

June 6, 2023

The Honorable Ron Wyden
Chairman
Senate Finance Committee
Washington, DC 20510

The Honorable Jason Smith
Chairman
House Ways and Means Committee
Washington, DC 20515

The Honorable Mike Crapo
Ranking Member
Senate Finance Committee
Washington, DC 20510

The Honorable Richard Neal
Ranking Member
House Ways and Means Committee
Washington, DC 20515

Dear Chairman Wyden, Chairman Smith, Ranking Member Crapo, and Ranking Member Neal:

The undersigned organizations support your efforts to modernize the nation's customs laws to meet the challenges of today's trade environment. As this work continues, we strongly urge you to include the attached trade facilitation provisions into any customs modernization legislation to protect American consumers from unsafe or harmful goods and to ensure U.S. businesses and workers can compete on a level playing field in a rapidly changing trade environment.

Trade is the lifeblood of our nation's economy. Forty million American jobs – roughly 1 in 5 – depend on trade.¹ Access to imports increases the purchasing power of the average American household by about \$18,000 annually.² Manufacturers rely on imports of intermediate goods and raw materials, which represent more than 60 percent of all U.S. goods imported, to provide high quality products at competitive prices.³

Underpinning our nation's competitiveness are the customs laws and rules that facilitate lawful trade and protect American businesses, workers, and consumers from nefarious actors seeking to introduce unlawful goods and products into our country. The last update to the nation's customs laws made under the Trade Facilitation and Trade Enforcement Act of 2015 included many important provisions but the trade landscape has changed dramatically since enactment of that law, including the explosive growth of global e-commerce, the emergence of many new actors – good and bad – in the trade environment, post-Covid supply-chain constraints and resiliency planning, and growing attention to supply chain transparency. Overall, many of these changes are positive, including a number that provide opportunities for small- and medium-sized businesses to compete in the global economy like never before. However, they also create challenges for supply chains as more participants and business models enter the space.

¹ Trade Partnership Worldwide LLC. (2020) Trade and American Jobs The Impact of Trade on U.S. and State-Level Employment: 2020 Update

https://tradepartnership.com/wpcontent/uploads/2020/10/Trade_and_American_Jobs_2020.pdf

² Hufbauer, Gary C, and Lu, Zhiyao (Lucy) (2017) The Payoff to America from Globalization: A Fresh Look with Focus on Costs to Workers. Peterson Institute For International Economics. <https://www.piie.com/publications/policy-briefs/payoff-america-globalization-fresh-look-focus-costsworkers>

³ U.S. Chamber of Commerce, "The Benefits of International Trade," January 15, 2021.

<https://www.uschamber.com/international/trade-agreements/the-benefits-of-international-trade>

U.S. Customs and Border Protection (CBP) sought to wrestle with the realities of this new trade environment by bringing together the trade community in developing the agency's 21st Century Customs Framework (21CCF). This was an important starting point to the customs modernization discussion, and we applaud CBP's decision to involve the Commercial Customs Operations Advisory Committee (COAC) and the trade community through the 21CCF Task Force in developing the 21CCF proposal – which we expect to be finalized after the next COAC meeting, scheduled for June 14th. The COAC's work reflects a rich history of CBP working in partnership with the trade community to ensure U.S. trade laws consider modern business practices, reflect that most trade is lawful, and focus CBP resources on nefarious actors seeking to undercut U.S. businesses, workers, and consumer; indeed, the Trade Act of 1974 stated the administration “shall seek... and take into account” business input in setting trade policy.

As the 21CCF effort winds down, the next step is for Congress to develop a truly comprehensive customs modernization legislative proposal. Any legislation must include a robust trade facilitation component that supports our nation's competitiveness and provides all entities with the necessary tools to combat nefarious actors. Customs modernization should not only provide CBP with appropriate authority and tools to stop unlawful trade, but to facilitate lawful trade, protect good actors, and provide opportunities for the trade community to engage with CBP in advancing its important trade mission.

Therefore, as Congress works to modernize CBP's customs authorities, we recommend that the attached priorities be included as part of a comprehensive legislative proposal. These additional proposals are necessary tools and resources to help meet the realities of today's trade landscape while also helping simplify and streamline the customs process to make U.S. businesses more competitive in the global economy.

Sincerely,

Airlines for America
American Association of Exporters & Importers
American Trucking Associations
Autos Drive America
Cargo Airline Association
Consumer Technology Association
Foreign Trade Association
National Association of Manufacturers
National Customs Brokers & Forwarders Association of America
National Foreign Trade Council
National Retail Federation
Retail Industry Leaders Association
U.S. Chamber of Commerce

CC: Members of Senate Finance Committee
Members of House Ways and Means Committee

Attachment – Coalition Priorities