

USTR Port Service Fee Revision

SPEAKERS

Dan Halstrom, John Herath

John Herath 00:00

The U.S. Trade Representative has responded to concerns by industry over a plan to impose fees designed to boost the U.S. shipbuilding industry. U.S. Meat Export Federation President and CEO Dan Hallstrom explains why exporters wanted changes to the proposed port service fees.

Dan Halstrom 00:13

Not only in regards to potential higher costs in general, but one of the key components of that would be relatively high fees imposed on ocean vessels every time these ships stopped at any U.S. port of call. So not only would these fees be passed on to cargo owners through the higher shipping fees, but one of another concerns was that there would be potential service reductions in some of the key ports. One of those key ports being Oakland, which just so happens to be one of the highest volume ports for our high quality chilled US beef import going into the Asian markets.

John Herath 00:52

A revised port service fee plan released by USTR late last week will no longer impose fees on every port call. The revised plan also eases the burden on smaller vessels serving markets such as Central America and Colombia.

Dan Halstrom 01:05

First of all, the fees will be assessed on a per voyage basis versus a port of call basis. And also a maximum of five times per year is all that any given vessel could be charged. So definitely an improvement from where we were. In addition, there will be a fee assessment schedule based on net tonnage versus on charging a flat fee for every port of call. Lastly, in the same category, there's an improvement in the sense that some of the shorter haul routes into key destinations such as Central America and Colombia, for example, and U.S. beef and pork, the schedule is much more attractive in terms of fees and a lower per pound basis impact. USTR, in fact, did listen to the industry and the concerns that we had. You know, anything that adds cost to the process is always a concern. But compared to the original proposal, we are very encouraged by these improvements that USTR has made.

John Herath 02:06

For more please visit USMEF.org. For the U.S. Meat Export Federation. I'm John Herath.