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EXPRESS INDUSTRY APPLAUDS EXPANSION OF SIMPLIFIED CUSTOMS CLEARANCE

Washington, DC, February 24, 2016 – When the President signed the Trade Facilitation and Trade Enforcement Act (TFTEA) of 2015 today, a broad series of measures that will simplify the border clearance process and strengthen enforcement of our trade regulations became law. The Express Association of America (EAA), which represents DHL, FedEx, TNT and UPS, applauds the way the Administration and Congress worked together to pass and implement this important legislation, which will have significant benefits for U.S. businesses, large and small.

“Among the numerous TFTEA measures that will facilitate trade,” said Michael Mullen, Executive Director of EAA, “the increase of the so-called ‘de minimis’ level will be particularly valuable for enterprises dealing mainly in low value imports, usually small and medium businesses.” Shipments with values under the de minimis level receive simplified and expedited clearance at the border, are free of duties and taxes, and require no paperwork beyond a simple airway bill. “By raising the de minimis level to \$800, TFTEA provides the same border clearance privileges for low value cargo shipments that are enjoyed by products U.S. travelers bring back from foreign trips,” Mullen added.

The higher de minimis level will generate the following benefits:

- Reduced logistics costs for small and medium-sized companies that import low value components for their assembly operations. These companies represent all industries including U.S. high technology component manufacturers as well as textile, apparel, and other retailers that need to import samples of new merchandise to develop their sales strategies.
- Cost savings for millions of individual consumers who import single items which will not require a more formal entry process.
- Significant savings for importers, logistics firms, consumers, and the government from the reduced time required to process millions of shipments entering the United States.
- An increase in exports, as small firms have often been reluctant to export due to the potential costs of the border clearance process if the goods are returned. Raising the de minimis level will remove this concern and have a significant impact on increasing U.S. exports and stimulating the development of new entrepreneurial enterprises.

Another critically important TFTEA measure is the “sense of Congress” statement calling on the U.S. Trade Representative (USTR) to encourage U.S. trading partners to develop commercially meaningful de minimis levels of their own and exempt low value shipments from duties, taxes and some customs documentation. USTR has a range of opportunities to address this issue through bilateral and regional trade negotiations, and EAA strongly urges USTR to use these opportunities to explain the benefits of a higher de minimis level at every opportunity. By

establishing the highest de minimis level in the world, the United States has demonstrated global leadership on an issue that will not only benefit a country's economy, but also conserve public funds for other purposes.

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