Concerned about the economic impact of a proposed fee increase on truck shipments moving across the U.S.-Canada border, the Midwest’s state and provincial legislators are urging the U.S. Department of Agriculture to reconsider the plan.

The Midwestern Legislative Conference adopted the resolution on the final day of its four-day Annual Meeting in Nebraska. It originated from the MLC’s Midwest-Canada Relations Committee, which met on the first day of the meeting.

Several speakers at that July committee meeting talked about the unique economic relationship between the United States and Canada, in which $1.4 million in goods and services are exchanged every minute.

The countries have the largest bilateral trading relationship in the world. And the vast majority of goods traded between the United States and Canada are delivered by truck.

Trucks that cross the border into the United States are charged a fee to cover the costs of agricultural quarantine inspections. These inspections aim to keep foreign animal and plant pests and diseases from entering and establishing themselves in the United States. Fees are also paid by commercial aircraft, international airline passengers, commercial ships and rail cars.

The USDA’s Animal and Plant Health Inspection Service (APHIS) wants to reduce the fees paid by some users (international passengers and rail cars, for example) because it says “current fees for these services generate more revenue than needed to cover their costs.”

On the flip side, truck shipments would incur the largest cost increases under the proposal, which calls for a tripling of fees for trucks with transponders (from $105 to $320 per year). Fees for trucks without transponders would rise from $5.25 per crossing to $8.

According to APHIS, the fee increase on trucks is needed because “current fees do not generate sufficient revenue to cover the costs.” The federal agency notes, too, that there has not been a major adjustment in agricultural quarantine inspection fees in nearly 10 years.

Under the proposed rule, these fee increases would be imposed on all truck shipments, whether or not they contain agricultural products, and whether they are loaded or empty.

Ron Rienas, general manager of the Buffalo and Fort Erie Public Bridge Authority, told the MLC committee that this fee increase may inadvertently lead to longer delays at the border. Truckers may move to using cash in place of transponders, he said, and cash transactions take much longer to process.

Increasingly, Canada and the United States rely on cross-border supply chains to make things together. Products that are labeled “Made in Canada,” for example, often have significant U.S. content, and these components will be subject to higher fees as they make their way up and back across the border.

In addition to asking federal officials to reconsider the fee increase, the MLC resolution seeks changes in border policy — namely, moving toward the pre-clearance of products whenever possible and basing border inspections on a reasonable assessment of risks.

The resolution was submitted during the public comment period for the proposed rule, and officers of the MLC Midwest-
Canada Relations Committee have sent a letter to federal officials.

“While we recognize that there are costs associated with maintaining a well-functioning border, the increased inspection fees place a heavy burden on Canadian products,” the letter reads. “Canadian imports will be disproportionately affected as compared to imports from most other countries, whose products are most often shipped by other modes of transportation.”

By:
Friday, August 22, 2014 at 10:00 AM

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