



American Trucking Associations (ATA) Position Paper

ISSUE: Proposed Rule by Animal Plant and Health Inspection Service (APHIS) to Increase Agricultural Quarantine Inspection (AQI) Fees

INTRODUCTION & BACKGROUND

On April 24, 2014, APHIS issued a Notice of Proposed Rulemaking (NPRM) seeking to mostly raise the AQI fees for various transportation modes, including commercial trucks operating at Ports of Entry (POE) along the U.S. borders with Canada and Mexico. Comments to the NPRM are due on July 24, 2014.

In the NPRM, APHIS proposes to raise AQI fees for border truck crossings as follows:

- Single crossing: Current: \$5.25 Proposed: \$8.00 (45% increase)
- Decal transponder: Current: \$105.00 Proposed: \$320.00 (205% increase)

ATA POSITION

ATA and its members are very concerned about large and arbitrary increases in border fees that incorporate unrelated operational costs within the fee structure that are beyond the scope of the intended inspection fee.

ATA supports paying reasonable fees for specific inspection activities at POEs to enforce regulations to reduce or eliminate the introduction of unwanted pests or smuggled goods that could damage agriculture or other U.S. economic sectors. However, such fees must be related to the inherent function for which these fees are being charged rather than to pay for other fundamental governmental functions that are outside of the service provided by the fee. As such, ATA cannot support APHIS' proposed fee increases.

ISSUES OF CONCERN

Multiplicity of Border Inspection Fees – In addition to AQI fees, motor carriers are required to pay an additional fee for U.S. Customs and Border Protection (CBP) for commercial vehicles inspections – Single crossing: \$5.50, Annual decal/transponder: \$100 (\$205 for combined present APHIS/CBP decal). ATA is concerned about potential double billing of fees to pay for agricultural inspectors who are part of CBP's workforce as it was established under the "One-Face-at-the Border" initiative. When CBP was created under the Department of Homeland Security (DHS), the agency combined customs, immigration and agricultural inspectors from three separate agencies into one. Industry is seeking clarification and justification from USDA and CBP for how these separate fees are specifically expended or accounted for.

Executive Order 13563 – EO 13563 requires regulatory agencies to involve public participation, including affected stakeholders. APHIS made no effort to involve the affected stakeholders, only holding a conference call a week before the agency published the NPRM in the *Federal Register*. EO 13563 also requires federal agencies to integrate their regulatory efforts when there are overlapping regulatory requirements. Charging a separate AQI fee for inspecting commercial vehicles that CBP is already charging for, and where CBP inspectors are performing those duties, is a redundant and unnecessary fee collection.

Impact on North American Trade Relations – At a time when U.S. government and industry representatives are working with their North American Free Trade Agreement (NAFTA) counterparts and key trading partners in developing initiatives to facilitate trade and commerce among the three nations, a proposal to increase fees runs counter to the efforts to harmonize and improve regulatory coordination as well as facilitate cross-border efficiency. Under the Regulatory Cooperation and Coordination (RCC) effort and the Beyond the Border Initiative with Canada, in addition to the High Level Working Group established with Mexico, increasing AQI fees that directly impact cross-border NAFTA trade does not support a policy for reducing regulatory and trade burdens, nor increasing and facilitating trade flows with two of our largest trading partners.

Higher Decal/Transponder Fees will Have Negative, Unintended Consequences – As CBP continues to try to increase participation by motor carriers to buy the transponder for their cross-border trucks to improve efficiency by eliminating individual cash transactions at POEs, increasing the cost for the transponders is likely to result in fewer motor carriers purchasing the transponders. Instead, carriers are more likely to have drivers pay the fees individually at the gate during every crossing. This will dramatically increase processing times at POEs, escalate the workload for CBP officers at the booths requiring them to account for and provide the necessary bills and coins to make change for drivers, resulting in additional back-ups and congestion at our land border POEs.

ATA has filed formal comments to APHIS expressing these and other concerns. If you have any additional questions or need more information, please contact ATA.

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