



The American Companies

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Lawmakers call for trial run of new cargo security rule

By Chris Strohm *Congress Daily* August 7, 2008

A bipartisan group of House lawmakers want the Homeland Security Department to delay a cargo security rule from taking effect, saying it would likely disrupt the balance between security and commerce. The department's Customs and Border Protection unit drafted the new rule in response to a major port security law enacted in 2006, when Republicans controlled the body.

The rule would require importers to submit 10 new categories of data on cargo containers before they are shipped to the United States by sea. Customs could put the rule into effect as early as November.

But in a letter to Homeland Security Secretary Michael Chertoff and CBP Commissioner Ralph Basham, the lawmakers say Customs should do a test program with a small group of importers to see what impact the rule will have before it goes into effect worldwide. They said the rule could create delays in the import supply chain.

"These delays undermine the agency's trade facilitation objective," says the letter, spearheaded by Rep. Earl Blumenauer, D-Ore., and signed by 19 other lawmakers, several of whom serve on the Ways and Means Committee. The letter comes after an intense lobbying effort to delay the rule by the nation's largest business and trade associations, including the National Association of Manufacturers and the Telecommunications Industry Association. The groups specifically targeted their lobbying effort at the Ways and Means Committee. They estimate the rule could cost industry \$20 billion, which they say are costs that will likely be passed on to U.S. consumers.

"Department of Homeland Security Secretary Chertoff needs to step back and take a hard look at this rule," NAM President John Engler said in a statement Wednesday. "It could have a serious impact on our economy and national security." He added: "A prototype program is the best method for evaluating the impact of the proposed rule on national security and trade facilitation and for identifying ways to improve the rule before the government and industry invest billions of dollars to comply."

The lawmakers said estimates vary on how much delay in commerce the proposed rule might create. "CBP estimates a 24-hour delay for the first year, dropped to a 12-hour delay thereafter," they wrote Chertoff. "The business community, however, has documented that applying the rule in real time to company supply chains will delay cargo by 2-5 days depending on the complexity of the supply chain."

They said they believe the rule would have a negative impact on importers' supply chains, many of which rely on just-in-time deliveries. Shipping delays would increase the possibility that cargo containers could be tampered with if forced to sit at foreign ports, the lawmakers said. "In light of these reasonable concerns, we suggest that Customs consider enacting a real time pilot program with a small but diverse group of volunteer importers before full scale implementation of the rule," they wrote. Customs did not respond to requests for comment.

The American Companies

250 Moonachie Road (HQ Office - Full Service)
Moonachie, NJ 07074 (201-478-4600)

400 Oceangate, Suite 1106 (Full Service)
Long Beach, CA 90802 (562-435-2327)

881 Route 83 (Full Service)
Bensenville, IL 60106 (630-860-0782)

Domestic USA Ground Operations
Domestic USA Air Operations
Asheville NC 828-974-3001

3PL Locations
Fairview, NJ
Santa Fe Springs, CA