

107TH CONGRESS  
1ST SESSION

# H. R. 3129

To authorize appropriations for fiscal years 2002 and 2003 for the United States Customs Service for antiterrorism, drug interdiction, and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2001

Mr. CRANE introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To authorize appropriations for fiscal years 2002 and 2003 for the United States Customs Service for antiterrorism, drug interdiction, and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Customs Border Secu-  
5       rity Act of 2001”.

## 1 **SEC. 2. TABLE OF CONTENTS.**

## 2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

### TITLE I—UNITED STATES CUSTOMS SERVICE

#### Subtitle A—Drug Enforcement and Other Noncommercial and Commercial Operations

- Sec. 101. Authorization of appropriations for noncommercial operations, commercial operations, and air and marine interdiction.
- Sec. 102. Antiterrorist and illicit narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and the Gulf Coast seaports.
- Sec. 103. Compliance with performance plan requirements.

#### Subtitle B—Child Cyber-Smuggling Center of the Customs Service

- Sec. 111. Authorization of appropriations for program to prevent child pornography/child sexual exploitation.

#### Subtitle C—Personnel Provisions

#### CHAPTER 1—OVERTIME AND PREMIUM PAY OF OFFICERS OF THE CUSTOMS SERVICE

- Sec. 121. Correction relating to fiscal year cap.
- Sec. 122. Correction relating to overtime pay.
- Sec. 123. Correction relating to premium pay.
- Sec. 124. Effective date.

#### CHAPTER 2—MISCELLANEOUS PROVISIONS

- Sec. 131. Study and report relating to personnel practices of the Customs Service.
- Sec. 132. Study and report relating to accounting and auditing procedures of the Customs Service.
- Sec. 133. Establishment and implementation of cost accounting system; reports.
- Sec. 134. Requirement relating to timeliness of prospective rulings.
- Sec. 135. Study and report relating to Customs user fees.

#### Subtitle D—Antiterrorism Provisions

- Sec. 141. Immunity for United States officials that act in good faith.
- Sec. 142. Emergency adjustments to offices, ports of entry, or staffing of the Customs Service.
- Sec. 143. Mandatory advanced electronic information for cargo and passengers.
- Sec. 144. Border search authority for certain contraband in outbound mail.
- Sec. 145. Authorization of appropriations for reestablishment of Customs operations in New York City.

#### Subtitle E—Textile Transshipment Provisions

- Sec. 151. GAO audit of textile transshipment monitoring by Customs Service.

Sec. 152. Authorization of appropriations for textile transshipment enforcement operations.

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 IV—OTHER TRADE PROVISIONS

Sec. 401. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.

Sec. 402. Regulatory audit procedures.

**1            TITLE I—UNITED STATES**  
**2                            CUSTOMS SERVICE**  
**3       Subtitle A—Drug Enforcement and**  
**4                            Other Noncommercial and Com-**  
**5                            mercial Operations**

**6   SEC. 101. AUTHORIZATION OF APPROPRIATIONS FOR NON-**  
**7                            COMMERCIAL OPERATIONS, COMMERCIAL**  
**8                            OPERATIONS, AND AIR AND MARINE INTER-**  
**9                            DICTION.**

**10            (a)        NONCOMMERCIAL        OPERATIONS.**—Section  
**11   301(b)(1) of the Customs Procedural Reform and Sim-**  
**12   plification Act of 1978 (19 U.S.C. 2075(b)(1)) is**  
**13   amended—**

**14                    (1) in subparagraph (A) to read as follows:**

**15                            “(A)   \$1,006,501,000   for   fiscal   year**  
**16                            2002.”; and**

**17                    (2) in subparagraph (B) to read as follows:**

1                   “(B) \$1,032,567,000 for fiscal year  
2                   2003.”.

3           (b) COMMERCIAL OPERATIONS.—

4                   (1) IN GENERAL.—Section 301(b)(2)(A) of the  
5           Customs Procedural Reform and Simplification Act  
6           of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

7                           (A) in clause (i) to read as follows:

8                                   “(i) \$1,378,725,000 for fiscal year 2002.”;  
9                           and

10                           (B) in clause (ii) to read as follows:

11                                   “(ii) \$1,414,432,000 for fiscal year  
12                           2003.”.

13                   (2) AUTOMATED COMMERCIAL ENVIRONMENT  
14           COMPUTER SYSTEM.—Of the amount made available  
15           for each of fiscal years 2002 and 2003 under section  
16           301(b)(2)(A) of the Customs Procedural Reform and  
17           Simplification Act of 1978 (19 U.S.C.  
18           2075(b)(2)(A)), as amended by paragraph (1),  
19           \$308,000,000 shall be available until expended for  
20           each such fiscal year for the development, establish-  
21           ment, and implementation of the Automated Com-  
22           mercial Environment computer system.

23                   (3) REPORTS.—Not later than 90 days after  
24           the date of the enactment of this Act, and not later  
25           than each subsequent 90-day period, the Commis-

1 sioner of Customs shall prepare and submit to the  
2 Committee on Ways and Means of the House of  
3 Representatives and the Committee on Finance of  
4 the Senate a report demonstrating that the develop-  
5 ment and establishment of the Automated Commer-  
6 cial Environment computer system is being carried  
7 out in a cost-effective manner and meets the mod-  
8 ernization requirements of title VI of the North  
9 American Free Trade Agreements Implementation  
10 Act.

11 (c) AIR AND MARINE INTERDICTION.—Section  
12 301(b)(3) of the Customs Procedural Reform and Sim-  
13 plification Act of 1978 (19 U.S.C. 2075(b)(3)) is  
14 amended—

15 (1) in subparagraph (A) to read as follows:

16 “(A) \$183,853,000 for fiscal year 2002.”;

17 and

18 (2) in subparagraph (B) to read as follows:

19 “(B) \$188,615,000 for fiscal year 2003.”.

20 (d) SUBMISSION OF OUT-YEAR BUDGET PROJEC-  
21 TIONS.—Section 301(a) of the Customs Procedural Re-  
22 form and Simplification Act of 1978 (19 U.S.C. 2075(a))  
23 is amended by adding at the end the following:

24 “(3) By not later than the date on which the Presi-  
25 dent submits to Congress the budget of the United States

1 Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means  
 2 of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for  
 3 the succeeding fiscal year that will be necessary for the  
 4 operations of the Customs Service as provided for in sub-  
 5 section (b).”.

8 **SEC. 102. ANTITERRORIST AND ILLICIT NARCOTICS DETEC-**  
 9 **TION EQUIPMENT FOR THE UNITED STATES-**  
 10 **MEXICO BORDER, UNITED STATES-CANADA**  
 11 **BORDER, AND FLORIDA AND THE GULF**  
 12 **COAST SEAPORTS.**

13 (a) FISCAL YEAR 2002.—Of the amounts made avail-  
 14 able for fiscal year 2002 under section 301(b)(1)(A) of  
 15 the Customs Procedural Reform and Simplification Act of  
 16 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section  
 17 101(a) of this Act, \$90,244,000 shall be available until  
 18 expended for acquisition and other expenses associated  
 19 with implementation and deployment of antiterrorist and  
 20 illicit narcotics detection equipment along the United  
 21 States-Mexico border, the United States-Canada border,  
 22 and Florida and the Gulf Coast seaports, as follows:

23 (1) UNITED STATES-MEXICO BORDER.—For the  
 24 United States-Mexico border, the following:

1 (A) \$6,000,000 for 8 Vehicle and Con-  
2 tainer Inspection Systems (VACIS).

3 (B) \$11,200,000 for 5 mobile truck x-rays  
4 with transmission and backscatter imaging.

5 (C) \$13,000,000 for the upgrade of 8  
6 fixed-site truck x-rays from the present energy  
7 level of 450,000 electron volts to 1,000,000  
8 electron volts (1-MeV).

9 (D) \$7,200,000 for 8 1-MeV pallet x-rays.

10 (E) \$1,000,000 for 200 portable contra-  
11 band detectors (busters) to be distributed  
12 among ports where the current allocations are  
13 inadequate.

14 (F) \$600,000 for 50 contraband detection  
15 kits to be distributed among all southwest bor-  
16 der ports based on traffic volume.

17 (G) \$500,000 for 25 ultrasonic container  
18 inspection units to be distributed among all  
19 ports receiving liquid-filled cargo and to ports  
20 with a hazardous material inspection facility.

21 (H) \$2,450,000 for 7 automated targeting  
22 systems.

23 (I) \$360,000 for 30 rapid tire deflator sys-  
24 tems to be distributed to those ports where port  
25 runners are a threat.

1           (J) \$480,000 for 20 portable Treasury En-  
2           forcement Communications Systems (TECS)  
3           terminals to be moved among ports as needed.

4           (K) \$1,000,000 for 20 remote watch sur-  
5           veillance camera systems at ports where there  
6           are suspicious activities at loading docks, vehi-  
7           cle queues, secondary inspection lanes, or areas  
8           where visual surveillance or observation is ob-  
9           scured.

10          (L) \$1,254,000 for 57 weigh-in-motion  
11          sensors to be distributed among the ports with  
12          the greatest volume of outbound traffic.

13          (M) \$180,000 for 36 AM traffic informa-  
14          tion radio stations, with 1 station to be located  
15          at each border crossing.

16          (N) \$1,040,000 for 260 inbound vehicle  
17          counters to be installed at every inbound vehicle  
18          lane.

19          (O) \$950,000 for 38 spotter camera sys-  
20          tems to counter the surveillance of customs in-  
21          spection activities by persons outside the bound-  
22          aries of ports where such surveillance activities  
23          are occurring.



1 (P) \$390,000 for 60 inbound commercial  
2 truck transponders to be distributed to all ports  
3 of entry.

4 (Q) \$1,600,000 for 40 narcotics vapor and  
5 particle detectors to be distributed to each bor-  
6 der crossing.

7 (R) \$400,000 for license plate reader auto-  
8 matic targeting software to be installed at each  
9 port to target inbound vehicles.

10 (2) UNITED STATES-CANADA BORDER.—For the  
11 United States-Canada border, the following:

12 (A) \$3,000,000 for 4 Vehicle and Con-  
13 tainer Inspection Systems (VACIS).

14 (B) \$8,800,000 for 4 mobile truck x-rays  
15 with transmission and backscatter imaging.

16 (C) \$3,600,000 for 4 1-MeV pallet x-rays.

17 (D) \$250,000 for 50 portable contraband  
18 detectors (busters) to be distributed among  
19 ports where the current allocations are inad-  
20 equate.

21 (E) \$300,000 for 25 contraband detection  
22 kits to be distributed among ports based on  
23 traffic volume.

1 (F) \$240,000 for 10 portable Treasury  
2 Enforcement Communications Systems (TECS)  
3 terminals to be moved among ports as needed.

4 (G) \$400,000 for 10 narcotics vapor and  
5 particle detectors to be distributed to each bor-  
6 der crossing based on traffic volume.

7 (3) FLORIDA AND GULF COAST SEAPORTS.—  
8 For Florida and the Gulf Coast seaports, the fol-  
9 lowing:

10 (A) \$4,500,000 for 6 Vehicle and Con-  
11 tainer Inspection Systems (VACIS).

12 (B) \$11,800,000 for 5 mobile truck x-rays  
13 with transmission and backscatter imaging.

14 (C) \$7,200,000 for 8 1-MeV pallet x-rays.

15 (D) \$250,000 for 50 portable contraband  
16 detectors (busters) to be distributed among  
17 ports where the current allocations are inad-  
18 equate.

19 (E) \$300,000 for 25 contraband detection  
20 kits to be distributed among ports based on  
21 traffic volume.

22 (b) FISCAL YEAR 2003.—Of the amounts made avail-  
23 able for fiscal year 2003 under section 301(b)(1)(B) of  
24 the Customs Procedural Reform and Simplification Act of  
25 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section

1 101(a) of this Act, \$9,000,000 shall be available until ex-  
2 pended for the maintenance and support of the equipment  
3 and training of personnel to maintain and support the  
4 equipment described in subsection (a).

5 (c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR  
6 EQUIPMENT; TRANSFER OF FUNDS.—

7 (1) IN GENERAL.—The Commissioner of Cus-  
8 toms may use amounts made available for fiscal year  
9 2002 under section 301(b)(1)(A) of the Customs  
10 Procedural Reform and Simplification Act of 1978  
11 (19 U.S.C. 2075(b)(1)(A)), as amended by section  
12 101(a) of this Act, for the acquisition of equipment  
13 other than the equipment described in subsection (a)  
14 if such other equipment—

15 (A)(i) is technologically superior to the  
16 equipment described in subsection (a); and

17 (ii) will achieve at least the same results at  
18 a cost that is the same or less than the equip-  
19 ment described in subsection (a); or

20 (B) can be obtained at a lower cost than  
21 the equipment described in subsection (a).

22 (2) TRANSFER OF FUNDS.—Notwithstanding  
23 any other provision of this section, the Commissioner  
24 of Customs may reallocate an amount not to exceed  
25 10 percent of—

1 (A) the amount specified in any of sub-  
2 paragraphs (A) through (R) of subsection  
3 (a)(1) for equipment specified in any other of  
4 such subparagraphs (A) through (R);

5 (B) the amount specified in any of sub-  
6 paragraphs (A) through (G) of subsection  
7 (a)(2) for equipment specified in any other of  
8 such subparagraphs (A) through (G); and

9 (C) the amount specified in any of sub-  
10 paragraphs (A) through (E) of subsection  
11 (a)(3) for equipment specified in any other of  
12 such subparagraphs (A) through (E).

13 **SEC. 103. COMPLIANCE WITH PERFORMANCE PLAN RE-**  
14 **QUIREMENTS.**

15 As part of the annual performance plan for each of  
16 the fiscal years 2002 and 2003 covering each program ac-  
17 tivity set forth in the budget of the United States Customs  
18 Service, as required under section 1115 of title 31, United  
19 States Code, the Commissioner of Customs shall establish  
20 performance goals, performance indicators, and comply  
21 with all other requirements contained in paragraphs (1)  
22 through (6) of subsection (a) of such section with respect  
23 to each of the activities to be carried out pursuant to sec-  
24 tions 111 and 112 of this Act.

1 **Subtitle B—Child Cyber-Smuggling**  
2 **Center of the Customs Service**

3 **SEC. 111. AUTHORIZATION OF APPROPRIATIONS FOR PRO-**  
4 **GRAM TO PREVENT CHILD PORNOGRAPHY/**  
5 **CHILD SEXUAL EXPLOITATION.**

6 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
7 authorized to be appropriated to the Customs Service  
8 \$10,000,000 for fiscal year 2002 to carry out the program  
9 to prevent child pornography/child sexual exploitation es-  
10 tablished by the Child Cyber-Smuggling Center of the  
11 Customs Service.

12 (b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY  
13 CYBER TIPLINE.—Of the amount appropriated under sub-  
14 section (a), the Customs Service shall provide 3.75 percent  
15 of such amount to the National Center for Missing and  
16 Exploited Children for the operation of the child pornog-  
17 raphy cyber tipline of the Center and for increased public  
18 awareness of the tipline.

19 **Subtitle C—Personnel Provisions**  
20 **CHAPTER 1—OVERTIME AND PREMIUM**  
21 **PAY OF OFFICERS OF THE CUSTOMS**  
22 **SERVICE**

23 **SEC. 121. CORRECTION RELATING TO FISCAL YEAR CAP.**

24 Section 5(c)(1) of the Act of February 13, 1911 (19  
25 U.S.C. 267(c)(1)) is amended to read as follows:

1           “(1) FISCAL YEAR CAP.—The aggregate of  
2 overtime pay under subsection (a) (including com-  
3 muting compensation under subsection (a)(2)(B))  
4 that a customs officer may be paid in any fiscal year  
5 may not exceed \$30,000, except that—

6           “(A) the Commissioner of Customs or his  
7 or her designee may waive this limitation in in-  
8 dividual cases in order to prevent excessive  
9 costs or to meet emergency requirements of the  
10 Customs Service; and

11           “(B) upon certification by the Commis-  
12 sioner of Customs to the Chairmen of the Com-  
13 mittee on Ways and Means of the House of  
14 Representatives and the Committee on Finance  
15 of the Senate that the Customs Service has in  
16 operation a system that provides accurate and  
17 reliable data on a daily basis on overtime and  
18 premium pay that is being paid to customs offi-  
19 cers, the Commissioner is authorized to pay any  
20 customs officer for one work assignment that  
21 would result in the overtime pay of that officer  
22 exceeding the \$30,000 limitation imposed by  
23 this paragraph, in addition to any overtime pay  
24 that may be received pursuant to a waiver  
25 under subparagraph (A).”.

1 **SEC. 122. CORRECTION RELATING TO OVERTIME PAY.**

2       Section 5(a)(1) of the Act of February 13, 1911 (19  
3 U.S.C. 267(a)(1)), is amended by inserting after the first  
4 sentence the following new sentences: “Overtime pay pro-  
5 vided under this subsection shall not be paid to any cus-  
6 toms officer unless such officer actually performed work  
7 during the time corresponding to such overtime pay. The  
8 preceding sentence shall not apply with respect to the pay-  
9 ment of an award or settlement to a customs officer who  
10 was unable to perform overtime work as a result of a per-  
11 sonnel action in violation of section 5596 of title 5, United  
12 States Code, section 6(d) of the Fair Labor Standards Act  
13 of 1938, or title VII of the Civil Rights Act of 1964.”.

14 **SEC. 123. CORRECTION RELATING TO PREMIUM PAY.**

15       (a) IN GENERAL.—Section 5(b)(4) of the Act of Feb-  
16 ruary 13, 1911 (19 U.S.C. 267(b)(4)), is amended by add-  
17 ing after the first sentence the following new sentences:  
18 “Premium pay provided under this subsection shall not  
19 be paid to any customs officer unless such officer actually  
20 performed work during the time corresponding to such  
21 premium pay. The preceding sentence shall not apply with  
22 respect to the payment of an award or settlement to a  
23 customs officer who was unable to perform work during  
24 the time described in the preceding sentence as a result  
25 of a personnel action in violation of section 5596 of title  
26 5, United States Code, section 6(d) of the Fair Labor

1 Standards Act of 1938, or title VII of the Civil Rights  
2 Act of 1964.”.

3 (b) CORRECTIONS RELATING TO NIGHT WORK DIFF-  
4 FERENTIAL PAY.—Section 5(b)(1) of such Act (19 U.S.C.  
5 267(b)(1)) is amended to read as follows:

6 “(1) NIGHT WORK DIFFERENTIAL.—

7 “(A) 5 P.M. TO MIDNIGHT.—(i) If any  
8 hours of regularly scheduled work of a customs  
9 officer occur during the hours of 5 p.m. and 12  
10 a.m., the officer is entitled to pay for such  
11 hours of work (except for work to which para-  
12 graph (2) or (3) applies) at the officer’s hourly  
13 rate of basic pay plus premium pay amounting  
14 to 18 percent of that basic rate.

15 “(ii) If the regularly scheduled work of a  
16 customs officer is 4 p.m. to 12:00 a.m., the offi-  
17 cer is entitled to pay for work during such pe-  
18 riod (except for work to which paragraph (2) or  
19 (3) applies) at the officer’s hourly rate of basic  
20 pay plus premium pay amounting to 18 percent  
21 of that basic rate.

22 “(B) MIDNIGHT TO 6 A.M.—(i) If any  
23 hours of regularly scheduled work of a customs  
24 officer occur during the hours of 12 a.m. and  
25 6 a.m., the officer is entitled to pay for such



1 hours of work (except for work to which para-  
 2 graph (2) or (3) applies) at the officer's hourly  
 3 rate of basic pay plus premium pay amounting  
 4 to 25 percent of that basic rate.

5 “(ii) If the regularly scheduled work of a  
 6 customs officer is 12 a.m. to 8:00 a.m., the offi-  
 7 cer is entitled to pay for work during such pe-  
 8 riod (except for work to which paragraph (2) or  
 9 (3) applies) at the officer's hourly rate of basic  
 10 pay plus premium pay amounting to 25 percent  
 11 of that basic rate.”.

12 **SEC. 124. EFFECTIVE DATE.**

13 This chapter, and the amendments made by this  
 14 chapter, shall apply with respect to pay periods beginning  
 15 on or after 15 days after the date of the enactment of  
 16 this Act.

17 **CHAPTER 2—MISCELLANEOUS**  
 18 **PROVISIONS**

19 **SEC. 131. STUDY AND REPORT RELATING TO PERSONNEL**  
 20 **PRACTICES OF THE CUSTOMS SERVICE.**

21 (a) STUDY.—The Commissioner of Customs shall  
 22 conduct a study of current personnel practices of the Cus-  
 23 toms Service, including an overview of performance stand-  
 24 ards and the effect and impact of the collective bargaining  
 25 process on drug interdiction efforts of the Customs Service

1 and a comparison of duty rotation policies of the Customs  
2 Service and other Federal agencies that employ similarly-  
3 situated personnel.

4 (b) REPORT.—Not later than 120 days after the date  
5 of the enactment of this Act, the Commissioner of Cus-  
6 toms shall submit to the Committee on Ways and Means  
7 of the House of Representatives and the Committee on  
8 Finance of the Senate a report containing the results of  
9 the study conducted under subsection (a).

10 **SEC. 132. STUDY AND REPORT RELATING TO ACCOUNTING**  
11 **AND AUDITING PROCEDURES OF THE CUS-**  
12 **TOMS SERVICE.**

13 (a) STUDY.—(1) The Commissioner of Customs shall  
14 conduct a study of actions by the Customs Service to en-  
15 sure that appropriate training is being provided to Cus-  
16 toms Service personnel who are responsible for financial  
17 auditing of importers.

18 (2) In conducting the study, the Commissioner—

19 (A) shall specifically identify those actions  
20 taken to comply with provisions of law that protect  
21 the privacy and trade secrets of importers, such as  
22 section 552(b) of title 5, United States Code, and  
23 section 1905 of title 18, United States Code; and

1 (B) shall provide for public notice and comment  
2 relating to verification of the actions described in  
3 subparagraph (A).

4 (b) REPORT.—Not later than 6 months after the date  
5 of the enactment of this Act, the Commissioner of Cus-  
6 toms shall submit to the Committee on Ways and Means  
7 of the House of Representatives and the Committee on  
8 Finance of the Senate a report containing the results of  
9 the study conducted under subsection (a).

10 **SEC. 133. ESTABLISHMENT AND IMPLEMENTATION OF**  
11 **COST ACCOUNTING SYSTEM; REPORTS.**

12 (a) ESTABLISHMENT AND IMPLEMENTATION.—

13 (1) IN GENERAL.—Not later than September  
14 30, 2003, the Commissioner of Customs shall, in ac-  
15 cordance with the audit of the Customs Service's fis-  
16 cal years 2000 and 1999 financial statements (as  
17 contained in the report of the Office of the Inspector  
18 General of the Department of the Treasury issued  
19 on February 23, 2001), establish and implement a  
20 cost accounting system for expenses incurred in both  
21 commercial and noncommercial operations of the  
22 Customs Service.

23 (2) ADDITIONAL REQUIREMENT.—The cost ac-  
24 counting system described in paragraph (1) shall  
25 provide for an identification of expenses based on

1 the type of operation, the port at which the oper-  
2 ation took place, the amount of time spent on the  
3 operation by personnel of the Customs Service, and  
4 an identification of expenses based on any other ap-  
5 propriate classification necessary to provide for an  
6 accurate and complete accounting of the expenses.

7 (b) REPORTS.—Beginning on the date of the enact-  
8 ment of this Act and ending on the date on which the  
9 cost accounting system described in subsection (a) is fully  
10 implemented, the Commissioner of Customs shall prepare  
11 and submit to Congress on a quarterly basis a report on  
12 the progress of implementing the cost accounting system  
13 pursuant to subsection (a).

14 **SEC. 134. REQUIREMENT RELATING TO TIMELINESS OF**  
15 **PROSPECTIVE RULINGS.**

16 (a) REQUIREMENT.—

17 (1) IN GENERAL.—Subject to paragraph (2),  
18 the Commissioner of Customs shall ensure that each  
19 prospective ruling of the Office of Regulations and  
20 Rulings of the Customs Service is issued not later  
21 than 90 days after the date on which a request for  
22 the ruling is received by the Customs Service.

23 (2) EXCEPTION.—The Commissioner may es-  
24 tablish exceptions from the requirement of para-  
25 graph (1) for emergency circumstances.

1 (b) DEFINITION.—In this section, the term “prospec-  
2 tive ruling” means a ruling that is requested by an im-  
3 porter on goods that are proposed to be imported into the  
4 United States and that relates to the proper classification,  
5 valuation, or marking of such goods.

6 **SEC. 135. STUDY AND REPORT RELATING TO CUSTOMS**  
7 **USER FEES.**

8 (a) STUDY.—The Comptroller General shall conduct  
9 a study on the extent to which the amount of each customs  
10 user fee imposed under section 13031(a) of the Consoli-  
11 dated Omnibus Budget Reconciliation Act of 1985 (19  
12 U.S.C. 58c(a)) is commensurate with the level of services  
13 provided by the Customs Service relating to the fee so im-  
14 posed.

15 (b) REPORT.—Not later than 120 days after the date  
16 of the enactment of this Act, the Comptroller General shall  
17 submit to the Committee on Ways and Means of the  
18 House of Representatives and the Committee on Finance  
19 of the Senate a report containing—

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

22 (2) recommendations for the appropriate  
23 amount of the customs user fees if such results indi-  
24 cate that the fees are not commensurate with the  
25 level of services provided by the Customs Service.

## **Subtitle D—Antiterrorism Provisions**

### **SEC. 141. IMMUNITY FOR UNITED STATES OFFICIALS THAT ACT IN GOOD FAITH.**

(a) IMMUNITY.—Section 3061 of the Revised Statutes (19 U.S.C. 482) is amended—

(1) by striking “Any of the officers” and inserting “(a) Any of the officers”; and

(2) by adding at the end the following:

“(b) Any officer or employee of the United States conducting a search of a person pursuant to subsection (a) shall not be held liable for any civil damages as a result of such search if the officer or employee performed the search in good faith.”.

(b) REQUIREMENT TO POST POLICY AND PROCEDURES FOR SEARCHES OF PASSENGERS.—Not later than 30 days after the date of the enactment of this Act, the Commissioner of the Customs Service shall ensure that at each Customs border facility appropriate notice is posted that provides a summary of the policy and procedures of the Customs Service for searching passengers, including a statement of the policy relating to the prohibition on the conduct of profiling of passengers based on race.

1 **SEC. 142. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS**  
2 **OF ENTRY, OR STAFFING OF THE CUSTOMS**  
3 **SERVICE.**

4 Section 318 of the Tariff Act of 1930 (19 U.S.C.  
5 1318) is amended—

6 (1) by striking “Whenever the President” and  
7 inserting “(a) Whenever the President”; and

8 (2) by adding at the end the following:

9 “(b)(1) Notwithstanding any other provision of law,  
10 the Secretary of the Treasury, when necessary to respond  
11 to a national emergency declared under the National  
12 Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific  
13 threat to human life or national interests, is authorized  
14 to eliminate, consolidate, or relocate any office or port of  
15 entry of the Customs Service, modify hours of service,  
16 alter services rendered at any location, reduce the number  
17 of employees at any location, or take any other action that  
18 may be necessary to respond to the national emergency  
19 or specific threat.

20 “(2) Notwithstanding any other provision of law, the  
21 Commissioner of Customs, when necessary to respond to  
22 a specific threat to human life or national interests, is au-  
23 thorized to close temporarily any Customs office or port  
24 of entry or take any other lesser action that may be nec-  
25 essary to respond to the specific threat.

1       “(3) The Secretary of the Treasury or the Commis-  
 2       sioner of Customs, as the case may be, shall notify the  
 3       Committee on Ways and Means of the House of Rep-  
 4       resentatives and the Committee on Finance of the Senate  
 5       not later than 72 hours after taking any action under  
 6       paragraph (1) or (2).”.

7       **SEC. 143. MANDATORY ADVANCED ELECTRONIC INFORMA-**  
 8       **TION FOR CARGO AND PASSENGERS.**

9       (a) CARGO INFORMATION.—

10       (1) IN GENERAL.—Section 431(b) of the Tariff  
 11       Act of 1930 (19 U.S.C. 1431(b)) is amended—

12       (A) in the first sentence, by striking “Any  
 13       manifest” and inserting “(1) Any manifest”;  
 14       and

15       (B) by adding at the end the following:

16       “(2)(A) In addition to any other requirement under  
 17       this section, for each land, air, or vessel carrier required  
 18       to make entry or obtain clearance under the customs laws  
 19       of the United States, the pilot, the master, operator, or  
 20       owner of such carrier (or the authorized agent of such op-  
 21       erator or owner) shall provide by electronic transmission  
 22       cargo manifest information described in subparagraph (B)  
 23       in advance of such entry or clearance in such manner,  
 24       time, and form as prescribed by the Secretary. The Sec-  
 25       retary may exclude any class of land, air, or vessel carrier



1 for which the Secretary concludes the requirements of this  
2 subparagraph are not necessary.

3 “(B) The information described in this subparagraph  
4 is the following:

5 “(i) The port of arrival or departure, whichever  
6 is applicable.

7 “(ii) The carrier code or prefix code.

8 “(iii) The flight, voyage, or trip number.

9 “(iv) The date of scheduled arrival or date of  
10 scheduled departure, whichever is applicable.

11 “(v) The request for permit to proceed to the  
12 destination, if applicable.

13 “(vi) The numbers and quantities from the  
14 master and house air waybill, bills of lading, or  
15 ocean bills of lading.

16 “(vii) The first port of lading of the cargo.

17 “(viii) A description and weight of the cargo.

18 “(ix) The shippers name and address from all  
19 air waybills or bills of lading.

20 “(x) The consignee name and address from all  
21 air waybills or bills of lading.

22 “(xi) Notice that actual boarded quantities are  
23 not equal to air waybill or bills of lading quantities.

24 “(xii) Transfer or transit information.

25 “(xiii) Warehouse or other location of the cargo.

1           “(xiv) Such additional information that the Sec-  
 2       retary by regulation determines is reasonably nec-  
 3       essary to ensure aviation, maritime, and surface  
 4       transportation safety pursuant to those laws en-  
 5       forced and administered by the Customs Service.”.

6           (2) CONFORMING AMENDMENTS.—Subpara-  
 7       graphs (A) and (C) of section 431(d)(1) of such Act  
 8       are each amended by inserting before the semicolon  
 9       “or subsection (b)(2)”.

10       (b) PASSENGER INFORMATION.—Part II of title IV  
 11      of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is  
 12      amended by inserting after section 431 the following:

13      **“SEC. 432. PASSENGER AND CREW MANIFEST INFORMA-**  
 14                           **TION REQUIRED FOR LAND, AIR, OR VESSEL**  
 15                           **CARRIERS.**

16       “(a) IN GENERAL.—For every person arriving or de-  
 17      parting on a land, air, or vessel carrier required to make  
 18      entry or obtain clearance under the customs laws of the  
 19      United States, the pilot, the master, operator, or owner  
 20      of such carrier (or the authorized agent of such operator  
 21      or owner) shall provide by electronic transmission mani-  
 22      fest information described in subsection (b) in advance of  
 23      such entry or clearance in such manner, time, and form  
 24      as prescribed by the Secretary.

1       “(b) INFORMATION DESCRIBED.—The information  
2 described in this subsection shall include for each person  
3 described in subsection (a), the person’s—

4               “(1) full name;

5               “(2) date of birth and citizenship;

6               “(3) gender;

7               “(4) passport number and country of issuance;

8               “(5) United States visa number or resident  
9 alien card number, as applicable;

10              “(6) passenger name record; and

11              “(7) such additional information that the Sec-  
12 retary, by regulation, determines is reasonably nec-  
13 essary to ensure aviation and maritime safety pursu-  
14 ant to the laws enforced or administered by the Cus-  
15 toms Service.”.

16       (c) DEFINITION.—Section 401 of the Tariff Act of  
17 1930 (19 U.S.C. 1401) is amended by adding at the end  
18 the following:

19              “(t) The term ‘land, air, or vessel carrier’ means a  
20 land, air, or vessel carrier, as the case may be, that trans-  
21 ports goods or passengers for payment or other consider-  
22 ation, including money or services rendered.”.

23       (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall take effect beginning 45 days after the  
25 date of the enactment of this Act.

1 **SEC. 144. BORDER SEARCH AUTHORITY FOR CERTAIN CON-**  
2 **TRABAND IN OUTBOUND MAIL.**

3 The Tariff Act of 1930 is amended by inserting after  
4 section 582 the following:

5 **“SEC. 583. EXAMINATION OF OUTBOUND MAIL.**

6 “(a) EXAMINATION.—

7 “(1) IN GENERAL.—For purposes of ensuring  
8 compliance with the Customs laws of the United  
9 States and other laws enforced by the Customs Serv-  
10 ice, including the provisions of law described in  
11 paragraph (2), a Customs officer may, subject to the  
12 provisions of this section, stop and search at the  
13 border, without a search warrant, mail of domestic  
14 origin transmitted for export by the United States  
15 Postal Service.

16 “(2) PROVISIONS OF LAW DESCRIBED.—The  
17 provisions of law described in this paragraph are the  
18 following:

19 “(A) Section 5316 of title 31, United  
20 States Code (relating to reports on exporting  
21 and importing monetary instruments).

22 “(B) Sections 1461, 1463, 1465, and 1466  
23 and chapter 110 of title 18, United States Code  
24 (relating to obscenity and child pornography).

25 “(C) Section 1003 of the Controlled Sub-  
26 stances Import and Export Act (21 U.S.C. 953;

1 relating to exportation of controlled sub-  
2 stances).

3 “(D) The Export Administration Act of  
4 1979 (50 U.S.C. app. 2401 et seq.).

5 “(E) Section 38 of the Arms Export Con-  
6 trol Act (22 U.S.C. 2778).

7 “(F) The International Emergency Eco-  
8 nomic Powers Act (50 U.S.C. 1701 et seq.).

9 “(b) SEARCH OF MAIL NOT SEALED AGAINST IN-  
10 SPECTION AND OTHER MAIL.—Mail not sealed against in-  
11 spection under the postal laws and regulations of the  
12 United States, mail which bears a customs declaration,  
13 and mail with respect to which the sender or addressee  
14 has consented in writing to search, may be searched by  
15 a Customs officer.

16 “(c) SEARCH OF MAIL SEALED AGAINST INSPEC-  
17 TION.—(1) Mail sealed against inspection under the postal  
18 laws and regulations of the United States may be searched  
19 by a Customs officer, subject to paragraphs (2) and (3),  
20 upon reasonable cause to suspect that such mail contains  
21 one or more of the following:

22 “(A) Monetary instruments, as defined in sec-  
23 tion 1956 of title 18, United States Code.

24 “(B) A weapon of mass destruction, as defined  
25 in section 2332a(b) of title 18, United States Code.

1           “(C) A drug or other substance listed in sched-  
2           ule I, II, III, or IV in section 202 of the Controlled  
3           Substances Act (21 U.S.C. 812).

4           “(D) National defense and related information  
5           transmitted in violation of any of sections 793  
6           through 798 of title 18, United States Code.

7           “(E) Merchandise mailed in violation of section  
8           1715 or 1716 of title 18, United States Code.

9           “(F) Merchandise mailed in violation of any  
10          provision of chapter 71 (relating to obscenity) or  
11          chapter 110 (relating to sexual exploitation and  
12          other abuse of children) of title 18, United States  
13          Code.

14          “(G) Merchandise mailed in violation of the Ex-  
15          port Administration Act of 1979 (50 U.S.C. app.  
16          2401 et seq.).

17          “(H) Merchandise mailed in violation of section  
18          38 of the Arms Export Control Act (22 U.S.C.  
19          2778).

20          “(I) Merchandise mailed in violation of the  
21          International Emergency Economic Powers Act (50  
22          U.S.C. 1701 et seq.).

23          “(J) Merchandise mailed in violation of the  
24          Trading with the Enemy Act (50 U.S.C. app. 1 et  
25          seq.).

1       “(2) No person acting under authority of paragraph  
 2       (1) shall read, or authorize any other person to read, any  
 3       correspondence contained in mail sealed against inspection  
 4       unless prior to so reading—

5               “(A) a search warrant has been issued pursuant  
 6       to Rule 41, Federal Rules of Criminal Procedure; or

7               “(B) the sender or addressee has given written  
 8       authorization for such reading.

9       “(3) The Secretary of the Treasury shall enter into  
 10      a written agreement with the United States Postal Service  
 11      which shall provide for procedures for the search of mail  
 12      sealed against inspection pursuant to paragraph (1). Such  
 13      agreement shall provide, among other matters, for the  
 14      presence of employees of each agency, including a Customs  
 15      officer, at any search of such mail, at the locations at  
 16      which mail will be searched, and for avoiding any undue  
 17      delay in the movement of such mail.”.

18   **SEC. 145. AUTHORIZATION OF APPROPRIATIONS FOR REES-**  
 19                           **TABLISHMENT OF CUSTOMS OPERATIONS IN**  
 20                           **NEW YORK CITY.**

21       (a) AUTHORIZATION OF APPROPRIATIONS.—

22               (1) IN GENERAL.—There is authorized to be  
 23       appropriated for the reestablishment of operations of  
 24       the Customs Service in New York, New York, such  
 25       sums as may be necessary for fiscal year 2002.

1           (2) OPERATIONS DESCRIBED.—The operations  
2       referred to in paragraph (1) include, but are not  
3       limited to, the following:

4           (A) Operations relating to the Port Direc-  
5       tor of New York City, the New York Customs  
6       Management Center (including the Director of  
7       Field Operations), and the Special Agent-In-  
8       Charge for New York.

9           (B) Commercial operations, including tex-  
10      tile enforcement operations and salaries and ex-  
11      penses of—

12           (i) trade specialists who determine the  
13      origin and value of merchandise;

14           (ii) analysts who monitor the entry  
15      data into the United States of textiles and  
16      textile products; and

17           (iii) Customs officials who work with  
18      foreign governments to examine textile  
19      makers and verify entry information.

20       (b) AVAILABILITY.—Amounts appropriated pursuant  
21   to the authorization of appropriations under subsection (a)  
22   are authorized to remain available until expended.



1   **Subtitle E—Textile Transshipment**  
2                   **Provisions**

3   **SEC. 151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONI-**  
4                   **TORING BY CUSTOMS SERVICE.**

5           (a) GAO AUDIT.—The Comptroller General of the  
6   United States shall conduct an audit of the system estab-  
7   lished and carried out by the Customs Service to monitor  
8   textile transshipment.

9           (b) REPORT.—Not later than 9 months after the date  
10   of enactment of this Act, the Comptroller General shall  
11   submit to the Committee on Ways and Means of the  
12   House of Representatives and Committee on Finance of  
13   the Senate a report that contains the results of the study  
14   conducted under subsection (a), including recommenda-  
15   tions for improvements to the transshipment monitoring  
16   system if applicable.

17          (c) TRANSSHIPMENT DESCRIBED.—Transshipment  
18   within the meaning of this section has occurred when pref-  
19   erential treatment under any provision of law has been  
20   claimed for a textile or apparel article on the basis of ma-  
21   terial false information concerning the country of origin,  
22   manufacture, processing, or assembly of the article or any  
23   of its components. For purposes of the preceding sentence,  
24   false information is material if disclosure of the true infor-  
25   mation would mean or would have meant that the article

1 is or was ineligible for preferential treatment under the  
2 provision of law in question.

3 **SEC. 152. AUTHORIZATION OF APPROPRIATIONS FOR TEX-**  
4 **TILE TRANSSHIPMENT ENFORCEMENT OPER-**  
5 **ATIONS.**

6 (a) AUTHORIZATION OF APPROPRIATIONS.—

7 (1) IN GENERAL.—There is authorized to be  
8 appropriated for textile transshipment enforcement  
9 operations of the Customs Service \$9,500,000 for  
10 fiscal year 2002.

11 (2) AVAILABILITY.—Amounts appropriated pur-  
12 suant to the authorization of appropriations under  
13 paragraph (1) are authorized to remain available  
14 until expended.

15 (b) USE OF FUNDS.—Of the amount appropriated  
16 pursuant to the authorization of appropriations under sub-  
17 section (a), the following amounts are authorized to be  
18 made available for the following purposes:

19 (1) IMPORT SPECIALISTS.—\$1,463,000 for 21  
20 Customs import specialists to be assigned to selected  
21 ports for documentation review to support detentions  
22 and exclusions and 1 additional Customs import spe-  
23 cialist assigned to the Customs headquarters textile  
24 program to administer the program and provide  
25 oversight.

1           (2) INSPECTORS.—\$652,080 for 10 Customs  
2 inspectors to be assigned to selected ports to exam-  
3 ine targeted high-risk shipments.

4           (3) INVESTIGATORS.—(A) \$1,165,380 for 10  
5 investigators to be assigned to selected ports to in-  
6 vestigate instances of smuggling, quota and trade  
7 agreement circumvention, and use of counterfeit  
8 visas to enter inadmissible goods.

9           (B) \$149,603 for 1 investigator to be assigned  
10 to Customs headquarters textile program to coordi-  
11 nate and ensure implementation of textile production  
12 verification team results from an investigation per-  
13 spective.

14          (4) INTERNATIONAL TRADE SPECIALISTS.—  
15 \$226,500 for 3 international trade specialists to be  
16 assigned to Customs headquarters to be dedicated to  
17 illegal textile transshipment policy issues and other  
18 free trade agreement enforcement issues.

19          (5) PERMANENT IMPORT SPECIALISTS FOR  
20 HONG KONG.—\$500,000 for 2 permanent import  
21 specialist positions and \$500,000 for 2 investigators  
22 to be assigned to Hong Kong to work with Hong  
23 Kong and other government authorities in Southeast  
24 Asia to assist such authorities pursue proactive en-  
25 forcement of bilateral trade agreements.

1           (6) VARIOUS PERMANENT TRADE POSITIONS.—  
2       \$3,500,000 for the following:

3           (A) 2 permanent positions to be assigned  
4       to the Customs attaché office in Central Amer-  
5       ica to address trade enforcement issues for that  
6       region.

7           (B) 2 permanent positions to be assigned  
8       to the Customs attaché office in South Africa to  
9       address trade enforcement issues pursuant to  
10      the African Growth and Opportunity Act (title  
11      I of Public Law 106–200).

12          (C) 4 permanent positions to be assigned  
13      to the Customs attaché office in Mexico to ad-  
14      dress the threat of illegal textile transshipment  
15      through Mexico and other related issues under  
16      the North American Free Trade Agreement  
17      Act.

18          (D) 2 permanent positions to be assigned  
19      to the Customs attaché office in Seoul, South  
20      Korea, to address the trade issues in the geo-  
21      graphic region.

22          (E) 2 permanent positions to be assigned  
23      to the proposed Customs attaché office in New  
24      Delhi, India, to address the threat of illegal tex-

1           tile transshipment and other trade enforcement  
2           issues.

3           (F) 2 permanent positions to be assigned  
4           to the Customs attaché office in Rome, Italy, to  
5           address trade enforcement issues in the geo-  
6           graphic region, including issues under free  
7           trade agreements with Jordan and Israel.

8           (7) ATTORNEYS.—\$179,886 for 2 attorneys for  
9           the Office of the Chief Counsel of the Customs Serv-  
10          ice to pursue cases regarding illegal textile trans-  
11          shipment.

12          (8) AUDITORS.—\$510,000 for 6 Customs audi-  
13          tors to perform internal control reviews and docu-  
14          ment and record reviews of suspect importers.

15          (9) ADDITIONAL TRAVEL FUNDS.—\$250,000  
16          for deployment of additional textile production  
17          verification teams to sub-Saharan Africa.

18          (10) TRAINING.—(A) \$75,000 for training of  
19          Customs personnel.

20          (B) \$200,000 for training for foreign counter-  
21          parts in risk management analytical techniques and  
22          for teaching factory inspection techniques, model law  
23          Development, and enforcement techniques.

24          (11) OUTREACH.—\$60,000 for outreach efforts  
25          to United States importers.

1 **TITLE II—OFFICE OF THE**  
 2 **UNITED STATES TRADE REP-**  
 3 **RESENTATIVE**

4 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) IN GENERAL.—Section 141(g)(1) of the Trade  
 6 Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

7 (1) in subparagraph (A)—

8 (A) in the matter preceding clause (i), by  
 9 striking “not to exceed”;

10 (B) in clause (i) to read as follows:

11 “(i) \$30,000,000 for fiscal year 2002.”; and

12 (C) in clause (ii) to read as follows:

13 “(ii) \$31,000,000 for fiscal year 2003.”; and

14 (2) in subparagraph (B)—

15 (A) in clause (i), by adding “and” at the  
 16 end;

17 (B) by striking clause (ii); and

18 (C) by redesignating clause (iii) as clause  
 19 (ii).

20 (b) SUBMISSION OF OUT-YEAR BUDGET PROJEC-  
 21 TIONS.—Section 141(g) of the Trade Act of 1974 (19  
 22 U.S.C. 2171(g)) is amended by adding at the end the fol-  
 23 lowing:

24 “(3) By not later than the date on which the Presi-  
 25 dent submits to Congress the budget of the United States

1 Government for a fiscal year, the United States Trade  
 2 Representative shall submit to the Committee on Ways  
 3 and Means of the House of Representatives and the Com-  
 4 mittee on Finance of the Senate the projected amount of  
 5 funds for the succeeding fiscal year that will be necessary  
 6 for the Office to carry out its functions.”.

7 (c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT  
 8 U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AF-  
 9 FAIRS.—

10 (1) IN GENERAL.—There is authorized to be  
 11 appropriated such sums as may be necessary for fis-  
 12 cal year 2002 for the salaries and expenses of two  
 13 additional legislative specialist employee positions  
 14 within the Office of the Assistant United States  
 15 Trade Representative for Congressional Affairs.

16 (2) AVAILABILITY.—Amounts appropriated pur-  
 17 suant to the authorization of appropriations under  
 18 paragraph (1) are authorized to remain available  
 19 until expended.

## 20 **TITLE III—UNITED STATES** 21 **INTERNATIONAL TRADE COM-** 22 **MISSION**

### 23 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

24 (a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff  
 25 Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

1 (1) in clause (i) to read as follows:

2 “(i) \$51,400,000 for fiscal year 2002.”; and

3 (2) in clause (ii) to read as follows:

4 “(ii) \$53,400,000 for fiscal year 2003.”.

5 (b) SUBMISSION OF OUT-YEAR BUDGET PROJEC-  
6 TIONS.—Section 330(e) of the Tariff Act of 1930 (19  
7 U.S.C. 1330(e)(2)) is amended by adding at the end the  
8 following:

9 “(4) By not later than the date on which the Presi-  
10 dent submits to Congress the budget of the United States  
11 Government for a fiscal year, the Commission shall submit  
12 to the Committee on Ways and Means of the House of  
13 Representatives and the Committee on Finance of the  
14 Senate the projected amount of funds for the succeeding  
15 fiscal year that will be necessary for the Commission to  
16 carry out its functions.”.

## 17 **TITLE IV—OTHER TRADE** 18 **PROVISIONS**

### 19 **SEC. 401. INCREASE IN AGGREGATE VALUE OF ARTICLES** 20 **EXEMPT FROM DUTY ACQUIRED ABROAD BY** 21 **UNITED STATES RESIDENTS.**

22 (a) IN GENERAL.—Subheading 9804.00.65 of the  
23 Harmonized Tariff Schedule of the United States is  
24 amended in the article description column by striking  
25 “\$400” and inserting “\$800”.



1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect 90 days after the date of  
3 the enactment of this Act.

4 **SEC. 402. REGULATORY AUDIT PROCEDURES.**

5 Section 509(b) of the Tariff Act of 1930 (19 U.S.C.  
6 1509(b)) is amended by adding at the end the following:

7 “(6)(A) In any audit conducted under this sec-  
8 tion, the Secretary shall adjust any loss of revenue  
9 determined to be due under section 592(d) and any  
10 under-declarations of quantities and values attrib-  
11 utable to finally liquidated entries by the amount of  
12 any duty overpayments and any over-declarations of  
13 quantities and values attributable to finally liq-  
14 uidated entries if such overpayments or over-declara-  
15 tions were not made by the person being audited  
16 with the intent of violating any provision of law.

17 “(B) The Secretary shall prescribe regulations  
18 with respect to the use of the calculations described  
19 in subparagraph (A) for any proceeding relating to  
20 the collection of revenue or the calculation of pen-  
21 alties involving liquidated entries under section 592.

22 “(C) Nothing in this paragraph shall be con-  
23 strued to authorize a refund not otherwise author-  
24 ized under section 520.”.

○