



News Release

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For Immediate Release

NCBFAA Suggests NAFTA Renegotiating Points to USTR Lighthizer

Washington, DC: In a [letter to United States Trade Representative Robert Lighthizer](#), National Customs Brokers and Forwarders Association of America (NCBFAA) President Geoffrey Powell highlighted six areas of the North American Free Trade Agreement (NAFTA) with Canada and Mexico to consider when formulating negotiating objectives regarding the agreement's modernization.

President Powell indicated that these comments are preliminary and are limited for now to those matters most directly affecting our Association's members. "We look forward to discussing these and other issues that may arise during the conduct of your negotiations," he wrote.

He urged action on duty drawback by recommending that our negotiators adopt a strong position for removal of Article 303 restrictions on the use of substitution drawback and duty deferral for goods exchanged between the U.S., Canada and Mexico in the upcoming negotiations. "Goods exported to Mexico and Canada from other countries with which Mexico and Canada have FTAs receive better treatment for their exports than do U.S. exporters," he wrote, "creating an unfair playing field for U.S. manufacturers, exporters and workers."

For many products, NAFTA rules often require a special deferral entry to be filed with duty payment to CBP upon export to Canada or Mexico but not to any other country outside of NAFTA. This deferral entry cannot be filed in ACE and failure to file can result in substantial administrative penalties. "The NAFTA duty deferral provisions hinder U.S. exports to Mexico and Canada, with a consequent negative effect on U.S.-based manufacturing jobs and should be eliminated," President Powell said.

Given its effect on trade, especially e-commerce, the NCBFAA considers the *de minimis* treatment of goods an important topic for NAFTA negotiators to address. Current disparities create advantages for goods produced in a country with a lower *de minimis* level. Presently, the United States has an \$800 level, Mexico is \$50 USD (alternatively, \$300 USD if conveyed by postal authorities), and Canada is \$20 CAN (but set at \$15 USD). "The Association believes that the *de minimis* threshold should be harmonized within the NAFTA countries," he wrote. "Differing levels provide significant advantage to exportations from Canada and Mexico with their lower thresholds and their proximity to the United States."

Because the rules of origin have proven to be painfully complex and difficult to administer by trade professionals, the NCBFAA is asking that our trade negotiators be mindful of the need to simply those NAFTA provisions. President Powell also called for enhanced transparency and efficiency by harmonizing and simplifying data sharing and reducing red tape as well as by modernizing and harmonizing customs procedures among the three countries.

Headquartered in Washington, DC, the NCBFAA represents more than 1,000 member companies with 110,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in 1897 in New York, NCBFAA is the effective national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing, and various meetings and conferences throughout the year.

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