criminal trial attorney selected by the Assistant Attorney General of the Criminal Division or other official designated by the Attorney General.

(b) IMPLEMENTATION.—To support this effort, the Attorney General shall—

- (1) create within the Criminal Division of the Department of Justice new positions for criminal trial attorneys and associated support personnel responsible for leading and coordinating trade-related crime investigations and cases, including those that may significantly impact more than one district;
- (2) ensure that experienced and technically qualified criminal prosecutors support the effort; and
- (3) promote and ensure effective interaction with law enforcement, industry representatives, and the public in matters relating to trade-related crimes.

SEC. 4. DUTIES AND FUNCTIONS OF NEW TRADE CRIMES STRUCTURE.

(a) IN GENERAL.—Through the efforts of the task force, named program, or other structure identified in section 3(a), the Attorney General shall accomplish each of the following:

- (1) Increase the capabilities and capacity of the Criminal Division of the Department of Justice to prosecute trade-related crimes.
- (2) Increase the number of trade-related crimes being investigated and prosecuted, including pursuant to health, safety, financial, and economic trade-related crimes, including—
 - (A) section 305 of title 13, United States Code;
 - (B) section 15 or 16 of the Toxic Substances Control Act (15 U.S.C. 2614 or 2615);
 - (C) section 371 of title 18, United States Code;
 - (D) section 541 of title 18, United States Code;
 - (E) section 542 of title 18, United States Code;
 - (F) section 543 of title 18, United States Code;
 - (G) section 545 of title 18, United States Code;
 - (H) section 546 of title 18, United States Code;
 - (I) section 554 of title 18, United States Code;
 - (J) section 1001 of title 18, United States Code;
 - (K) section 1341 of title 18, United States Code;
 - (L) section 1343 of title 18, United States Code;
 - (M) section 1349 of title 18, United States Code;
 - (N) section 1956 of title 18, United States Code;
 - (O) section 1957 of title 18, United States Code;
 - (P) section 2320 of title 18, United States Code; and
 - (Q) section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331).

For the purposes of this Act, this list does not include violations of national security-related laws and regulations, including the Arms Export Control Act (22 U.S.C. 2771 et seq.), International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), Export Control and Reform Act (50 U.S.C. 4801 et seq.), and the Trading with the Enemy Act (50 U.S.C. 4305(b)).

(3) Participate in basic and advanced training events with Homeland Security Investigations, U.S. Customs and Border Protection, and other Federal agencies and provide technical assistance, where appropriate, to Homeland Security Investigations, U.S. Customs and Border Protection, and other Federal agencies with respect to the investigation and prosecution of trade-related crimes.

(4) Develop multi-jurisdictional responses and partnerships with respect to trade-related crimes through informational, administrative, and technological support to other Federal agencies and agencies of countries that are trading partners of the United States, as a means for such agencies to acquire the necessary knowledge, personnel, and specialized equipment to investigate and prosecute trade-related crimes.

(5) Participate in nationally coordinated investigations in any case in which the Attorney General determines such participation to be necessary, as permitted by the available resources of the Department of Justice.

(6) Ensure that all components that enforce laws against trade-related crimes regularly consult with each other.

(b) ABSENCE OF EXCLUSION OF PURSUING OTHER REMEDIES.—Litigation by the Criminal Division of the Department of Justice shall not preclude additional criminal prosecution or civil action against trade-related violations. Nothing in this Act shall prevent the Criminal Division, Civil Division, and other Department of Justice components from pursuing enforcement action where appropriate.

SEC. 5. ANNUAL REPORT TO CONGRESS.

The Attorney General, in consultation with the Secretary of Homeland Security, shall submit to the Committee on the Judiciary, Committee on Ways and Means, and Committee on Financial Services of the House of Representatives, and the Committee on the Judiciary and Committee on Finance of the Senate a report on the work of the Department of Justice with respect to investigation and enforcement of trade-related crimes. Specifically, the report shall—

(1) be submitted not later than one year after the date of the enactment of this Act, and annually thereafter, not later than February 1 of each year that begins after the submission of the first report;

(2) include annual statistics on the volume of publicly charged trade-related crimes and indictments;

(3) include a summary on how the funds appropriated for trade-related crimes were utilized in the prior reporting period, including staff and operating expenses; and

(4) provide an estimate of any additional funding needed to combat trade-related crimes.

Purpose and Summary

H.R. 9151, the Protecting American Industry and Labor from International Trade Crimes Act of 2024, introduced by Rep. Ashley Hinson (R-IA), provides for the establishment of an initiative or similar structure within the Criminal Division of the U.S. Department of Justice (DOJ) to address trade-related crimes. The initiative would focus on identifying and prosecuting individuals engaged in trade-related crimes, including criminal activities in furtherance of the evasion of duties, tariffs, and other import- and export-related fees, import and export restrictions, or requirements imposed by the Tariff Act of 1930, the Trade Expansion Act of 1962, the Trade Act of 1974, and the Countering America's Adversaries Through Sanctions Act, as well as all other laws and regulations involving criminal activities relating to United States imports and exports, trade-based money laundering, and smuggling.

Background and Need for the Legislation

U.S. trade policy is a vital tool of the U.S. government to protect U.S. businesses and consumers, ensure U.S. competitiveness, and accomplish foreign policy objectives. For example, the Trump Administration enacted tariffs against a variety of goods from the People's Republic of China (PRC) to protect U.S. businesses and

producers from unfair Chinese trade practices, promote the ability of U.S. businesses and producers to compete fairly with the PRC, and deter the Chinese government from continuing to harm U.S. interests and break international laws and norms.¹ The Biden-Harris Administration has retained most Trump Administration tariffs against the PRC.² The failures of the DOJ in prosecuting entities and individuals who commit crimes to contravene U.S. trade policy, including with respect to the PRC, undermines the effectiveness of those policies and leads directly to harm for U.S. interests and our economy.

In 2016, the Enforce and Protect Act (EAPA) was enacted to augment the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA).³ EAPA was intended to improve trade law enforcement and duty collection for anti-dumping and countervailing duties (AD/CVD).⁴ Pursuant to EAPA, U.S. Customs and Border Protection (CBP) has identified 299 separate cases of entities avoiding AD/CVD duties between 2016 and 2024.⁵ Of these 299 cases, approximately 74 percent were based on goods suspected of originating in the PRC.⁶ The PRC-connected cases include eight cases for outright failure to pay AD/CVD duties, nine cases for misclassification of goods, three cases for using the wrong AD/CVD rate, and 201 cases of transshipment.⁷ The transshipment cases included instances of goods being transshipped from the PRC through more than a dozen different countries, including Malaysia, Thailand, India, Vietnam, and Cambodia, in an attempt to conceal the true origin of the goods and avoid duties.⁸

In addition to the AD/CVD violations originating in the PRC, in the past two years CBP has identified 3,976 shipments entering the United States with a total value of \$750 million that contain goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region.⁹ Based on their origin, these goods are presumed to have been produced by forced labor, which makes them illegal to import into the United States under U.S. sanctions.¹⁰ Economic sanctions were imposed on the PRC to penalize the Chinese government's persecution and exploitation of religious minorities, including its Uyghur population, in the hopes that

¹ U.S. TRADE REP, USTR ISSUES TARIFFS ON CHINESE PRODUCTS IN RESPONSE TO UNFAIR TRADE PRACTICES (June 15, 2018), <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/june/ustr-issues-tariffs-chinese-products>.

² JOSEPH R. BIDEN, JR., Memorandum on Actions by the United States Related to the Statutory 4-Year Review of the Section 301 Investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (May 14, 2024), <https://www.whitehouse.gov/briefing-room/presidential-actions/2024/05/14/memorandum-on-actions-by-the-united-states-related-to-the-statutory-4-year-review-of-the-section-301-investigation-of-chinas-acts-policies-and-practices-related-to-technology-transfer-intellectual/>.

³ *Enforce and Protect Act (EAPA) Statistics*, U.S. CUSTOMS AND BORDER PROT., <https://www.cbp.gov/trade/trade-enforcement/tftea/eapa/statistics> (last visited Sept. 23, 2024).

⁴ *New to EAPA*, U.S. CUSTOMS AND PROT., <https://www.cbp.gov/trade/eapa/new-to-eapa> (last visited Sept. 23, 2024).

⁵ *Enforce and Protect Act (EAPA) Statistics*, U.S. CUSTOMS AND BORDER PROT., <https://www.cbp.gov/trade/trade-enforcement/tftea/eapa/statistics> (last visited Sept. 23, 2024).

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ Uyghur Forced Labor Prevention Act Statistics, U.S. CUSTOMS AND BORDER PROT., <https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics> (last visited Sept. 23, 2024).

¹⁰ *Id.*

such trade measures would dissuade the Chinese government's human rights abuses.¹¹

In FY2023 alone, CBP seized counterfeit goods with a total value of more than \$2.7 billion. Like AD/CVD violations, goods originating from the PRC (including Hong Kong) made up more than 80 percent of these seizures.¹² Counterfeit goods harm U.S. businesses both by diverting sales away from legitimate goods and by damaging the value and customer goodwill associated with the affected brands because counterfeit goods often are of lesser quality.¹³ In many cases, the counterfeit goods also pose health and safety risks for unwitting U.S. consumers.¹⁴

Despite the large number of cases of duty evasion, forced labor exclusions, and counterfeit good imports, there have been few actual prosecutions. In 2020, a criminal indictment was issued against a Houston-based company for conspiring to avoid anti-dumping duties on vehicle and truck tires from the PRC.¹⁵ And in early 2024, federal agents raided a subsidiary of Qingdao Susong in Ohio, following allegations that Qingdao Susong was illegally transshipping auto parts through Thailand to evade U.S. duties.¹⁶ These cases appear to be the exceptions, however.

The need to prioritize prosecutions is likely to increase in light of recent actions taken by the Biden-Harris Administration related to the de minimis exception. The de minimis exception currently exempts from duties and tariffs single daily importations of goods with a value of less than \$800.¹⁷ Nearly four million packages enter the U.S. every day under this exception.¹⁸ On September 13, 2024, the Biden-Harris Administration announced that it would promulgate rules to exclude from the de minimis exception goods that are subject to tariffs imposed under Sections 201 or 301 of the Trade Act of 1974 or Section 232 of the Trade Expansion Act of 1962.¹⁹ Approximately 40 percent of U.S. imports are covered by Section 301 tariffs, including 70 percent of textile and apparel imports from the PRC.²⁰ Applying Section 301 tariffs in the small parcel environment will result in a significant expansion of the

¹¹ An Act to Ensure That Goods Made With Forced Labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China Do Not Enter The United States Market, And For Other Purposes, Pub. L. No. 117-78, 135 Stat. 1525 (2021).

¹² *The Truth Behind Counterfeits*, U.S. CUSTOMS AND BORDER PROT., <https://www.cbp.gov/trade/fakegoodsrealdangers> (last visited Sept. 23, 2024).

¹³ *Id.*; Edwina FitzHugh & Lindsey Annable, *How does counterfeiting affect brands?*, POTTER CLARKSON, <https://www.potterclarkson.com/insights/how-does-counterfeiting-affect-brands/> (last visited Sept. 23, 2024).

¹⁴ *Id.*

¹⁵ Press Release, *15 named in \$26 million international trade fraud scheme*, U.S. DEPT. OF JUST. (Dec. 15, 2020), <https://www.justice.gov/usao-sdtx/pr/15-named-26-million-international-trade-fraud-scheme>.

¹⁶ Bethany Allen-Ebrahimian, *DHS raids Chinese car parts maker's U.S. headquarters*, AXIOS (Jan. 21, 2024), <https://www.axios.com/2024/01/21/dhs-raid-chinese-car-parts-makers-us-tariff>.

¹⁷ 19 U.S.C. § 1321(a)(2)(C).

¹⁸ Ronald A. Oleynik, Robert A. Friedman, Andrew K. McAllister, and Sophie Jin, *U.S. Government Plans to Restrict Low-Value Imports Under De Minimis Exemption*, HOLLAND & KNIGHT (Sept. 18, 2024), <https://www.hklaw.com/en/insights/publications/2024/09/us-government-plans-to-restrict-low-value-imports-under-de-minimis>.

¹⁹ *FACT SHEET: Biden-Harris Administration Announces New Actions to Protect American Consumers, Workers, and Businesses by Cracking Down on De Minimis Shipments with Unsafe, Unfairly Traded Products*, THE WHITE HOUSE (Sept. 13, 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/09/13/fact-sheet-biden-harris-administration-announces-new-actions-to-protect-american-consumers-workers-and-businesses-by-cracking-down-on-de-minimis-shipments-with-unsafe-unfairly-traded-products/>.

²⁰ *Id.*

numbers of imports subject to tariffs, and will potentially encourage additional fraud by PRC-based bad actors.

To ensure that the DOJ prioritizes the prosecution of these and other trade-related crimes, H.R. 9151 establishes a new initiative within the Criminal Division of DOJ to address trade-related crimes. The initiative will focus on identifying and prosecuting individuals engaged in trade-related crimes, including criminal activities in furtherance of the evasion of duties, tariffs, and other import- and export-related fees, import and export restrictions, or requirements imposed by the Tariff Act of 1930, the Trade Expansion Act of 1962, the Trade Act of 1974, and the Countering America's Adversaries Through Sanctions Act, as well as all other laws and regulations involving criminal activities relating to United States imports and exports, trade-based money laundering, and smuggling. Further, to ensure effective Congressional oversight and to prevent DOJ from ignoring the trade-crime objectives, H.R. 9151 requires robust annual reporting to key committees in the House and Senate.

Hearings

For the purposes of clause 3(c)(6)(A) of House rule XIII, the following hearing was used to develop H.R. 9151: "*Intellectual Property: Enforcement Activities by the Executive Branch*," a hearing held on May 7, 2024, before the Subcommittee on Courts, Intellectual Property, and the Internet, of the Committee on the Judiciary. The Subcommittee heard testimony from the following witnesses:

- Michael Ball, Acting Assistant Director for the Global Trade Division, Homeland Security Investigations, U.S. Department of Homeland Security;
- Josh Goldfoot, Acting Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice; and
- Brandon Lord, Executive Director of Trade Policy and Programs, Office of Trade, U.S. Customs and Border Protection, U.S. Department of Homeland Security.

The hearing examined how the executive branch was enforcing laws pertaining to trade-related crimes and how bad actors exploit those enforcement practices.

Committee Consideration

On September 25, 2024, the Committee met in open session and ordered the bill, H.R. 9151, favorably reported with an amendment in the nature of a substitute, by voice vote.

Committee Votes

In compliance with clause 3(b) of House rule XIII, the Committee states that no roll call votes occurred during the Committee's consideration of H.R. 9151.

Committee Oversight Findings

In compliance with clause 3(c)(1) of House rule XIII, the Committee advises that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X

of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

New Budget Authority and Tax Expenditures

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act of 1974* has been timely submitted prior to filing of the report and is included in the report. Such a cost estimate is included in this report.

Congressional Budget Office Cost Estimate

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the enclosed cost estimate for H.R. 9151 from the Director of the Congressional Budget Office:

| H.R. 9151, Protecting American Industry and Labor from International Trade Crimes Act of 2024 | | | |
|--|------|--|---------------|
| As ordered reported by the House Committee on the Judiciary on September 25, 2024 | | | |
| By Fiscal Year, Millions of Dollars | 2025 | 2025-2029 | 2025-2034 |
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |
| Spending Subject to Appropriation (Outlays) | 5 | 50 | not estimated |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035? | No | Statutory pay-as-you-go procedures apply? No | |
| | | Mandate Effects | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035? | No | Contains intergovernmental mandate? No | |
| | | Contains private-sector mandate? No | |

H.R. 9151 would require the Department of Justice (DOJ) to establish a unit within its criminal division to investigate and prosecute trade-related crimes, including the evasion of sanctions, tariffs, or duties; trade-based money laundering; and smuggling. The bill also would require DOJ to report annually to the Congress on the unit's activities.

Based on the costs of similar programs and activities, CBO estimates that DOJ would need 10 people, at an average annual cost of \$250,000 per person in 2025, and \$8 million annually in administrative costs to implement the bill's requirements. Accounting for anticipated inflation, CBO estimates that implementing H.R. 9151 would cost \$50 million over the 2025–2029 period. Any related spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget function 750 (administration of justice).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 9151

| | By fiscal year, millions of dollars— | | | | | |
|-------------------------------|--------------------------------------|------|------|------|------|---------------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2025– 2029 |
| Estimated Authorization | 5 | 11 | 12 | 12 | 12 | 52 |
| Estimated Outlays | 5 | 10 | 11 | 12 | 12 | 50 |

The CBO staff contact for this estimate is Jeremy Crimm. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

Committee Estimate of Budgetary Effects

With respect to the requirements of clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the *Congressional Budget Act of 1974*.

Duplication of Federal Programs

Pursuant to clause 3(c)(5) of House rule XIII, no provision of H.R. 9151 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program.

Performance Goals and Objectives

The Committee states that pursuant to clause 3(c)(4) of House rule XIII, H.R. 9151 provides for the establishment of an initiative or similar structure within the Criminal Division of the U.S. Department of Justice (DOJ) to address trade-related crimes.

Advisory on Earmarks

In accordance with clause 9 of House rule XXI, H.R. 9151 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clauses 9(d), 9(e), or 9(f) of House rule XXI.

Federal Mandates Statement

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act*.

Advisory Committee Statement

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

Applicability to Legislative Branch

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act* (Pub. L. 104–1).

Section-by-Section Analysis

Section 1. Short title

The “Protecting American Industry and Labor from International Trade Crimes Act of 2024.”

Section 2. Trade-related crimes defined

This section defines “trade-related crimes” as violations of law that are implicated by criminal activities in furtherance of the evasion of duties, tariffs, important export-related fees, import and export restrictions, various trade laws, and laws and regulations involving criminal activities relating to imports, exports, trade-based money laundering, and smuggling.

Section 3. Establishment of new structure to prosecute international trade crimes

This section requires the Criminal Division of the U.S. Department of Justice to establish an initiative to investigate and prosecute trade-related crimes. In support of the initiative, the Attorney General must create include new positions for criminal trial attorneys and support personnel responsible for leading and coordinating trade-related crime investigations and cases, ensure experienced prosecutors support the effort, and promote coordination between law enforcement, industry, and the public.

Section 4. Duties and functions of new trade crimes structure

This section charges the initiative with increasing capabilities and capacity to prosecuted trade-related crimes, increase the number of trade-related crimes investigated and prosecuted, including under certain specific statutory provisions, participate in training with law enforcement and Federal agencies, develop multi-jurisdictional responses and partnerships to pursue trade-related crimes, participate in nationally coordinated investigations, and ensure consultation among components enforcing laws against trade-related crimes.

Section 5. Annual report to Congress

This section requires the Attorney General, in coordination with the Secretary of Homeland Security, to provide an annual report on the investigation and enforcement of trade-related crimes, which will include annual statistics on prosecutions, how funds were utilized, and whether additional funds are needed.

Additional Views

H.R. 9151, the “Protecting American Industry and Labor from International Trade Crimes Act of 2024,” would create a task force within the Department of Justice (DOJ) to increase the prosecution of trade-related crimes. Although DOJ already has dedicated personnel to enforce laws protecting Americans from illegal products, limited funding prevents prosecutors from doing more. This legislation would ensure that a task force across the DOJ is given the tools it needs to enforce our trade laws, but its effectiveness will depend on whether sufficient resources are dedicated to its implementation.

While I continue to support this legislation, I was disappointed that the Manager's Amendment to H.R. 9151 removed crucial language calling for specific funding to carry out the bill. Any task force created in this legislation has an uncertain future if it is not given the resources needed to survive. Without funding, the myriad investigators, prosecutors, and support staff envisioned for the task force will never be hired. You cannot increase trade crime enforcement without increasing the number of prosecutors working on the issue, and you cannot increase the number of staff handling trade crimes without more funding. I sincerely hope we commit dedicated appropriations to this program, and all aspects of DOJ, in the days and months ahead.

Many nations and non-state entities violate U.S. trade statutes each year. These actions raise national security concerns for other countries, including the United States, and heighten scrutiny over how foreign nations may be manipulating international "free market" rules, such as those supplied by the World Trade Organization, to their advantage.

Trade crimes affect all Americans, from consumers to business owners. Examples include exploding counterfeit batteries that cause e-cigarettes to maim users, computer chips equipped with spyware in our product stream that endanger military secrets, and handbags made with forced Uyghur labor passed off as fair-trade materials. These are terrible outcomes with clear victims, and United States law enforcement should ensure these cases never happen again.

Other trade crimes may not have a clear victim or a defined perpetrator, but they are equally pernicious. For example, cyber intrusions can risk a company's trade secrets without their knowledge—they may never become aware of the data leak, but a foreign competitor can use the intellectual property to unfairly compete with the targeted company. Counterfeit products that look identical to a brand's trademark can cause irreparable damage to a small business or designer—victims can suffer reputational damage, lose the opportunity to "break into" a specific market, and otherwise lose revenue that would have gone to them.

Americans are protected from these and other trade crimes by a patchwork of national security laws, including the Tariff Act of 1930, the Toxic Substances Control Act, and many others. These statutes protect against a wide variety of crimes that impact the health, safety, and financial security of Americans, from the importation of counterfeit goods to the commission of trade secret theft through economic espionage.

Intellectual property holders in the United States rely on three primary mechanisms for enforcement of their rights. These mechanisms include civil, administrative, and criminal remedies. Each enforcement mechanism carries with it unique costs and potential benefits for rights holders. Although the U.S. government has a role to play in all enforcement mechanisms, the U.S. government has a direct and primary role in the administrative and criminal realms.

Numerous federal agencies serve this direct role in the enforcement of intellectual property in the administrative and criminal realms; however the DOJ leads on prosecution of IP crimes, including trademark counterfeiting, copyright piracy, and economic espionage.

nage. This responsibility places the agency in the key role of enforcer of trade protections.

It is imperative that DOJ has the tools it needs to ensure Americans are not taken advantage of by foreign nations seeking to violate our laws and do us harm. H.R. 9151, if properly funded, would place resources and a dedicated team in a position to protect consumers, entrepreneurs, and our military from harm. I support this legislation, and I hope that the Majority will commit itself to providing the resources necessary for it to succeed.

JERROLD NADLER,
Ranking Member.

