

**Commercial Customs Operations Advisory Committee  
Trade Modernization Subcommittee**

**International Engagement and Trade Facilitation Working Group,  
NAFTA Team Recommendations**

March 1, 2017

**COAC**

COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

# **Commercial Customs Operations Advisory Committee**

Trade Modernization Subcommittee

International Engagement and Trade Facilitation Working Group

North American Free Trade Agreement (NAFTA) Team

DRAFT Recommendations

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## **Draft Recommendations on NAFTA and Trade Facilitation**

### **Recommendation #1**

**Leverage Advances from Prior Free Trade Agreements (FTAs):** COAC recommends that CBP work with United States Trade Representative (USTR) and the private sector to review the text of more recent trade agreements to adopt modernized provisions, particularly in the areas of simplified rules of origin, importer self-certification, trade facilitation, enforcement, supply chain security, and non-tariff trade barriers.

### **Recommendation #2**

**Continuity in Trade Preferences:** NAFTA currently benefits both U.S. exporters and U.S. importers and it should continue to maintain trade preferences that provide a significant positive economic impact to U.S. workers and the long-term investments of our companies. COAC recommends CBP work with USTR and the private sector to ensure there is a continuity of trade preferences that tariffs and non-tariff barriers remain minimal, and that positive U.S. trade and investment persists with our NAFTA partners.

### **Recommendation #3**

**Consistency in Implementation:** In order to improve the consistency of NAFTA treatment to the same goods within the NAFTA region, COAC recommends that CBP work with Canada and Mexico to establish standardized processes in NAFTA trade preference qualification, consistent enforcement, and other applicable areas.

### **Recommendation #4**

**North American Single Window:** In another effort to simplify trade for all businesses, particularly small and medium sized businesses, the COAC recommends CBP work with Canada and Mexico to collaborate on cross border data sharing and data harmonization, remove or modernize unnecessary regulatory barriers within the North American Region through the use of a single window. (See COAC recommendations from the 1 USG subcommittee's North American Single Window Alignment working group delivered at the November 17, 2016 COAC meeting)

### **Recommendation #5**

**Regulatory Cooperation:** For products that are subject to partner government agency regulations, COAC recommends that CBP work with U.S. partner government agencies in the U.S. as well as Canada and Mexico to streamline and harmonize those regulations to create alignment in regards to documentation and data requirements, inspections, and enforcement in order to facilitate cross border trade within the NAFTA region for those regulated commodities.

### **Recommendation #6**

**E-Commerce and Innovation:** COAC recommends that CBP work with the USTR and the private sector to ensure that NAFTA or other FTA reflects the need for modernization of regulations impacting the e-Commerce business model, including areas of admissibility, targeting, and partner government agency regulations. The goal would be to streamline regulatory requirements and improve enforcement.

### **Recommendation #7**

**Small Business Export Simplification:** NAFTA should provide an opportunity to simplify the border process for small and medium sized businesses. The U.S. has a *de minimis* value of \$800, which is the value at which companies pay no duties, tariffs or have to hire a customs broker. Canada has a *de minimis* value of \$20, and Mexico is \$50. COAC recommends that CBP work with Canada and Mexico to achieve a commercially significant *de minimis* level, which reflects inflation and the modern reality of online commerce.

### **Recommendation #8**

**Express Delivery Services (EDS):** Since NAFTA was established, the U.S. has negotiated numerous FTAs with other countries. Newer agreements include provisions that facilitate the movement of goods in the EDS industry. COAC recommends that CBP work with USTR to ensure NAFTA includes modern provisions that specifically focus on the facilitation of EDS shipments and breakdown the barriers for all businesses, particularly small and medium sized businesses.

### **Recommendation #9**

**Beyond the WTO Trade Facilitation Agreement:** The Trade Facilitation Agreement (TFA) is moving forward on a global scale, as countries look to implement the agreement over the next several years. In many areas, the NAFTA countries have gone beyond the TFA, but should use this opportunity to drive competitiveness of the U.S. To enhance economic competitiveness and lower transaction costs in the NAFTA region, COAC recommends CBP work with Canada and Mexico to utilize prior FTAs trade facilitation chapters as a baseline to create a high standard in trade facilitation to include stronger language for commitments to reach a commercially significant standard and deliverable for how modern borders should operate in the NAFTA region.