

EPB



COMMONWEALTH of VIRGINIA

Virginia Port Authority
600 World Trade Center
Norfolk, Virginia 23510-1679
Telephone (757) 683-8000
Fax (757) 683-8500

J. Robert Bray
Executive Director

BOARD OF COMMISSIONERS

John G. Milliken *Chairman*
E. Massie Wilentz, Jr. *Vice Chairman*
Robert C. Barclay, III
Joe B. Fleming
Mark B. Goodwin
William M. Grace
Jonathan Johnny Johnson
Virginia M. Murphy
Michael J. Quinn
Ranjit K. Sen
Deborah K. Stearns
J. Braxton Powell *State Treasurer*

March 7, 2006

Via Facsimile: (202) 690-2221

Mr. Richard Chavez
Manager, Export Programs
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250-0551

Re: Procurement of Commodities for Foreign Donation
Commodity Credit Corporation, USDA
7 CFR Part 1496, RIN 0560- AH39

Dear Mr. Chavez:

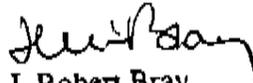
It is the position of the Virginia Port Authority that a change in the current rule for the procurement of donation commodities from a two step bid system to a one step bid system may have a dramatic impact on the port distribution of donation commodities. We do not feel that this proposed rule change has been analyzed and/or explained in enough detail to allow the stakeholders in this business to assess the likely impact on their business level. We would like to see more analysis and testing of the proposed rule change on the port distribution of these commodities before being in a position to support any such change. There has been a significant investment made in both facilities and equipment by industry in our port community to receive and handle these donation commodities. These investments were made to support this business with a long-term focus, and these stakeholder/partners should be allowed to participate in a full and open review prior to the implementation of any procedural change that could significantly impact their business.

March 7, 2006

Page 2

It is our position that any rule change in the procurement of donation commodities be postponed until completion of thorough testing and determination of the expected changes in commodity port distribution and overall program cost benefits. Only after such an analysis is completed, and the findings are shared, can any port realistically measure the impact of the rule change. We certainly would support a rule change that significantly lowers the costs of the overall donation programs. However, we feel that it is premature to implement the proposed rule change without a determination of the impact to local port business and a thorough analysis of whether such impact, if material, has attendant program cost benefits to justify a material adverse port impact.

Yours truly,


J. Robert Bray
Executive Director

jla