

BREAKING! IMPORTERS GET COST-BENEFIT CONSIDERATION, BUT YOU DON'T

The Department of Homeland Security just blew off a deadline, last Thursday, to scan all US-bound shipping containers.

The Department of Homeland Security was given until this month to ensure that 100 percent of inbound shipping containers are screened at foreign ports.

But the department's secretary, Janet Napolitano, informed Congress in May that she was extending a two-year blanket exemption to foreign ports because the screening is proving too costly and cumbersome. She said it would cost \$16 billion to implement scanning measures at the nearly 700 ports worldwide that ship to the United States.

Instead, the DHS relies on intelligence-gathering and analysis to identify "high-risk" containers, which are checked before being loaded onto ships. Under this system, fewer than half a percent of the roughly 10 million containers arriving at U.S. ports last year were scanned before departure. The DHS says that those checks turned up narcotics and other contraband but that there have been no public reports of smuggled nuclear material.

You'll see discussions about this measuring the relative danger of shipping containers: the possibility terrorists could ship a nuke or weapons to the US using a shipping container. You'll see Janet Napolitano's purportedly

prohibitive cost—\$16B—as rationale not to implement 100% scanning.

But what you won't see is a discussion of why you have to be scanned not only every time you return to the US from another country, but every time you get on a plane, while cheap plastic goods from China don't have to be.

The underlying message, though, after spending \$360B implementing security measures that inconvenience you, many of which have no real effect on security, \$16B is suddenly too much to spend on security measures on shipping.

Of course that's not the cost Napolitano's concerned about. She's concerned about the cost the time delay of scanning shipping containers has on imports. She's worried that implementing security measures will raise the price of cheap plastic goods from China.

Perhaps that might make US-manufactured goods more competitive against imports?

Of course, the \$360B Homeland Security has paid on security infrastructure—including things like \$170,000 backscatter machines at every airport, for example—doesn't pay for the extra time it takes you to get through an airport, the extra time it takes you to drive rather than fly on closer trips, the decline in airline travel because flying is a pain in the ass., the actual fees the airlines charge you for the privilege of undergoing security theater before you get on a plane.

You are being asked to pay the security costs of your plane travel, but importers are not asked to pay the security externalities of shipping cheap goods to the US that undercut American manufactured goods. If something does blow up at a port, we'll all be paying that price because Napolitano and her predecessors refused to ask shippers to pay their fair share.

This is a good time to talk about scanning shipping containers for security reasons. But it's also a good time to ask why you're treated

with less respect than importers are.

One more point: scanning shipping containers would not just help prevent terrorism. It would help fight the war on drugs, counterfeits, illegal immigration, all of which use shipping containers to violate the borders of the US too. Precisely the same "wars" the Administration has fought so ruthlessly elsewhere would benefit from scanning shipping containers too.

But still the importers' concerns win out.