

September 26, 2006 - Slaughter Sends Letter to USDA Expressing Concern over New Border Rule

FOR IMMEDIATE RELEASE

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Slaughter Sends Letter to USDA Expressing Concern over New Border Rule
Regulation Could Cost Jobs and Money at Border Crossings and Communities

Washington, DC - Rep. Louise M. Slaughter (D-Fairport), Ranking Member of the House Rules Committee, sent a letter yesterday to Mike Johanns, Secretary of the United States Department of Agriculture, expressing concern with an interim rule proposed by the Department's Animal and Plant Health Inspection Service concerning user fees for all commercial vehicles entering the United States from Canada.

The new rule would require all commercial vehicles entering the United States from Canada to pay a fee of \$5.25, as well as be subject to new agricultural inspections.

The stated intent of the interim rule is to reduce the incentive for individuals to ship ineligible agricultural products into the US. However, instead of taking a targeted approach, the USDA is pursuing a blanket user fee on all commercial vehicles, despite the fact that less than 20 percent transport agricultural products.

"We must take targeted steps to protect US agriculture from pests and disease," Rep. Slaughter said. "However, a broad user fee will not only fail to protect US crops, it will also severely hinder international commerce."

At the current time, no details have been revealed concerning either the nature of the inspections or the way in which the fee will be collected. Despite this, the USDA has stated that the rule must be implemented by November 25th, raising serious concerns that a lack of planning will result in increased congestion at the Peace Bridge and at other border crossings.

"Thousands of jobs in Western New York and northern border communities depend on the efficient functioning of our land ports of entry," Rep. Slaughter said in the letter. "To this end, new border inspection measures must carefully balance security and trade. We can have both security and commerce, but only if we promote policies that strengthen the security of the supply chain, and focus [Customs and Border Protection's] limited resources on screening high-risk shipments. This interim rule fails on both fronts."

A 2005 report by the Ontario Chamber of Commerce revealed that the United States loses \$4.13 billion a year, or \$471,000 an hour, due to border congestion. The report stated that America also stands to lose more than 17,000 jobs by 2020, and 91,000 jobs by 2030, if no action is taken to correct border delays.

The complete text of Rep. Slaughter's letter to Secretary Johanns can be found below:

September 25, 2006

The Honorable Mike Johanns

Secretary

US Department of Agriculture

1400 Independence Ave., S.W.

Washington, DC 20250

Dear Secretary Johanns,

I am writing to express my concern with the Department's Animal and Plant Health Inspection Service's (APHIS) interim rule concerning user fees for all commercial vehicles entering the US from Canada.

As you know, the northern border is a vital conduit for travel and trade. Canada is our nation's largest trading partner, and there are 13 million cross border truck trips each year. Thousands of jobs in Western New York and northern border communities depend on the efficient functioning of our land ports of entry. To this end, new border inspection measures must carefully balance security and trade. We can have both security and commerce, but only if we promote policies that strengthen the security of the supply chain, and focus CBP's limited resources on screening high-risk shipments. This interim rule fails on both fronts.

APHIS argues that the rule is necessary because Canada's import requirements and the current border inspection regime create "an incentive for people to bring agricultural commodities that may not be eligible for US import into the United States from Canada." I agree that we must take steps to protect US agriculture from pests or diseases introduced by products of other countries. However, rather than trying to work with the Canadian government to identify importers violating the rules, your agency has chosen instead to impose a blanket user-fee on all commercial vehicles, despite the fact that less than 20 percent of these vehicles carry agricultural products.

The interim rule also penalizes importers and service providers who have been diligently working with Customs and Border Protection (CBP) to secure their supply-chain. The US Trade Act requires that shippers give CBP one-hour prior notice on shipments crossing the border into the US. This allows CBP to target their inspection system process on high-risk shipments rather than pulling every truck into secondary inspection. The Customs-Trade Partnership Against Terrorism (C-TPAT) and FAST programs help CBP identify compliant import traders who have good supply chain security procedures and controls to reduce screening of their imported cargo. But under the interim rule, Canadian companies who have heavily invested in the C-TPAT and FAST programs will now have to pay a blanket APHIS inspection fee and be subject to new inspection protocols. The rule removes the incentives and benefits importers and truckers receive by participating in C-TPAT and FAST.

In addition, I am very concerned that this interim rule has the potential to increase delays at the border. According to a 2005 report by the Ontario Chamber of Commerce, the US loses \$4.13 billion a year, or \$471,000 an hour, due to border congestion. The US stands to lose over 17,000 jobs by 2020 and 91,000 jobs by 2030 if no action is taken to correct border delays. The interim rule does not provide any information on the exact nature of the new inspections process, offering only that "the inspection process may take only a few minutes or it can be quite extensive." Adding any additional inspection time to the millions of trucks that cross our international bridges will worsen a situation that is rapidly escalating into a crisis for US businesses.

The supplementary information on the interim rule does state that, "[t]he possibility of border delays occurring as a result of this interim rule due to increased inspection activity was considered; however, APHIS and CBP does not foresee that happening, since CBP will have additional employees and resources to conduct inspections." Given CBP's track record on implementing new procedures, I am skeptical that CBP will have the "additional resources and employees" in place within 90 days. The rule also fails to lay out any specifics on the fee collection. For instance, the rule does not address if the fee collection will be integrated with CBP's annual \$100 border crossing fee, or if the intention is to turn CBP personnel into toll collectors. Accordingly, this initiative threatens to jeopardize the effectiveness of CBP personnel by shifting their primary focus away from securing the border.

Further, the rule does not take into account the physical capacity of our bridges. For example, the Peace Bridge in Buffalo, which is the northern border's second busiest commercial crossing, has limited room for secondary inspection. I am concerned that this rule will send more commercial vehicles into secondary, which will in turn push traffic into the primary travel lanes, exacerbating traffic congestion at the Peace Bridge. Bridges all along our northern border are likely to face similar physical capacity problems should this rule be implemented.

I am troubled that APHIS is pursuing a broad, heavy-handed response to a specific problem that can be addressed without severe consequences for international commerce. I strongly urge the Department of Agriculture to withdraw the interim rule, and first work with importers on both sides of the border to strengthen the agricultural inspections process. An imposition of a user-fee or a new inspection regime must not be rushed.

I appreciate your attention to this request, and await your prompt response.

Sincerely,

Louise Slaughter

Member of Congress

cc. W. Ralph Basham, Commissioner, US Customs and Border Protection

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