

**North American
Export Grain
Association, Inc.**



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August 13, 2007

Animal and Plant Health Inspection Service (APHIS), USDA
Regulatory Analysis & Development
PPD, APHIS
Station 3A-03.8
4700 River Road
Unit 1 18
Riverdale, Maryland 20737-0137

Re: User Fees: Export Certification for Plant & Plant Products - 7 CFR Part 354, Docket No. API-IIS-2006-0137

Thank you for this opportunity to comment on the proposed increase in user fees for Export Certification for Plant & Plant Products. These comments are primarily based on the input and consideration of the membership of the North American Export Grain Association (NAEGA) a not for profit trade association, established in 1912. NAEGA consists of private and publicly owned companies and farmer-owned cooperatives that are involved in and provide services to the bulk grain and oilseed exporting industry. NAEGA's mission is to promote and sustain the development of commercial export of grain and oilseed trade from the United States. NAEGA acts to accomplish this mission from its office in Washington D.C., and in markets throughout the world. NAEGA member companies ship and provide services for practically all of the bulk grains and oilseeds exported each year from the United States.

In advance of commenting specifically to the proposed fee increase I would like to acknowledge the ongoing work of APHIS, in cooperation with our industry, to facilitate trade and improve the efficiency, cost and overall performance of the official system supported by the user fees that are the subject of the proposed increase. NAEGA strongly supports the APHIS mission and wishes to express our gratitude for the work of the many highly effective and professional staff of APHIS that are working successfully to support the APHIS mission and facilitate trade.

Please accept this comment as opposing the proposed increase and supporting a new constructive dialog with users to fully examine a more appropriate approach in providing for these important services. We are most interested in working with APHIS to provide for alternative solutions for any warranted change in fee schedules that fairly reflect costs and optimize operational economies provided from scale and technology.

Concerns with the proposed fees are many. Ultimately the increase is not justified and will act to the competitive disadvantage of US agricultural exports. For example it is doubtful that the proposal adequately takes into account:

1. In the case of most grain and oilseeds exports, most of the cost of sampling, examination and documentation to complete official phyto-sanitary certification is provided for under separate user fees paid to the USDA/GIPSA/FGIS;
2. Significant innovation and deployment of cost and time saving technology including digital electronic communications. For example deployment of the Phytosanitary Certificate Issuance and Tracking System developed by APHIS has just begun and has considerable potential to lower operating costs
3. Full accounting and accommodation for efficiencies gained from volume, user contribution, utilization of private sector contracting and coordination with other Federal agencies.
4. Impact on US competitiveness and the agricultural economy from an effective doubling of fees “to reflect the anticipated costs”.

These and other important concepts should be taken into account and fully vetted with users in order to develop an acceptable proposal for an amendment to fees.

We are looking forward to working with USDA / APHIS in this regard. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Gary C. Martin". The signature is written in a cursive style with a large initial "G" and "M".

Gary C. Martin
President and CEO
NAEGA