

Linda Dempsey

Vice President

International Economic Affairs

May 8, 2013

The Honorable Max Baucus  
Chairman  
Senate Committee on Finance  
United States Senate  
Washington, DC 20510

The Honorable Orrin Hatch  
Ranking Member  
Senate Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

Predictable, efficient and transparent customs procedures help U.S. manufacturers compete effectively around the world. U.S. Customs and Border Protection (CBP) has the complicated mission of both facilitating trade and bolstering national security. The National Association of Manufacturers (NAM) believes that a strong CBP reauthorization bill would help expedite the ever-increasing volume of legitimate trade between the United States and its trading partners while also more effectively helping to halt illicit trade.

The NAM is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Its membership includes both large multinational corporations with operations in many foreign countries, and small and medium-sized manufacturers that engage in international trade. The manufacturing sector employs nearly 12 million Americans, and is the engine that drives the U.S. economy by creating jobs, opportunity and prosperity. International trade is vital to the success of domestic manufacturing. Exports constitute more than 20 percent of U.S. manufacturing production, and our members sometimes depend on imported parts, components and finished products to compete not only in the U.S. marketplace but also in foreign markets. NAM members have a strong track record of working with the U.S. government and investing significant resources to improve supply-chain security and compliance practices.

CBP is charged with facilitating imported cargo through U.S. ports of entry, enforcing trade and customs laws at the border, collecting customs revenue and enforcing import security laws to prevent illicit shipments from entering the United States. The agency is currently operating under the authorities of the Customs Modernization and Informed Compliance Act, which was signed into law in 1993. CBP also complies with a variety of import and border security provisions included in various pieces of legislation, including the Trade Act of 2002, the Homeland Security Act of 2002, the Security and Accountability for Every (SAFE) Port Act of 2006, and the Implementing Recommendations of the 9/11 Commission Act of 2007.

We urge you to act on customs reauthorization legislation this year. While CBP has taken great strides to prioritize trade facilitation, from initiatives like the Centers for Excellence and Expertise (CEEs) and the Beyond the Border Action Plan to accelerated progress on Automated Commercial Environment (ACE) development, the agency needs clear policy direction from Congress to meet 21<sup>st</sup> century demands on trade and border security.

The NAM believes that customs reauthorization legislation should seek to prioritize trade facilitation within CBP; improve interagency coordination between CBP and Participating Government Agencies (PGA); favor importers with strong compliance records; increase government and industry collaboration; support the President's Beyond the Border (BTB) Action Plan; strengthen

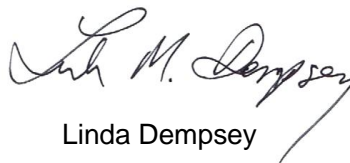
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intellectual property and trade remedy enforcement; and expedite the completion of the many still-outstanding modernizations needed within the agency.

Improvements to trade facilitation are critical for achieving the President's goal of doubling exports in five years. Imports and exports are intrinsically linked, as manufacturers import parts and components that are incorporated into final products that are then exported out of the United States. Policies that impede supply chains and make it more difficult to bring goods into the United States or that increase the cost of final goods can undermine the competitiveness of manufacturers and negatively impact overall exports.

The NAM has strived to work with the Administration and with Congress to improve trade facilitation and seek the compatibility of new security initiatives with industry, competitiveness and jobs. Manufacturers appreciate your efforts to craft legislation that would provide policy guidance to CBP and your ongoing oversight of the agency, and we look forward to working with Congress – and with CBP – to further enhance the competitiveness of manufacturers in the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda M. Dempsey". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Linda Dempsey