



April 12, 2007

The Honorable Joseph I. Lieberman  
Chairman  
Committee on Homeland Security and  
Government Affairs  
United States Senate  
Washington, DC 20515

The Honorable Susan M. Collins  
Ranking Member  
Committee on Homeland Security and  
Government Affairs  
United States Senate  
Washington, DC 20515

The Honorable Bennie G. Thompson  
Chairman  
Committee on Homeland Security  
United States House of Representatives  
Washington, DC 20515

The Honorable Peter T. King  
Ranking Member  
Committee on Homeland Security  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Lieberman, Chairman Thompson, Ranking Member Collins, and Ranking Member King:

On behalf of the U.S. Chamber of Commerce and BUSINESSEUROPE, we are writing to express our strong objection to provisions of H.R. 1, "Implementing the 9/11 Commission Recommendations Act of 2007," which would require 100% overseas scanning of cargo containers. As passed by the House, these provisions threaten to disrupt the global flow of trade, and would impose costly mandates on transatlantic business without providing additional security. As you prepare to convene a conference committee to resolve differences between the House and Senate bills, we strongly urge you to strike the 100% cargo scanning provisions.

The U.S. Chamber of Commerce and BUSINESSEUROPE are the world's largest business federations, representing millions of businesses and organizations of every size, sector, and region. Collectively, our members are responsible for the vast majority of the transatlantic commercial relations.

The transatlantic economy is, by a wide margin, the deepest and broadest commercial relationship in the world, accounting for almost 40% of world trade and employing up to 14 million workers. Trade flows between the U.S. and EU total an estimated \$550 billion a year.

Requiring 100% scanning and sealing of all of the estimated 11-12 million maritime containers loaded onto vessels bound for the United States would impose considerable costs and compliance burdens on international businesses and would lead to significant delays. Ultimately, these costs would be passed on to U.S. consumers in the form of higher prices for all imported goods. The 100% scanning requirement directly contravenes the U.S. Department of Homeland Security's (DHS) existing risk-based approach to security, which we support. Additionally, the 3-5 year implementation timeline required in the legislation is unrealistic.



Our organizations are very concerned that the United States, by unilaterally imposing 100% scanning and sealing requirement on its trading partners, would invite other countries, including the EU, to impose reciprocal requirements on American exports. Forcing businesses to comply with numerous and burdensome security requirements would severely damage global supply chains. As a result, the 100% scanning requirement would have a substantially negative impact on trade flows, and lead to a loss of jobs in both the EU and in the United States.

Instead, we firmly believe the United States and the EU should address container security as part of established, multilateral institutions, such as the World Customs Organization and the International Maritime Organization. Furthermore, the new provisions undermine all existing customs security initiatives based on risk analysis and targeted inspections on which the EU and the U.S. have been working, together with business, during the last few years. The measures also fail to take into account the controls that businesses impose on their own supply chains, something that is now inherent to the competitiveness of many successful global enterprises.

DHS is currently conducting the Secure Freight pilot programs in multiple overseas ports, as required by the recently-enacted SAFE Port Act of 2006. The pilots are necessary to address unresolved issues related to container scanning, including response protocols, CBP staff allocations, and data storage and transmission issues. Congress should allow DHS to conduct and review the results of these pilots before even considering imposing a costly mandate to require 100% scanning of containers, using unproven technologies and systems.

In conclusion, the Chamber and BUSINESSEUROPE strongly oppose these 100% scanning requirements in H.R. 1. We urge you to remove these provisions in conference.

Sincerely,

R. Bruce Josten  
Executive Vice President  
Government Affairs  
U.S. Chamber of Commerce

Philippe de Buck  
Secretary General  
BUSINESSEUROPE