

From Brigham A. McCown, Chairman of the Alliance for Innovation and Infrastructure

Members of Congress recently re-introduced a bipartisan bill aimed at ensuring efficient and expedient cross-border shipments for the trucking industry. The Residue Entries and Streamlining Trade, or REST Act, is aimed at removing an absurd regulatory interpretation by Customs and Border Patrol (CBP).

At issue is a seemingly straightforward issue involving U.S. trade. When a U.S. energy product such as gasoline or chemicals are exported to Canada, getting the empty container back into the country has, thanks to the U.S. Government, become quite an impediment to cross-border trade.

The returned shipping container usually retains a small amount of residue from the exported product. Think about drinking a cup of coffee, or a cola. Even when finished, a minute amount remains in the cup. In other words, even after the goods are unloaded, a little bit of liquid, dust, or other product remains in the tanker truck or container. Therein lies the issue. To the normal person, this tiny "residue" is not a bit deal. The CBP however says it constitutes a product trying to be imported into the country. That's right, the tiny bit of liquid remaining in the tank is an import, never mind the fact that the residue, well, came from the U.S. in the first place.

What should have been a straightforward answer has instead become a 'residual' mess of inexplicable bureaucratic nonsense. Without this Act, shippers will need to invest in systems to clean the containers before crossing the border to avoid being required to classify, enter, and manifest each shipment as a commodity, even if the container is empty.

The additional cost from complying with this standard is set at an estimated \$17 million for truck entries and \$9.5 million for rail entries for cross-border traffic with Canada. This figure does not represent the costs associated to implementing the same infrastructure for the southern border of Mexico.

This process, and the resulting lack of clarity from the government has caused supply chain disruptions which needlessly results in border congestion and delays, which ultimately manifests itself in increased costs and lost productivity. Passing this bill encourages cross border trade while also providing CBP with the necessary guidance and flexibility needed to ensure the efficient flow of cross border commodities. The widely supported bill improves transportation for a range of goods including, grain, dairy, cement, and petroleum products.

These overbearing regulations, which lack a nexus to any area within CBP's jurisdiction, cannot find a basis in prudent economic, safety, or security underpinnings. Rather they are simply a headache to those battling with the federal bureaucracy. Nonsensical policy decisions, such as this, needlessly stymie economic growth, undermine the free-market economy, and create inefficiencies, which add needless costs to good and services.

With over 10 million truck and train containers crossing the border every year, the extra costs and delays on these shipments alone speak to the necessity of this bill. Passing the REST Act sends a powerful message to CBP aimed at encouraging and fostering prudent policy decisions based on plain old common sense.