



October 5, 2009

The Honorable Tom Vilsack
Secretary of Agriculture
1400 Independence Avenue, SW, Room 200-A
Washington, DC 20250

Dear Secretary Vilsack:

On behalf of the 362,000-member National Taxpayers Union (NTU), I urge you to cancel a 10 percent Animal and Plant Health Inspection Service (APHIS) fee increase on international air arrivals, which was scheduled to take effect last week. Although we understand that implementation of this plan has now been postponed by one month to November 1, the proposal remains an ill-timed and unjustifiable burden on the traveling public as well as the economy.

While NTU has traditionally contended that fees, when they are collected and used for a specific service that only government can perform, are acceptable, we are concerned about this particular increase for several reasons.

First, air travel taxes are too high at their present levels. Between January 2005 and today, the APHIS fee has risen by 61 percent. If the latest proposed jump takes place, by the beginning of 2010 APHIS fees will have risen by the equivalent of 77 percent – a mind-numbing figure that far exceeds any rational fiscal measurement such as inflation, international travel growth, or new technological costs. Indeed, during the current recession, international air travel demand has been *decreasing*. Raising the price of such travel certainly won't reverse this trend.

Some officials argue that beyond percentages, the actual monetary impact of raising the APHIS fee by 50 cents will be minimal. We would counter that despite Washington's fondness of the word "trillion," this additional \$40.2 million imposition on passengers is significant and consequential. This is especially true because the typical "bargain fare" international airline ticket can easily carry a combined tax and fee burden of 25 percent. That is a substantially higher rate than a middle-class American would face when filing a 1040 individual income tax return.

Second, although \$40.2 million exacts a heavy toll upon passengers and the airlines that serve them, we question whether such a sum is necessary at all. NTU would advise looking for ways to cut costs by increasing efficiency, contracting with private companies, or scaling back personnel and operations in light of lower demand.

If USDA can somehow provide what it considers to be justification for this sum, taxpayers could still be forgiven for having some skepticism. After all, in 2010, USDA projects it will spend \$28 billion in non-mandatory, discretionary outlays. Even with restrictions Congress places on some of this funding, shifting 0.14 percent of this amount from lower priorities toward APHIS should not be a Herculean task. Indeed, when President Obama directed federal agencies

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to develop administrative spending reductions totaling \$100 million for FY 2010, your department identified nearly \$5 million of opportunities to cut expenditures – efficiencies as simple as utilizing Web conferencing and no longer painting newly purchased vehicles.

Finally, just as we noted in a December 2004 letter to the Bush Administration, which was considering an APHIS fee increase at the time, the method by which this charge is being raised lacks transparency. As in 2004, USDA is attempting to implement the fee hike through an “emergency” Interim Rule, claiming exemption from the normal rule-making structure out of “good cause.” Yet, no such cause has been even remotely demonstrated. In this case, advance notice and comment procedures are practical, necessary, and in the public interest.

We have long held that unelected bodies should have little authority to impose new or increased taxes, fees, and charges. This is because taxpayers are not given the opportunity to hold the officials they elected to represent them directly responsible for the decision. The admittedly imperfect but still preferable legislative process of hearings and debate provides at least some measure of this accountability. By wielding the Interim Rule in this manner, USDA is only proving that no discretionary power to adjust fees can be safely entrusted in the hands of an Executive Branch agency.

NTU certainly understands the need to protect America’s borders against dangerous and unwanted entrants, but this sort of arbitrary and secretive tax increase, with no discussion of alternatives, is the wrong way to operate. Taxpayers hope that you will rescind this proposal entirely, in order to allow for more thoughtful consideration of a policy directly affecting them.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Sepp", with a stylized flourish at the end.

Pete Sepp
Vice President for Policy and Communications