

in Germany comes into the United States without the VAT included, without the price of their tax system included, lands in the United States, and it amounts to \$86.21, competing with the product in the United States that costs \$100. That is a significant wedge when it comes to manufactured products, where small price differences and small profit margins are what govern.

But what happens if we try to export from the United States to Germany? A product that costs \$100 in the United States and \$100 in Germany goes out of the United States with the price of our tax system built in, and then has imposed on it that additional VAT in Germany. So it costs \$116 in Germany, competing with the same product that costs \$100 in Germany. In that respect, Germany has a big advantage in competing with American products that they import. Their domestic producers have, in effect, a tax subsidy.

Look at what happens if we try to sell the same product in Germany and compete with the same product coming in from China. We send it in, it costs \$116, but the Chinese export it to Germany, and it only costs \$100.87. Why is it? It is because in their market, our pricing of our product has to include not only the price of our tax system, but theirs. It is double taxation.

When their product comes into our market, our product still carries the price of our tax system, but theirs has been rebated away. So, in effect, it is a tax subsidy, a standing tax subsidy that double taxes our products in foreign markets and frees imports from carrying their fair share of the tax burden. That is not fair. That is a tax differential that we can no longer afford to look the other way at.

This has been a disadvantage that we dealt ourselves back in the 1940s, and it has taken us this long. It is not this administration; it has taken us this long to come head to head with this problem.

The time has come for us to put the World Trade Organization on notice that we are going to insist on tax fairness, that we are going to insist on a level playing field. And that is not the only thing we need to do. There is no single silver bullet in leveling the playing field for fair trade, but this is one thing that has to happen. This needs to be the beginning of a much broader trade agenda that allows us to level the playing field, to insist on fairness, and to insist on apples-to-apples competition if we are going to have a strong international trading system.

I urge my colleagues, in the bipartisan spirit that my colleague raised, to support the resolution, to support this legislation, to put America on record as moving forward in this area and insisting on a change in terms of trade.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today in support of the resolution by Mr. ENGLISH that would direct the President to report to Congress on the progress he is making

at the WTO to ensure other nations do not dictate the American tax system.

We have had a long debate over the repeal of the FSC-ETI tax rules because the WTO determined that tax system to be an "illegal export subsidy."

I disagree with this characterization and have worked hard to find an acceptable alternative tax system.

In the trade act of 2002 we directed the President to begin these discussions and I want to see some results soon or at least, as this resolution calls for, to hear a report on the status of those efforts.

The "ways and means" of taxing Americans is primarily within the jurisdiction of this body of Congress and should not be forced on us by a few foreign bureaucrats based in Brussels.

Mr. ENGLISH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PUTNAM). The question is on the motion offered by the gentleman from Pennsylvania (Mr. ENGLISH) that the House suspend the rules and agree to the resolution, H. Res. 705.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ENGLISH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 705.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CUSTOMS BORDER SECURITY AND TRADE AGENCIES AUTHORIZATION ACT OF 2004

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4418) to authorize appropriations for fiscal years 2005 and 2006 for the Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement of the Department of Homeland Security, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Customs Border Security and Trade Agencies Authorization Act of 2004".

(b) *TABLE OF CONTENTS.*—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BUREAU OF CUSTOMS AND BORDER PROTECTION AND BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

Subtitle A—Authorization of appropriations; related provisions

Sec. 101. Authorization of appropriations.

Sec. 102. Establishment and implementation of cost accounting system; reports.

Sec. 103. Study and report relating to customs user fees.

Sec. 104. Report relating to One Face at the Border Initiative.

Subtitle B—Technical amendments relating to entry and protest

Sec. 111. Entry of merchandise.

Sec. 112. Limitation on liquidations.

Sec. 113. Protests.

Sec. 114. Review of protests.

Sec. 115. Refunds and errors.

Sec. 116. Definitions and miscellaneous provisions.

Sec. 117. Voluntary reliquidations.

Sec. 118. Effective date.

Subtitle C—Miscellaneous provisions

Sec. 121. Designation of San Antonio International Airport for Customs processing of certain private aircraft arriving in the United States.

Sec. 122. Authority for the establishment of Integrated Border Inspection Areas at the United States-Canada border.

Sec. 123. Designation of foreign law enforcement officers.

Sec. 124. Customs services.

Sec. 125. Sense of Congress on interpretation of textile and apparel provisions.

Sec. 126. Technical amendments.

TITLE II—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Sec. 201. Authorization of appropriations.

TITLE III—UNITED STATES

INTERNATIONAL TRADE COMMISSION

Sec. 301. Authorization of appropriations.

TITLE I—BUREAU OF CUSTOMS AND BORDER PROTECTION AND BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

Subtitle A—Authorization of Appropriations; Related Provisions

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) *IN GENERAL.*—Subsection (a) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) in paragraph (1), to read as follows:

"(1) For the fiscal year beginning October 1, 2004, and each fiscal year thereafter, there are authorized to be appropriated to the Department of Homeland Security for the Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement only such sums as may hereafter be authorized by law.";

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) in paragraph (2) (as redesignated)—

(A) by inserting "and the Assistant Secretary for United States Immigration and Customs Enforcement, respectively," after "Commissioner of Customs"; and

(B) by striking "Customs Service" and inserting "Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement".

(b) *SALARIES AND EXPENSES.*—Subsection (b) of such section is amended to read as follows:

"(b) *AUTHORIZATION OF APPROPRIATIONS.*—

"(1) **BUREAU OF CUSTOMS AND BORDER PROTECTION.**—

“(A) There are authorized to be appropriated for the salaries and expenses of the Bureau of Customs and Border Protection not to exceed the following:

- “(i) \$6,203,000,000 for fiscal year 2005.
- “(ii) \$6,469,729,000 for fiscal year 2006.

“(B)(i) The monies authorized to be appropriated under subparagraph (A) with respect to customs revenue functions for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Bureau of Customs and Border Protection that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under paragraphs (9) and (10) of section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)), shall be appropriated from the Customs User Fee Account.

“(ii) In clause (i), the term ‘customs revenue function’ means the following:

“(I) Assessing and collecting customs duties (including antidumping and countervailing duties) and duties imposed under safeguard provisions), excise taxes, fees, and penalties due on imported merchandise, including classifying and valuing merchandise for the purposes of such assessment.

“(II) Processing and denial of entry of persons, baggage, cargo, and mail, with respect to the assessment and collection of import duties.

“(III) Detecting and apprehending persons engaged in fraudulent practices designed to circumvent the customs laws of the United States.

“(IV) Enforcing section 337 of the Tariff Act of 1930 and provisions relating to import quotas and the marking of imported merchandise, and providing Customs Recordations for copyrights, patents, and trademarks.

“(V) Collecting accurate import data for compilation of international trade statistics.

“(VI) Enforcing reciprocal trade agreements.

“(VII) Functions performed by the following personnel, and associated support staff, of the United States Customs Service prior to the establishment of the Bureau of Customs and Border Protection: Import Specialists, Entry Specialists, Drawback Specialists, National Import Specialists, Fines and Penalties Specialists, attorneys of the Office of Regulations and Rulings, Customs Auditors, International Trade Specialists, and Financial System Specialists.

“(VIII) Functions performed by the following offices, with respect to any function described in any of subclauses (I) through (VII), and associated support staff, of the United States Customs Service prior to the establishment of the Bureau of Customs and Border Protection: the Office of Information and Technology, the Office of Laboratory Services, the Office of the Chief Counsel, the Office of Congressional Affairs, the Office of International Affairs, and the Office of Training and Development.

“(2) BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT.—There are authorized to be appropriated for the salaries and expenses of the Bureau of Immigration and Customs Enforcement not to exceed the following:

- “(A) \$4,011,000,000 for fiscal year 2005.

- “(B) \$4,335,891,000 for fiscal year 2006.”

SEC. 102. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

Section 334 of the Customs and Border Security Act of 2002 (19 U.S.C. 2082 note) is amended to read as follows:

“SEC. 334. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

“(a) ESTABLISHMENT AND IMPLEMENTATION; CUSTOMS AND BORDER PROTECTION.—

“(1) IN GENERAL.—Not later than September 30, 2005, the Commissioner of Customs shall, in accordance with the audit of the Customs Service’s fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system—

“(A) for expenses incurred in both commercial and noncommercial operations of the Bureau of Customs and Border Protection of the Department of Homeland Security, which system should specifically identify and distinguish expenses incurred in commercial operations and expenses incurred in noncommercial operations; and

“(B) for expenses incurred both in administering and enforcing the customs laws of the United States and the Federal immigration laws, which system should specifically identify and distinguish expenses incurred in administering and enforcing the customs laws of the United States and the expenses incurred in administering and enforcing the Federal immigration laws.

“(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the port at which the operation took place, the amount of time spent on the operation by personnel of the Bureau of Customs and Border Protection, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of expenses.

“(b) ESTABLISHMENT AND IMPLEMENTATION; IMMIGRATION AND CUSTOMS ENFORCEMENT.—

“(1) IN GENERAL.—Not later than September 30, 2005, the Assistant Secretary for United States Immigration and Customs Enforcement shall, in accordance with the audit of the Customs Service’s fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system—

“(A) for expenses incurred in both commercial and noncommercial operations of the Bureau of Immigration and Customs Enforcement of the Department of Homeland Security, which system should specifically identify and distinguish expenses incurred in commercial operations and expenses incurred in noncommercial operations;

“(B) for expenses incurred both in administering and enforcing the customs laws of the United States and the Federal immigration laws, which system should specifically identify and distinguish expenses incurred in administering and enforcing the customs laws of the United States and the expenses incurred in administering and enforcing the Federal immigration laws.

“(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the amount of time spent on the operation by personnel of the Bureau of Immigration and Customs Enforcement, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of expenses.

“(c) REPORTS.—

“(1) DEVELOPMENT OF THE COST ACCOUNTING SYSTEMS.—Beginning on the date of the enactment of the Customs Border Security and Trade Agencies Authorization Act of 2004 and ending on the date on which the cost accounting systems described in subsections (a) and (b) are fully implemented, the Commissioner of Customs and the Assistant Secretary for United States Immigration and Customs Enforcement, respectively, shall prepare and submit to Congress on a quarterly basis a report on the progress of implementing the cost accounting systems pursuant to subsections (a) and (b).

“(2) ANNUAL REPORTS.—Beginning one year after the date on which the cost accounting systems described in subsections (a) and (b) are fully implemented, the Commissioner of Customs and the Assistant Secretary for United States Immigration and Customs Enforcement, respectively, shall prepare and submit to Congress on an annual basis a report itemizing the expenses identified in subsections (a) and (b).

“(3) OFFICE OF THE INSPECTOR GENERAL.—Not later than March 31, 2006, the Inspector General of the Department of Homeland Security shall prepare and submit to Congress a report analyzing the level of compliance with this section and detailing any additional steps that should be taken to improve compliance with this section.”

SEC. 103. STUDY AND REPORT RELATING TO CUSTOMS USER FEES.

(a) STUDY.—Beginning 180 days after the date on which the cost accounting systems described in section 334 of the Customs and Border Security Act of 2002 (as amended by section 102 of this Act) are fully implemented, the Comptroller General shall conduct a study on the extent to which the amount of each customs user fee imposed under section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) approximates the cost of services provided by the Bureau of Customs and Border Protection of the Department of Homeland Security relating to the fee so imposed. The study shall include an analysis of the use of each such customs user fee by the Bureau of Customs and Border Protection.

(b) REPORT.—Not later than one year after the date on which the cost accounting systems described in section 334 of the Customs and Border Security Act of 2002 are fully implemented, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report in classified form containing—

(1) the results of the study conducted under subsection (a); and

(2) recommendations for the appropriate amount of the customs user fees if such results indicate that the fees are not commensurate with the level of services provided by the Bureau of Customs and Border Protection.

SEC. 104. REPORT RELATING TO ONE FACE AT THE BORDER INITIATIVE.

Not later than September 30 of each of the calendar years 2005 and 2006, the Commissioner of Customs shall prepare and submit to Congress a report—

(1) analyzing the effectiveness of the One Face at the Border Initiative at enhancing security and facilitating trade;

(2) providing a breakdown of the number of personnel of the Bureau of Customs and Border Protection that were personnel of the United States Customs Service prior to the establishment of the Department of Homeland Security, and that were hired after the establishment of the Department of Homeland Security;

(3) describing the training time provided to each employee on an annual basis for the various training components of the One Face at the Border Initiative; and

(4) outlining the steps taken by the Bureau of Customs and Border Protection to ensure that expertise is retained with respect to customs, immigration, and agriculture inspection functions under the One Face at the Border Initiative.

Subtitle B—Technical Amendments Relating to Entry and Protest

SEC. 111. ENTRY OF MERCHANDISE.

(a) IN GENERAL.—Subsection (a) of section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended—

(1) in paragraph (1)(B), by inserting after “entry” the following: “, or substitute 1 or more reconfigured entries on an import activity summary statement,”; and

(2) in paragraph (2)(A)—

(A) in the second sentence, by inserting after “statements,” the following: “and permit the filing of reconfigured entries,”; and

(B) by adding at the end the following: “Entries filed under paragraph (1)(A) shall not be liquidated if covered by an import activity summary statement, but instead each reconfigured

entry in the import activity summary statement shall be subject to liquidation or reliquidation pursuant to section 500, 501, or 504.”.

(b) RECONCILIATION.—Subsection (b)(1) of such section is amended in the fourth sentence by striking “15 months” and inserting “21 months”.

SEC. 112. LIMITATION ON LIQUIDATIONS.

Section 504 of the Tariff Act of 1930 (19 U.S.C. 1504) is amended—

(1) in subsection (a)—

(A) by striking “or” at the end of paragraph (3);

(B) in paragraph (4), by striking “filed;” and inserting “filed, whichever is earlier; or”; and

(C) by inserting after paragraph (4) the following:

“(5) if a reconfigured entry is filed under an import activity summary statement, the date the import activity summary statement is filed or should have been filed, whichever is earlier;”; and

(2) by striking “at the time of entry” each place it appears.

SEC. 113. PROTESTS.

Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “(relating to refunds and errors) of this Act” and inserting “(relating to refunds, any clerical error, mistake of fact, or other inadvertence, whether or not resulting from or contained in an electronic transmission, adverse to the importer, in any entry, liquidation, or reliquidation, and”;

(B) in paragraph (5), by inserting “, including the liquidation of an entry, pursuant to either section 500 or section 504” after “thereof”; and

(C) in paragraph (7), by striking “(c) or”; and

(2) in subsection (c)—

(A) in paragraph (1), in the sixth sentence, by striking “A protest may be amended,” and inserting “Unless a request for accelerated disposition is filed under section 515(b), a protest may be amended;”; and

(B) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking “ninety days” and inserting “180 days”;

(ii) in subparagraph (A), by striking “notice of” and inserting “date of”; and

(iii) in the second sentence, by striking “90 days” and inserting “180 days”.

SEC. 114. REVIEW OF PROTESTS.

Section 515(b) of the Tariff Act of 1930 (19 U.S.C. 1515(b)) is amended in the first sentence by striking “after ninety days” and inserting “concurrent with or”.

SEC. 115. REFUNDS AND ERRORS.

Section 520(c) of the Tariff Act of 1930 (19 U.S.C. 1520(c)) is repealed.

SEC. 116. DEFINITIONS AND MISCELLANEOUS PROVISIONS.

Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

“(t) RECONFIGURED ENTRY.—The term ‘reconfigured entry’ means an entry filed on an import activity summary statement which substitutes for all or part of 1 or more entries filed under section 484(a)(1)(A) or filed on a reconciliation entry that aggregates the entry elements to be reconciled under section 484(b) for purposes of liquidation, reliquidation, or protest.”.

SEC. 117. VOLUNTARY RELIQUIDATIONS.

Section 501 of the Tariff Act of 1930 (19 U.S.C. 1501) is amended in the first sentence by inserting “or 504” after “section 500”.

SEC. 118. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to merchandise entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

Subtitle C—Miscellaneous Provisions

SEC. 121. DESIGNATION OF SAN ANTONIO INTERNATIONAL AIRPORT FOR CUSTOMS PROCESSING OF CERTAIN PRIVATE AIRCRAFT ARRIVING IN THE UNITED STATES.

(a) IN GENERAL.—Section 1453(a) of the Tariff Suspension and Trade Act of 2000 is amended by striking “2-year period” and inserting “6-year period”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as of November 9, 2002.

SEC. 122. AUTHORITY FOR THE ESTABLISHMENT OF INTEGRATED BORDER INSPECTION AREAS AT THE UNITED STATES-CANADA BORDER.

(a) FINDINGS.—Congress makes the following findings:

(1) The increased security and safety concerns that developed in the aftermath of the terrorist attacks in the United States on September 11, 2001, need to be addressed.

(2) One concern that has come to light is the vulnerability of the international bridges and tunnels along the United States borders.

(3) It is necessary to ensure that potentially dangerous vehicles are inspected prior to crossing these bridges and tunnels; however, currently these vehicles are not inspected until after they have crossed into the United States.

(4) Establishing Integrated Border Inspection Areas (IBIAs) would address these concerns by inspecting vehicles before they gained access to the infrastructure of international bridges and tunnels joining the United States and Canada.

(b) CREATION OF INTEGRATED BORDER INSPECTION AREAS.—

(1) IN GENERAL.—The Commissioner of the Customs Service, in consultation with the Canadian Customs and Revenue Agency (CCRA), shall seek to establish Integrated Border Inspection Areas (IBIAs), such as areas on either side of the United States-Canada border, in which United States 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. Such inspections may include, where appropriate, employment of reverse inspection techniques.

(2) ADDITIONAL REQUIREMENT.—The Commissioner of Customs, in consultation with the Administrator of the General Services Administration when appropriate, shall seek to carry out paragraph (1) in a manner that minimizes adverse impacts on the surrounding community.

(3) ELEMENTS OF THE PROGRAM.—Using the authority granted by this section and under section 629 of the Tariff Act of 1930, the Commissioner of Customs, in consultation with the Canadian Customs and Revenue Agency, shall seek to—

(A) locate Integrated Border Inspection Areas in areas with bridges or tunnels with high traffic volume, significant commercial activity, and that have experienced backups and delays since September 11, 2001;

(B) ensure that United States Customs officers stationed in any such IBIA on the Canadian side of the border are vested with the maximum authority to carry out their duties and enforce United States law;

(C) ensure that United States Customs officers stationed in any such IBIA on the Canadian side of the border shall possess the same immunity that they would possess if they were stationed in the United States; and

(D) encourage appropriate officials of the United States to enter into an agreement with Canada permitting Canadian Customs officers stationed in any such IBIA on the United States side of the border to enjoy such immunities as permitted in Canada.

SEC. 123. DESIGNATION OF FOREIGN LAW ENFORCEMENT OFFICERS.

(a) MISCELLANEOUS PROVISIONS.—Section 401(i) of the Tariff Act of 1930 (19 U.S.C. 1401(i))

is amended by inserting “, including foreign law enforcement officers,” after “or other person”.

(b) INSPECTIONS AND PRECLEARANCE IN FOREIGN COUNTRIES.—Section 629 of the Tariff Act of 1930 (19 U.S.C. 1629) is amended—

(1) in subsection (a), by inserting “, or subsequent to their exit from,” after “prior to their arrival in”;

(2) in subsection (c)—

(A) by inserting “or exportation” after “relating to the importation”; and

(B) by inserting “or exit” after “port of entry”;

(3) by amending subsection (e) to read as follows:

“(e) STATIONING OF FOREIGN CUSTOMS AND AGRICULTURE INSPECTION OFFICERS IN THE UNITED STATES.—The Secretary of State, in coordination with the Secretary and the Secretary of Agriculture, may enter into agreements with any foreign country authorizing the stationing in the United States of customs and agriculture inspection officials of that country (if similar privileges are extended by that country to United States officials) for the purpose of insuring that persons and merchandise going directly to that country from the United States, or that have gone directly from that country to the United States, comply with the customs and other laws of that country governing the importation or exportation of merchandise. Any foreign customs or agriculture inspection official stationed in the United States under this subsection may exercise such functions, perform such duties, and enjoy such privileges and immunities as United States officials may be authorized to perform or are afforded in that foreign country by treaty, agreement, or law.”; and

(4) by adding at the end the following:

“(g) PRIVILEGES AND IMMUNITIES.—Any person designated to perform the duties of an officer of the Customs Service pursuant to section 401(i) of this Act shall be entitled to the same privileges and immunities as an officer of the Customs Service with respect to any actions taken by the designated person in the performance of such duties.”.

(c) CONFORMING AMENDMENT.—Section 127 of the Treasury Department Appropriations Act, 2003, is hereby repealed.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, take effect on the date of the enactment of this Act.

SEC. 124. CUSTOMS SERVICES.

Section 13031(e)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(e)(1)) is amended—

(1) by striking “(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than paragraph (2)),” and inserting:

“(1) IN GENERAL.—

“(A) SCHEDULED FLIGHTS.—Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than subparagraph (B) and paragraph (2)),”; and

(2) by adding at the end the following:

“(B) CHARTER FLIGHTS.—If a charter air carrier (as defined in section 40102(13) of title 49, United States Code) specifically requests that customs border patrol services for passengers and their baggage be provided for a charter flight arriving after normal operating hours at a customs border patrol serviced airport and overtime funds for those services are not available, the appropriate customs border patrol officer may assign sufficient customs employees (if available) to perform any such services, which could lawfully be performed during regular hours of operation, and any overtime fees incurred in connection with such service shall be paid by the charter air carrier.”.

SEC. 125. SENSE OF CONGRESS ON INTERPRETATION OF TEXTILE AND APPAREL PROVISIONS.

It is the sense of Congress that the Bureau of Customs and Border Protection of the Department of Homeland Security should interpret, implement, and enforce the provisions of section 112 of the African Growth and Opportunity Act (19 U.S.C. 3721), section 204 of the Andean Trade Preference Act (19 U.S.C. 3203), and section 213 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703), 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.

SEC. 126. TECHNICAL AMENDMENTS.

(a) **TARIFF ACT OF 1930.**—Section 505(a) of the Tariff Act of 1930 is amended—

(1) in the first sentence—

(A) by inserting “referred to in this subsection” after “periodic payment”; and

(B) by striking “10 working days” and inserting “12 working days”; and

(2) in the second sentence, by striking “a participating” and all that follows through the end of the sentence and inserting the following: “the Secretary shall promulgate regulations, after testing the module, permitting a participating importer of record to deposit estimated duties and fees for entries of merchandise, other than merchandise entered for warehouse, transportation, or under bond, no later than the 15 working days following the month in which the merchandise is entered or released, whichever comes first.”.

(b) **CUSTOMS USER FEES.**—(1) Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended by striking “less than \$2,000” and inserting “\$2,000 or less”.

(2) Section 13031(b)(9)(A)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)(ii)) is amended to read as follows:

“(ii) Notwithstanding subsection (e)(6) and subject to the provisions of subparagraph (B), in the case of an express consignment carrier facility or centralized hub facility—

“(I) \$66 per individual airway bill or bill of lading; and

“(II) if the merchandise is formally entered, the fee provided for in subsection (a)(9), if applicable.”.

(3) Section 13031(b)(9)(B) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(B)) is amended—

(A) by moving the margins for subparagraph (B) 4 ems to the left; and

(B) in clause (ii), by striking “subparagraph (A)(ii)” and inserting “subparagraph (A)(ii) (I) or (II)”.

(4) Section 13031(f)(1)(B) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(1)(B)) is amended by moving the subparagraph 2 ems to the left.

TITLE II—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—Section 141(g)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) \$39,552,000 for fiscal year 2005.

“(ii) \$39,552,000 for fiscal year 2006.”.

(2) **RULE OF CONSTRUCTION.**—The amendment made by paragraph (1) shall not be construed to affect the availability of funds appropriated pursuant to section 141(g)(1)(A) of the Trade Act of 1974 before the date of the enactment of this Act.

(b) **AUTHORIZATION OF APPROPRIATIONS FOR THE OFFICE OF THE GENERAL COUNSEL AND THE OFFICE OF MONITORING AND ENFORCEMENT.**—There are authorized to be appropriated to the Office of the United States Trade Representative

for the appointment of additional staff in the Office of the General Counsel and the Office of Monitoring and Enforcement—

(1) \$2,000,000 for fiscal year 2005; and

(2) \$2,000,000 for fiscal year 2006.

TITLE III—UNITED STATES INTERNATIONAL TRADE COMMISSION

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) \$61,700,000 for fiscal year 2005.

“(ii) \$65,278,000 for fiscal year 2006.”.

(b) **RULE OF CONSTRUCTION.**—The amendment made by subsection (a) shall not be construed to affect the availability of funds appropriated pursuant to section 330(e)(2)(A) of the Tariff Act of 1930 before the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from Michigan (Mr. LEVIN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

(Mr. THOMAS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4418. I am particularly pleased by the strong bipartisan work that has been done on this legislation. The bill was introduced by the chairman of the Subcommittee on Trade, the gentleman from Illinois (Mr. CRANE), and its original cosponsors include the ranking member of the full committee, the gentleman from New York (Mr. RANGEL); the ranking member of the Subcommittee on Trade, the gentleman from Michigan (Mr. LEVIN); and on our side of the aisle, the gentleman from Florida (Mr. SHAW) and the gentleman from Minnesota (Mr. RAMSTAD).

□ 1230

The bill was reported unanimously out of the committee on a rollcall vote of 33 to 0.

Mr. Speaker, I rise in strong support of H.R. 4418, the Customs Border Security and Trade Agencies Authorization Act of 2004. I am particularly pleased by the strong bipartisan work that has been done on this legislation. The bill was introduced by Congressman CRANE, Chairman of the Subcommittee on Trade, and original cosponsors included Congressmen RANGEL, SHAW, LEVIN, and RAMSTAD. The bill was then reported unanimously out of the Committee on a vote of 33 yeas to 0 nays.

Our customs and trade agencies authorization bill is part of our two-year authorization process to provide guidance and exercise oversight of U.S. Customs and Border Protection (or CBP), U.S. Immigration and Customs Enforcement (or ICE), the Office of the United States Trade Representative (or USTR), and the U.S. International Trade Commission (or ITC).

This week the House will focus on trade legislation as a means to enhance our economic well-being, including legislation to implement the U.S.-Australia Free Trade Agreement. While free trade agreements bring obvious economic benefits, the provisions in the cus-

toms sections of this legislation are the nuts and bolts of trade facilitation. This legislation provides the critical resources that CBP and ICE need to safeguard our borders while still facilitating the flow of legitimate trade.

The legislation provides resources for USTR, which has done a tremendous job in recent years of negotiating trade agreements and enforcing the obligations in those agreements to ensure that our business, farmers, workers, and consumers reap the benefits of these agreements. This legislation will provide an additional \$2 million in funding above the President's budget request for staff in the Office of the General Counsel and the Office of Monitoring and Enforcement to ensure that USTR can continue to perform its vital functions. This earmark will allow USTR to address a variety of needs that will best enable U.S. companies, farmers, and workers to benefit from the trade agreements to which the United States is party.

Finally, the bill ensures adequate resources for the ITC, which has provided valuable advice on the probable economic effects of U.S. trade agreements and other trade legislation considered by the Congress.

In conclusion, this legislation provides the resources and the administrative flexibility that allows legitimate trade to flow freely across our borders. I urge the support of my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a distinguished member of our committee.

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding me this time and join our chairman in support of this legislation.

I do want to point out that it also provides for the authorization of our United States Trade Representative and gives our USTR some additional resources, \$2 million of additional funding, in order to be able to more aggressively represent our interests, particularly in the World Trade Organization.

We have been involved in numerous litigations within the WTO, and we have found in the last couple of years that we have been on the losing side of some very important cases. I think the importance of this legislation to provide the additional resources is so that the USTR can more aggressively represent U.S. interests in the World Trade Organization on cases which are consistent, particularly with our anti-dumping and countervailing duty laws. We have found over and over again that we have not been successful in defending our rights under these domestic laws in the WTO. We also, of course, found on the tax issues we were unsuccessful.

So we are hopeful that these additional funds will, in fact, be used by the United States Trade Representative to fight for U.S. interests in the World Trade Organization that is consistent with our domestic law to prevent our market from being flooded by illegally subsidized products that we have seen over and over again, particularly in steel.

So, Mr. Speaker, I rise in support of this legislation, and I just wanted to point out to our membership the additional resources that are being made available, and certainly our intentions are that they are to be used by the USTR to defend the right of American producers and manufacturers, particularly when they are facing unfair competition from foreign markets.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade.

Mr. CRANE. Mr. Speaker, on May 20, 2004, I introduced legislation along with the gentleman from New York (Mr. RANGEL), the gentleman from Florida (Mr. SHAW), the gentleman from Michigan (Mr. LEVIN), and the gentleman from Minnesota (Mr. RAMSTAD) authorizing appropriations for fiscal year 2005 and 2006 for the Customs and Border Protection, or CBP; U.S. Immigration and Customs Enforcement, or ICE; the Office of the United States Trade Representative, or USTR; and the International Trade Commission, ITC.

This legislation is necessitated by the expiration at the end of this fiscal year of the existing authorization for the former U.S. Customs Service. It is also a part of our ongoing process of exercising oversight and focusing on the critical importance of the efficient flow of trade across our borders.

The Customs Service has a long and distinguished history. It was the first agency of the Federal Government to be created over 220 years ago to collect revenue and to ensure that imports flow smoothly across the border. Today, Customs collects more than \$20 billion in revenue each year.

With international trade comprising nearly 25 percent of our gross domestic product, CBP's mission to move goods across the border in a smooth, efficient, and predictable manner is a vital part of our economic strength and viability.

In addition to this, over the years, Customs has taken on many other functions because of its unique border presence. Fighting against illegal drugs, transshipped t-shirts, and Rolex knock-offs are just a few of these other functions.

In the wake of the terrorist attacks on the United States, the role of Customs in guarding our borders against chemical, biological, and conventional weapons has become more prominent.

This legislation authorizes sufficient funding for CBP and ICE to satisfy all of their various responsibilities.

This legislation also authorizes appropriations for fiscal years 2005 and 2006 for the Office of the United States Trade Representative of \$39.6 million per year. In order to ensure that we benefit from free and fair trade, it authorizes an additional \$2 million per year for the appointment of additional staff in the Office of the General Counsel and the Office of Monitoring and Enforcement.

Mr. Speaker, I am pleased that this legislation passed the Committee on Ways and Means by a bipartisan 33 to nothing vote, and I look forward to its passage by the House today.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is on suspension today. There has been on each occasion on these trade bills references to bipartisanship, and I simply want to express my regret to the chairman that this bill was placed on suspension. I do not think that it is a useful way to proceed on a bill of this nature. I am not sure that it has been done traditionally on this bill.

I am going to support it.

But we did raise in the committee several amendments. They were discussed, they were voted on, they were voted down, but we should have had the opportunity to raise these issues, or at least try, with the Committee on Rules to obtain a rule that allowed us to bring up these amendments.

One was an amendment by the gentleman from Massachusetts (Mr. NEAL) that related to penalties from fines that were being levied against China, anti-dumping countervailing duty levies. We have a serious problem, and that is we have these orders, we have fines, but they are not being collected. The amount involved is over \$100 million, perhaps as high as \$130 million. What has been happening is, as the government has tried to implement the anti-dumping countervailing duties, was to allow people to post bonds instead of some amount of cash. These bonds, I guess in most cases, turned out to be worthless. So essentially, we are left holding an empty bag. And it is really our manufacturers who are left without redress, because under legislation passed by this Congress, there would be redress directly for the injured party.

Well, the gentleman from Massachusetts (Mr. NEAL) raised this issue; and, actually, I guess in full committee, there was a decision to postpone action on it, with the hope that there could be something worked out. But when it is put on suspension, it essentially snuffs out any chance for us to raise the issue through an amendment.

But, secondly, there is the issue of the additional \$2 million for USTR. And the reason we had discussion within the committee and before that in the subcommittee was this: In our judgment, the judgment of many of us, there has not been vigorous enforcement of our laws. We pass trade laws, we enter into trade agreements, but they require, as the gentleman from Maryland (Mr. CARDIN) has pointed out, active, vigorous enforcement by the executive. And that has not been true. It has been lacking, though there has been a spurt these last 5 or 6 or 7 months.

So there was offered in the subcommittee, and then again in the committee, an amendment to be sure that part of the \$2 million that we were add-

ing to USTR in this authorization would be spent for enforcement. The \$2 million, the way it is written in the bill, goes to the General Counsel and the Office of Monitoring and Enforcement. None of this has to go to the Office of Monitoring and Enforcement, the way it is written. That is true. None of it has to. All of it could go to the General Counsel, at least as I read it, or maybe \$1 could go to the Office of Monitoring and Enforcement.

Anyway, we proposed an amendment to be sure that some of the funds would be used for various purposes of enforcement. That was called an earmark. I am not sure that is an appropriate term. Why money, extra money going to two offices is not an earmark, but including how they might spend it is one, I do not quite get that, especially in view of the fact that there has been such a need for the enforcement of our laws.

I referred earlier to China. We have a huge deficit with China, and enforcement has been a major problem. We need to do better, and what our amendment proposed was to be certain that some of the monies, and we did not specify for each of the purposes, but that some of the monies would be used for the purposes of enforcement. That was voted down.

Now the problem with putting this on suspension is that we do not even have a chance to go to the Committee on Rules and ask for a rule that would allow us to raise this amendment on the floor. There has been a lot of talk about bipartisanship here, and I admired the majority for sticking to a message and repeating it time and time again, but the test is not in the words but in the actions. And the test is whether you let us raise issues on the floor of the House if you disagree with our position so we can have a full airing of these issues and, if we want to, vote, and maybe even win.

We objected to this being placed on suspension, but here we are with the alternative of voting it down or passing it when it is for a purpose that is an important one.

I also understand that the gentleman from Washington (Mr. BAIRD) is going to raise an issue regarding the new provisions regarding boats that apply to fishing boats, and I think he will speak regarding that.

So in a word, I am going to vote for this. I hope my colleagues will vote for it. However, it is important, I think, that we realize that placing a bill on suspension of this nature does limit our ability to try to have a debate and action in a vote on important amendments, and I hope very much that this will not be repeated. One thing I can assure my colleagues of, if we take back the House, this bill will not be put on suspension.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House has a series of procedures which determine whether

or not a bill is a candidate to be placed on suspension. One of the first things that one would look at, obviously, is the way in which the bill was dealt with in committee. I said in my opening statement that this bill passed 33 to 0. One cannot get any more unanimous than that.

I would ask my friend, because he is my friend, the gentleman from Michigan (Mr. LEVIN), while he is recounting the amendments that were offered, which were presented, arguments examined, decision made by the committee, and it just so happens that each of the amendments were not accepted. They had every right at that time to vote against the measure. Not being able to completely divine the reason for why they do such things, but they came to the conclusion that the bill, notwithstanding not being amended, was perfectly acceptable.

I do, however, have to ask my colleague, when an argument is made in committee and absolutely and completely refuted, it does not lend itself to a continued positive working relationship to then come to the floor and repeat the same argument, which was absolutely refuted in committee, as though he had no knowledge that what he was saying was not accurate.

□ 1245

The gentleman said that the \$2 billion the gentleman from Maryland was kind enough to indicate we all agreed would be appropriate could not go at all for enforcement. The language in the bill is "and between general counsel and enforcement," not "and/or." It is "and." And the gentleman's argument that no money can go there is simply not accurate. It was not accurate when he made it in committee, and it was refuted. It is not accurate on the floor when he makes it.

And so after all is said and done with all of the concerns and all of the arguments which end with "and we will support the bill," the only conclusion one can reasonably come to is that the problem is we are the majority and they are not.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield as much time as he may consume to the gentleman from Washington (Mr. BAIRD), a very distinguished, active gentleman from Washington; and then I will respond to the gentleman from California (Mr. THOMAS) a bit later.

Mr. BAIRD. Mr. Speaker, I thank my friend and colleague for yielding me this time, and I understand that the chairman of the committee would be willing to engage in a brief colloquy.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BAIRD. I yield to the gentleman from California.

Mr. THOMAS. Yes, Mr. Speaker, I am happy to engage the gentleman in a colloquy.

Mr. BAIRD. I thank him for that, as this is an issue of great importance to

fish processors and the economy of my region.

Mr. Speaker, my concern is that small fishing ships are now required to transmit electronically information about the contents of their cargo 24 hours before docking in a U.S. port. This requirement and several others are causing a great hardship for small, independently operated fishing vessels.

As a result, the vessels are docking in Canada and processing fish there, thereby costing jobs in an area where we greatly need those jobs.

As a result, Washington State is losing more jobs, and fish processing jobs; and I would ask and hope that we can work together to address this issue immediately.

Mr. THOMAS. Mr. Speaker, I thank the gentleman; and as the gentleman knows, this is an issue that was just presented to us now, and in trying to do some immediate research, we could not determine whether it is amenable to an administrative resolution or a legislative resolution; but certainly the chairman is willing to work with the gentleman from Washington, as our staffs confer, to try to address those concerns.

Mr. BAIRD. Mr. Speaker, I am very grateful to that, and there is some urgency to this, so I look forward to working with the gentleman from California (Mr. THOMAS) on this; and I thank him for his indulgence.

Mr. THOMAS. Mr. Speaker, and I thank the gentleman for his rapid response to a problem in his district.

Mr. Speaker, it is now my pleasure to yield as much time as he may consume to the gentleman from Minnesota (Mr. RAMSTAD), a cosponsor of the legislation.

Mr. RAMSTAD. Mr. Speaker, I rise today as a cosponsor and strong supporter of this important legislation. Today's passage of the Customs Border Security and Trade Agencies Authorization Act is absolutely vital because it authorizes funding for four agencies that play critical roles in formulating and implementing American trade policy:

The U.S. Trade Representative, the International Trade Commission, and the newly formed agencies of the U.S. Customs and Border Protection and the U.S. Immigration and Customs Enforcement.

I want to especially thank the gentleman from Illinois (Chairman CRANE) of our Committee on Ways and Means Subcommittee on Trade for including a provision I offered in the bill to allow, but not mandate, customs officials to work overtime if smaller air carriers arrive at an airport after normal customs hours.

This legislation is necessary because charter air carriers often use smaller feeder airports, providing needed relief to air traffic at larger international airports; and, unfortunately, this means that chartered carriers are often unfairly restricted in the hours in which they can land, as smaller air-

ports do not have extended hours for customs officials like larger international airports.

Mr. Speaker, H.R. 4418 will change current law by allowing customs officials to work overtime, with the overtime costs paid for by the arriving carrier. This is good policy for the carrier, as they have more flexibility in their flight schedules. It is good policy for the taxpayer, as there is no additional cost to them. And it is good policy for customs employees, as they have the option to work overtime if they so desire.

Mr. Speaker, make no mistake, international trade is absolutely critical to our economy; and we must do all we can to open foreign markets and increase the efficiency of our ports. No issues are more important to the American people today than homeland security and economic security, and I am pleased this legislation helps improve both by securing our borders and improving the flow of goods across our borders.

I urge my colleagues to continue to support H.R. 4418, and I want to thank my colleagues on the other side of the aisle on the Committee on Ways and Means for their unanimous vote to approve this important legislation. And I hope that spirit of bipartisan pragmatism continues here in the House vote today.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume. I have made my points. I will not repeat them. In terms of a vote that is unanimous in committee, I hope that is not the precedent for putting bills on suspension, especially bills of major import. This relates to the Bureau of Customs and Border Protection, the Bureau of Customs Enforcement of the Department, and customs enforcement of the Department of Homeland Security, the office of USTR and for ITC.

So we did, I think, clearly say to the majority we did not want this bill on suspension, and it was placed on suspension anyway. I do not think that is a bipartisan way to proceed, and there has been use of much of the term "bipartisanship" here today, and I want to make it clear the test is not in rhetoric but in actual performance.

And let me just say a word to the gentleman from California (Mr. THOMAS), and I want to repeat this because I hope USTR gets the message about enforcement. I do not know if all the money went to General Counsel, whether it would be considered a violation of this language. I think maybe so, but maybe not; but as I said in my remarks, if they gave a dollar to the Office of Monitoring and Enforcement and the rest to General Counsel, I think it will meet the terms of this provision.

And the reason we have raised it is not to be picky or not to fly-speck, but because the issue of enforcement of our trade laws is a vital one. We have worked to pass trade laws. We worked to place some major provisions in the

China PNTR. We have worked to try to maintain our antidumping and countervailing duty laws. We have worked to have some strong trade laws; but if they are not vigorously enforced, it does not do much good.

And so we wanted to be sure the gentleman from Maryland (Mr. CARDIN) addressed this, and we raised it in committee. We wanted to make sure that if there were going to be adequate or additional funding, that some portion of it in a meaningful way would go for enforcement of our laws. And we named three areas in which we needed more vigorous enforcement. That is what this is all about. Those of us who favor expanded trade want to do so first of all so that the terms of trade are shaped so that there is widespread benefit; and, number two, we want to make sure that the laws that we support and help to shape are implemented, are enforced. And the record of this administration, in my judgment, has been unsatisfactory, to put it mildly.

And that is why we raised the issue, and that is why it would have been better to have this bill not on suspension, but in the normal course. That is what this is all about.

Mr. Speaker, I see that another gentleman is here to speak, but I will reserve the balance of my time, with the understanding I probably will not speak again if the gentleman from California (Mr. THOMAS) is ready to wrap up.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. SOUDER). (Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Speaker, I want to thank the chairman for yielding me this time, and I have two comments I wanted to make in particular on this bill. I was particularly happy to see that the bill is requiring the commissioner of the Customs and Border Protection Agency to work to establish integrated border inspections areas on the U.S.-Canada border.

As we have worked through the last few years in homeland security and the narcotics areas, as well as with the U.S.-Canada Parliamentary Group, Canada is our most important trading partner. We have one example up in Montana where we have an integrated customs border station. When we developed that, we had some problems in developing it, because at that point we were still having questions of whether our customs agents could carry their guns to the restrooms. So the restrooms all had to be on the American side.

We were trying to get integrated immigration laws, because if they got a foot on Canadian soil, they could claim the full rights of the Canadian citizenship. We had to put barriers up in the middle of that building and angle it down a hill, and so two-thirds of the immigration station wound up on the

American side with all sorts of problematic issues involved with that.

But the Canadian leadership has shown much more willingness to try to accommodate some of the concerns we have. This is critically important in Detroit, where there is not enough room on the American side to expand trunk clearance facilities; and we need to work with the city of Windsor, as well as up at Port Heron and the tunnel at Windsor. It is critical in Buffalo, where we have had huge concerns about whether we need additional bridges and how we handle the American side there, and at Niagara Falls.

And if we can work out integrated systems at these major border crossings where we do not have to have it on both sides, we do not have to have the truck traffic and car traffic backing up the bridges, it is very important, where we have, in many cases, land on the Canadian side but not on the U.S. side. And I am really pleased to see that this was raised in the bill.

There is a second issue that is not in the bill that may come up in our Committee on Homeland Security markup later this week. The gentleman from Texas (Mr. SESSIONS) has been a leader in this, and I have been supportive, and that is what to do with the air and marine division of ICE, because the air and marine division of the Legacy customs division, the focus was narcotics, and it does not purely fit either being on the border or doing investigatory follow-up. And it is probably the most critical area, as far as air interdiction, marine interdiction and the follow-up of illegal narcotics, that we need some flexibility so that that air and marine has a unique mission separate from the Coast Guard and the air division of the Border Patrol. And that is in flux right now, and we are trying to address that in the Select Committee on Homeland Security.

And if so, I hope we can work with the authorizers as they go to conference on this important bill so that we can match the authorizing committee with the Committee on Homeland Security and the narcotics subcommittee that I chair, and I look forward to working with the chairman on that.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I will tell the gentleman that as we are moving forward with the integration at the border, this committee and its responsibilities, especially in the area of customs, will always work with the other authorizing committees to make sure that not only is it more seamless in terms of security, but, frankly, we need to be much more efficient in the movement of economic goods across international lines, especially in the areas that you mentioned, especially in the area of Detroit and Windsor where unbeknownst to a lot of people, when you travel south, you go to Canada.

Mr. Speaker, I reserve the balance of my time, but I will tell the gentleman

from Michigan I have no other speakers, and I am prepared to close.

□ 1300

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

To make sure that everyone is perfectly clear, I think we may need to recount what occurred in committee in the discussion of this bill in front of the full Committee on Ways and Means.

There were three Members on the minority side that had indicated that they either wanted to offer amendments or they wanted to discuss points at which they may or may not be prepared to offer amendments. The gentleman from California (Mr. BECERRA) raised a point, there was a discussion between staff and Members, and the gentleman from California (Mr. BECERRA) terminated his discussion.

The gentleman from Massachusetts (Mr. NEAL) indicated that he was going to offer amendments. There was a colloquy between the chairman and the gentleman from Massachusetts (Mr. NEAL), and he withdrew his amendment.

The gentleman from Michigan then offered an amendment and had the clarification, which the Chair is grateful for, which was the subject of his amendment and that is that no money could go to enforcement. The gentleman corrected his statement, although he still believes that perhaps the United States Trade Representative is engaged in gamesmanship and perhaps they would send a dollar to enforcement but that would be all.

That was precisely the basis of the discussion that occurred in committee.

The Chair offered to work with the maker of the amendment, the gentleman from Michigan, to put report language that would clarify the concerns that all of us have that this is not an issue over which games should be played.

But what was not mentioned was the fact that an amendment was offered with a specific reference to one country in terms of enforcement. That is, the Chair believes and apparently a majority of the committee believed, because the amendment was put to a vote, there were 11 ayes and 21 noes, that perhaps that degree of direction and specificity is not appropriate; and that had the gentleman not attempted to micromanage, he would have found far more support. Notwithstanding that, he decided to move his amendment.

The offer was made, let us work together to reconcile the concerns, and we can put report language in that shows the concern of the committee that we need money both to general counsel and to enforcement. That offer was rejected.

The gentleman from Michigan instead chose to move his amendment. That amendment was defeated, not for the basic concept of wanting to make

sure that the United States Trade Representative work in the enforcement area as general counsel, because of the way the amendment was written. The degree of specificity and the desire to micromanage and control was the reason the amendment was rejected.

So once the attempt to micromanage failed, then a vote was requested. At any point any Member could have voted no. The vote was 33 to zero, and I think that indicates the true depth of support for this provision.

There truly is no real controversy; and, frankly, there should be no real opposition. I would ask Members to vote for H.R. 4418 with the intent and purpose of its content supported unanimously out of the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,

Washington, DC, July 13, 2004.

Hon. F. JAMES SENSENBRENNER, JR.,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN SENSENBRENNER: Thank you for your letter regarding H.R. 4418, the "Customs Border Security and Trade Agencies Authorization Act of 2004." The Committee of Ways and Means ordered favorably reported, as amended, H.R. 4418 on Thursday, July 8, 2004 by a 33-0 vote. I appreciate your agreement to expedite the passage of this legislation although it contains several immigration provisions that are within your Committee's jurisdiction. I acknowledge your decision to forego further action on the bill is based on the understanding that it will not prejudice the Committee on the Judiciary with respect to its jurisdictional prerogatives on this or similar legislation.

Our committees have long collaborated on these important initiatives, and I am very pleased we are continuing that cooperation. Your leadership on immigration issues is critical to the success of this bill. I appreciate your helping us to move this legislation quickly to the floor.

Finally, I will include in both the Committee report and the Congressional Record a copy of our exchange of letters on this matter. Thank you for your assistance and cooperation. I look forward to working with you in the future.

Best regards,

BILL THOMAS,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE OF THE JUDICIARY,
Washington, DC, July 13, 2004.

Hon. BILL THOMAS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN THOMAS: In recognition of the desire to expedite floor consideration of H.R. 4418, the "Customs Border Security Act of 12004," the Committee on the Judiciary hereby waives consideration of the bill.

Certain sections of H.R. 4418 contain matters within the Committee on the Judiciary's Rule X jurisdiction: Section 101 (insofar as it authorizes funding for immigration matters); Section 102 (insofar as it requires cost accounting systems for immigration matters); and Section 122 (insofar as the Integrated Border Inspection Areas include immigration matters). Because of the need to expedite this legislation, I will not seek to mark up the bill under the Committee on the Judiciary's secondary referral.

The Committee on the Judiciary takes this action with the understanding that the Com-

mittee's jurisdiction over these provisions is in no way diminished or altered. I would appreciate your including this letter in your Committee's report on H.R. 4418 and the Congressional Record during consideration of the legislation on the House Floor.

Sincerely,

F. JAMES SENSENBRENNER, JR.,
Chairman.

Mr. THOMAS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PUTNAM). The question is on the motion offered by the gentleman from California (Mr. THOMAS) that the House suspend the rules and pass the bill, H.R. 4418, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4418.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

URGING THE GOVERNMENT OF PEOPLE'S REPUBLIC OF CHINA TO IMPROVE ITS PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Mr. BALLENGER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 576) urging the Government of the People's Republic of China to improve its protection of intellectual property rights, and for other purposes, as amended.

The Clerk read as follows:

H. RES. 576

Whereas in 2001, the People's Republic of China agreed to implement a set of sweeping reforms designed to protect intellectual property rights;

Whereas since 2001, China initiated a series of measures and a comprehensive review of its intellectual property rights laws to bring itself in compliance with international standards in patent, trademark, copyright, trade secret, and other intellectual property laws;

Whereas central and local Chinese Government officials continue to work with their counterparts in the United States to improve China's intellectual property rights enforcement through regular bilateral discussions, roundtable meetings, and numerous technical assistance programs;

Whereas China has initiated campaigns to seize illegal and pirated goods, closed or fined several assembly operations for illegal production lines, seized millions of illegal audio-visual products, and expanded training of law enforcement officials relating to intellectual property rights protection;

Whereas although China has made significant improvements to its framework of law, regulations, rules, and judicial interpretations regarding intellectual property rights, its intellectual property rights enforcement mechanisms still face major obstacles, which have resulted in continued widespread piracy and counterfeiting of film, recorded music, published products, software products, pharmaceuticals, chemical products, information technology products, consumer goods, electrical equipment, automobiles and automotive parts, industrial products, and research results throughout China;

Whereas such widespread piracy and counterfeiting in China harms not only the economic development of China but also the economic and legal interests of United States business enterprises that sell their products or services in China, whether or not these United States business enterprises have invested in China or ever will invest in China;

Whereas United States losses due to the piracy of copyrighted materials in China is estimated to exceed \$1,800,000,000 annually and counterfeited products to account for 15 to 20 percent of all products made in China, approximately 8 percent of the country's gross national product;

Whereas the market value of counterfeit goods in China is between \$19,000,000,000 and \$24,000,000,000 annually, causing enormous losses for intellectual property rights holders worldwide;

Whereas the export of pirated or counterfeit goods from China to third country markets causes economic losses to United States and other foreign producers of patented, trademarked, and copyrighted products competing for market share in those third country markets;

Whereas current criminal laws and enforcement mechanisms for intellectual property rights in China by administrative authorities, criminal prosecutions, and civil actions for monetary damages have not effectively addressed widespread counterfeiting and piracy;

Whereas administrative authorities in China rarely forward an administrative case relating to intellectual property rights violations to the appropriate criminal justice authorities for criminal investigation and prosecution;

Whereas China currently has high criminal liability thresholds for infringements of intellectual property rights, with an unreasonable proof-of-sale requirement totaling approximately \$24,100 for business enterprises and \$6,030 for individuals (according to current exchange rates) that makes criminal prosecution against those enterprises or individuals that violate intellectual property rights extremely difficult;

Whereas seizures and fines imposed by Chinese authorities for intellectual property rights violations are perceived by the violators to be a cost of doing business and such violators are usually able to resume their operations without much difficulty;

Whereas China has the second largest number of Internet users in the world, it still has not acceded to the 1996 World Intellectual Property Organization (WIPO) Internet-related treaties that reflect international norms for providing copyright protection over the Internet;

Whereas China's market access barriers for United States and other foreign cultural products such as movies, music, and books