

# THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

March 12, 2013

President of the United States of America  
The White House  
Washington, DC 20500

Dear Mr. President,

We support the December 7, 2011 launch of the U.S.-Canada Beyond the Border (BTB) initiative and the Regulatory Cooperation Council (RCC). These initiatives promote trade facilitation, foster economic growth and job creation, better align our regulatory systems, and help make North America a stronger and more effective exporter across the globe. These initiatives are premised on two important foundations: that the U.S.-Canada relationship is unique, and that our two nations, with highly integrated markets and supply chains “make things together.”

The United States and Canada have the largest bilateral trade relationship in the world. In 2012, U.S. trade in goods with Canada exceeded \$600 billion; an estimated \$1.8 billion worth of goods and services crosses the border every day. Some 1.7 million American jobs are connected to U.S.-Canada trade. The progress and eventual success of the BTB and RCC initiatives will enhance that successful economic relationship and set a benchmark for other nations that will help not only create healthy economies around the world, but protect health, safety and the environment. Canada's recent inclusion as a participant in the Trans-Pacific Partnership (TPP) negotiations will further strengthen the U.S.-Canada trade relationship.

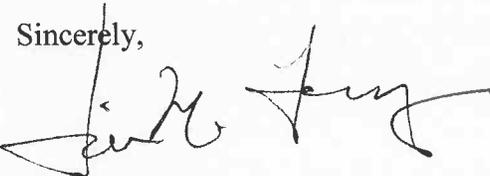
A key issue that needs to be addressed regarding Canadian participation in the TPP negotiations is the nation's low de minimis value of \$20. The de minimis value is the level at which goods may cross the border with no taxes, tariffs or customs procedures, except for a security review of manifest information. The low Canadian level represents a trade barrier that particularly impacts small and medium businesses and has a stifling effect on U.S. ecommerce exporters.

We appreciate the progress that has been made to better align the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and Canada's Partners in Protection (PIP) programs. The BTB initiative has laid the groundwork to align customs procedures and other potentially cost-saving measures, and new pilot programs at the border will enhance cross border trade. Ensuring timely completion of specific action items in the BTB action plan will significantly improve the competitiveness and success of businesses on both sides of the border. Priority items include establishing a single electronic window for importers in Canada and the United States to submit all information required by both governments to comply with numerous import regulations, and modernizing the current paper-based NAFTA certificate program to an electronic process. These upgrades will facilitate the secure movement and speed to market for U.S. goods, while reducing administrative costs to private industry and government agencies.

One area of success for RCC cooperation and stakeholder engagement has been efforts to streamline environmental regulation and ensure that it is based on sound scientific principles and evidence. There are a number of opportunities to work on more concrete deliverables. For example, aligning the Canadian New Substance Notification Regulations with similar equivalents under the U.S. Toxic Substances Control Act would reduce the costs of testing and application processing and bring products to market faster, benefiting consumers and sustaining downstream manufacturing.

With respect to the BTB and RCC programs, we recommend enhancing stakeholder engagement to ensure that the U.S. private sector is better informed and deeply engaged on the elements of these valuable initiatives, and to help meet established deadlines. Such improvements may include a more formal meeting process and increased communications between business representatives and U.S. government officials to better leverage private sector expertise to meet priorities and to ensure the programs' success.

In addition, improving border infrastructure is a critical element of enhancing U.S.-Canada cross border trade, especially as our respective economies continue to grow. One significant project is the New International Trade Crossing between Detroit, Michigan and Windsor, Ontario. On June 18, 2012, the State of Michigan applied to the Department of State for a presidential permit so construction could begin on this important new bridge. The Department continues to review responses from the public on the permit application. We urge your Administration to complete this process and approve the permit as soon as possible so construction may begin.<sup>i</sup>

Sincerely,  


Jim McNerney

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<sup>i</sup> Please note this letter was prepared by the private sector appointed members of the PEC.