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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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February 27, 2019

The Honorable Robert Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Lighthizer,

Thank you for your submission of the description of changes to existing laws that you believe are required to bring the United States into compliance with the U.S.–Mexico–Canada Agreement (USMCA). The Administration’s description of changes to existing law is a critical requirement of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015.

We write to express our shared concern about the document’s language regarding express shipments. Specifically, the document states:

After consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate, the Administration may include changes to section 901 of the Trade Facilitation and Trade Enforcement Act of 2015 (19 U.S.C. 1321) to implement Article 7.8.1 (Express Shipments).

We strongly oppose any change to existing law that would authorize the Administration to lower the current U.S. *de minimis* threshold to make it reciprocal with its trading partners. While we are deeply disappointed that both Canada and Mexico were unwilling to raise their *de minimis* thresholds for express shipments to match the U.S. \$800 *de minimis* level, lowering the U.S. threshold in response is contrary to well-demonstrated Congressional intent.

In 2016, Congress raised the *de minimis* threshold unilaterally to the current level in the bipartisan Trade Facilitation and Trade Enforcement Act (TFTEA), so our position is clear. This change enjoys wide, bipartisan support throughout the e-commerce landscape. It benefits thousands of American small businesses across all sectors, as well as our manufacturers that rely on imported low-value inputs for the production of U.S. exports. All of these job-creating beneficiaries of the U.S. *de minimis* threshold also benefit from less red tape at the border. Our higher threshold has helped to make the United States a leader in global e-commerce – a position that we should not cede to countries, like China, that are vying for that role. We believe that the threshold we established in TFTEA continues to represent Congress’s position on *de minimis*, and note that any change to the threshold would require legislation.

Accordingly, we urge you not to derogate or authorize derogation from the current *de minimis* threshold.

We appreciate that your list of changes to U.S. law recognizes the need for consultations on this issue. We expect that you will take our views into consideration in the spirit of robust consultations and look forward to working with you to address this and other Member concerns as we consider the USMCA and matters related to its implementation.

Sincerely,



Charles E. Grassley
Chairman
U.S. Senate Committee on Finance



Ron Wyden
Ranking Member
U.S. Senate Committee on Finance