

Business, feds condemn new border fee proposal



A commuter pays a toll at the Detroit-Windsor Tunnel before entering the United States, Sunday, April 21, 2013. (DAX MELMER/The Windsor Star)



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The U.S. Department of Homeland Security's plan to consider charging a fee for pedestrians and vehicles crossing the Canadian and Mexican borders by land triggered an immediate counterattack Monday by local business and Canadian government leaders.

Windsor Essex Regional Chamber of Commerce president Matt Marchand has spent much of the past couple of days networking with chambers across Ontario and at the national level to ensure the proposal is defeated.

Canada's Foreign Affairs Department also issued a statement Monday saying Canada will vigorously lobby American politicians to have the idea scrapped.

"I was definitely surprised by this," said Marchand, who added the reaction from local business has been universally negative.

"They looked at a border fee in 1996, but they never implemented it owing to the outrage in the business community on both sides of the border. The full force of the various chambers on both sides of the border will be leveraged against this."

American DHS secretary Janet Napolitano outlined her organization's need for new revenue streams to hire more border guards and cover the growing cost of increasing cross-border security.

A proposal for the 2014 budget will examine the feasibility and cost of adding the fee. One idea is to simply tack the fee on to the tolls collected at existing border crossings.

Currently, all airline tickets to the U.S. have a \$2.50 security fee included in the price of the ticket.

According to DHS statistics, more than 300,000 people a day cross the U.S.-Canada border, with the two Windsor crossings forming the most important international corridor in North America.

In 2012, total trade between the countries reached nearly \$600 billion. About 25 per cent of all trade and traffic comes through Windsor-Detroit with a value of \$500-million dollars a day.

"It (fee) isn't going to create revenue, it'll cost revenue," Marchand said. "Our economies are intertwined.

"Imposing these fees will be injurious to the Windsor and Ontario economies as well as Detroit and Michigan economies.

"We're trying to remove impediments to trade, not add them."

The automotive industry on both sides of the border would be significantly affected by any new fees.

With thousands of crossings both ways each day, the Windsor border supports more than \$100 billion of automotive trade each year.

Chrysler alone has over a 1,300 cross-border shipments of cars, trucks and parts each day locally.

Canadian Chamber of Commerce president and CEO Perrin Beatty Beatty said he first became aware of the fees when U.S. congressman Brian Higgins of Buffalo raised the issue after noticing the proposal buried in a 2014 budget study.

The Democratic congressman, who is on the House of Representatives Homeland Security Committee, has vowed to spike the idea.

"Putting up barriers to regional and bi-national commerce is the absolute last thing we should be doing," wrote Higgins on his website.

"I was shocked to see a proposal for a new toll at the northern border and I will fight to put the brakes on this shortsighted fee."

Beatty agreed the fee is a money grab to fund DHS programs on the backs of travellers.

“That’s precisely what it is,” Beatty said. “It’s not feasible economically or politically.”

Beatty said he’s already contacted the federal government along with Canada’s embassy in Washington to lobby against the fee.

In addition to the various chambers of commerce across Canada, Beatty has also contacted his colleagues at the U.S Chamber of Commerce where he knows he has a friendly ear on this issue.

“The U.S. Chamber of Commerce is by far the most influential business group in the U.S and they’ve been consistently against anything that makes it more difficult at the border,” Beatty said. “It hurts both economies.”

Beatty said this is more than just a trade issue.

He pointed out the 70,000-member Canadian Snowbirds Association came out strongly opposed to the fee Monday.

Canadian travellers spend more than \$21-billion annually in the U.S.

and “this is going to affect states well away from the border,” Beatty said.

“If you keep making it more expensive and harder to cross the border, people will reach a point where they just won’t bother.”

Beatty admitted getting U.S. business, politicians and citizens onside is the key to success.

“They’re going to listen to their own citizens first before they listen to us,” Beatty said.

Both Marchand and Beatty expressed frustration this issue has arisen a few months after Prime Minister Stephen Harper and U.S. President Barack Obama had agreed to the Beyond the Border accord.

The agreement was aimed at streamlining trade and travel between the countries.

“It (fee) doesn’t violate (the act), but it directly contradicts the intent of the accord,” Beatty said.

“We all want transparency and to make it easier for legitimate travelers and commerce to cross the border.”