EXECS: NEW RULES HURT BUSINESS

COMPLAINTS ON THE RISE

The meeting at the Biltmore Hotel in Coral Gables, titled New antiterrorism rules threaten a range of South Florida industries, from language schools to surgery wards, and may well cause more damage in the coming months, local business leaders said Friday.

Describing the array of visa restrictions, port safeguards and money-laundering rules out of Washington as misguided and overly strict, executives and industry analysts urged the Bush administration to scale back some rules and drop plans to introduce others.

"I think we should not burn down the house to catch the rat," said Mariano Fernández, senior vice president at Miami's Ocean Bank, at the GreaterMiami Chamber of Commerce symposium.

"Checkpoints, not Chokepoints," echoed complaints by business groups across the country that the administration's war on terrorism has been causing too much collateral damage on the economic home front.

The talk mirrored a study, released by the Chamber of Commerce in October, that warned that South Florida's economy, given its dependence on foreign visitors and investments, was particularly vulnerable.

Cresencio Arcos, the Homeland Security Department's director of international affairs, offered little rebuttal in his keynote address. He agreed that some rules were overaggressive and acknowledged that the federal government had not allocated enough money for the face-to-face interviews now required for thousands of U.S. visa applicants around the world.

'UNFUNDED MANDATE'

"The danger here is we're in a situation almost bordering on an unfunded mandate," said Arcos, a former ambassador and AT&T executive.

"We need so many people to deploy to the field. It's a costly enterprise."

Administration officials have said there are not enough consular workers to handle the interviews, and President Bush has proposed increasing antiterrorism spending by almost 10 percent. Arcos said he was commenting on the current funding situation, not looking ahead to the future.

Friday's discussion touched on a fault line between federal regulators and business that is at once familiar and sensitive in matters of terrorism. Every business leader who spoke said he supported efforts to root out terrorists in the United States and abroad but questioned the usefulness of some of the new rules.

Gregory Baldwin, a money-laundering specialist at the law firm of Holland & Knight, compared the danger posed to businesses by the new laws to the Roman conquest and questioned whether they would create "a wasteland" in order to achieve "peace."

Shane Ham, a senior policy analyst for the Progressive Policy Institute, a think tank linked to Democrat causes, said it was impossible to combat terrorism without causing industry headaches.
UNAVOIDABLE 'COSTS'

"There's no doubt the flow of cargo through ports has to slow down a little bit," Ham said in a telephone interview from Washington. "If we're really going to be serious about taking on the terrorists, there's going to be some costs and there's going to be some inconveniences."

The executives who spoke Friday also said more trouble was on the way. Treasury officials have yet to specify which industries will have to follow new money-laundering rules that could expand to include home sales and other real estate transactions. Registration requirements for exporters of foreign food, scheduled to start last month, are to take effect in spring, instead.

FDA RESPONSE

Arcos said the administration was willing to accommodate business concerns. He noted, for example, that the Food and Drug Administration had agreed to water down and delay the food-import rules after shippers and other industries complained.

Marco Pinna, chief executive of the Language Academy in Fort Lauderdale, made a similar argument for the nation's English-language instructional centers, which, he said, draw wealthy business executives from abroad.

Fort Lauderdale is a top destination for English instruction, Pinna said, but it has seen five of its 10 academies close since the Sept. 11, 2001, terrorist attacks prompted a crackdown on immigration.