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David Weiner,
Deputy Assistant USTR for Europe
U.S. Trade Representative

RE: Docket No. USTR-2013-0019
Comments on the Transatlantic Trade and Investment Partnership

These comments are submitted on behalf of the Express Association of America (EAA) and the European Express Association (EEA) in response to the U.S. Trade Representative (USTR) Federal Register Notice (FRN) of April 1, 2013 requesting comments on the pending Transatlantic Trade and Investment Partnership negotiations. EAA and EEA members are DHL, Federal Express, TNT and UPS, the four largest express delivery service providers in the world, providing fast and reliable service to the U.S. and more than 200 other countries and territories. These four EAA member companies have estimated annual revenues in excess of \$200 billion, employ more than 1.1 million people, utilize more than 1700 aircraft, and deliver more than 30 million packages each day.

EAA and EEA strongly support the launch of the EU-US TTIP negotiations and believe these talks will open significant possibilities for facilitating trade, expanding regulatory cooperation, and forging a stronger economic partnership across the Atlantic. The TTIP should include coordinated policy approaches across a range of mutually supportive areas, such as: the elimination of tariffs and non-tariff barriers to trade in goods; the removal of market access barriers to trade in services; achievement of a much higher level of regulatory convergence, removal of barriers to investment, and alignment of standards and practices, whether through harmonization, mutual recognition, adoption of international standards, or other methods. Given the sheer size of trans-Atlantic trade, even marginal convergence in the aforementioned policy areas could have substantial positive effects for business.

The millions of customers utilizing the services of EAA and EEA members ship an extensive variety of commodities domestically and internationally, and will benefit significantly from the completion of a comprehensive, high standards TTIP agreement. This effort would result in accelerating regional economic integration by facilitating trade, easing burdens on doing business within and between the U.S. and EU, and increasing the connectivity and efficiency of supply chains.

Specific recommendations for trade facilitation and regulatory harmonization measures to be included in the TTIP are attached in the document below. Achieving high standard, comprehensive agreements on these topics in the TTIP would serve as a global model for ensuring future regional and multilateral trade agreements contribute more effectively to economic prosperity and employment creation.

EAA and EEA look forward to working with EU and U.S. authorities as the TTIP negotiations move forward to ensure this important agreement achieves the goals of opening markets, facilitating trade and stimulating economic growth.

For additional information or to answer any questions please contact our respective associations:

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Sincerely,



Jaap Mulders
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Michael C. Mullen
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PRIORITY TOPICS FOR THE TTIP NEGOTIATIONS

I. A Single, Government-wide, Unified Border Clearance Process

- The United States and the EU should commit to establish a single window through which importers and related parties can electronically submit all information to comply with customs and other government agencies information requirements. In practice, this would be one single window for the United States and one single window for the European Union, but these should include a common set of import and export data elements for customs, security, and other government agency data requirements. The single window would decrease the transaction costs of trade and particularly facilitate trade for small and medium-sized businesses. It would also promote efficiency and improve security and safety targeting for government agencies.
- Creating a “one government at the border” approach to border management should include common processes for goods clearance. The TTIP should include requirements of all government agencies with border authority in the United States and all EU member states to converge and coordinate inspection activities for agencies with hold authority. This would include all security, customs, product safety and other requirements to be cleared with a single release.

II. Stronger, Commercially-meaningful Partnerships with the Trade Community

- Partnership between the private and public sectors on supply chain security has become a cornerstone for security and trade facilitation. The United States and the EU should reaffirm their commitment to a multi-layered and risk-based approach to customs enforcement and security procedures. The risk-based method provides the greatest possibly security while simultaneously facilitating legitimate trade. Given the tremendous amount of trade that goes between the U.S. and EU, commitments should be made to converge or mutually recognize each other’s processes. This includes the future development of supply chain, customs and other government agencies border procedures and regulations. Supply chain security mutual recognition agreements must provide commercially meaningful results for the private sector. Commercially meaningful results would include the following:
 - Full convergence of the Customs-Trade Partnership Against Terrorism and the Authorized Economic Operator programs;
 - One online application process accepted in the U.S. and EU member states;
 - Single validation and revalidation visits with the results accepted by both sides;
 - Demonstrable benefits that include reduction of the likelihood of inspections;
 - Front of line privileges for members’ shipments when inspections are required;
 - Expedited handling of members’ shipments in post-incident recovery operations;
 - Common information requirements where the export declaration of one side is accepted as the import declaration of the other side; and

- Allow members to provide required documents and commercial information post-release.

III. Higher De Minimis Level

- A higher *de minimis* value covering the entry process for low-valued goods is a critical tool in trade facilitation. It is also critical to reducing trade barriers for small and medium sized businesses by facilitating their access to international markets. The TTIP should include a commitment to a minimum *de minimis* level of \$800, covering both duties and all taxes, and linking future increases in *de minimis* to the consumer price index. This level should be applicable regardless of country of origin.

IV. Immediate Release

- Through greater mutual cooperation the EU and the US could develop considerable opportunities to streamline customs processes and speed up the flow of commerce through ports and airports. The TTIP should include a commitment to harmonize processes for customs clearance with a goal of the immediate clearance of goods on arrival. With the levels of advance customs data already transmitted to the EU and US, customs authorities can carry out risk assessments well in advance of arrival, thus offering pre-clearance and the immediate release of goods. Immediate release of shipments should not be solely reserved to businesses which are C-TPAT or AEO members, nor to a particular kind of trader. Such treatment should be available to any shipment that meets a set list of criteria such as, for instance, those laid out in Article 7 (Expedited Shipment) of the WTO draft negotiating text on trade facilitation.

V. Payment of Customs Taxes in Arrears

- The TTIP should include a commitment to collecting duties and taxes after importation and clearance from C-TPAT and AEO shippers without the need for a guarantee. Customs duties and taxes are the only taxes generally collected on a transactional basis in advance or at the time that the tax is due. These shippers will normally pay all other taxes, (which are often much more than customs duties) in arrears and without a guarantee. If they are trusted to pay businesses taxes in arrears then the same logic should apply to customs duties. Such an approach would support immediate release of consignments, saving costs for both businesses and Customs administrations in time. It also enables customs authorities to target limited resources at areas of higher risk.

VI. Air Cargo Security

- The EU and the US should adopt a similar approach to improving the security of the international operations of air cargo carriers bringing shipments into each jurisdiction from third countries. The US approach is based on Emergency Amendments, including specific measures for cargo identified as high threat. The EU has adopted the ACC3 (Air Cargo or Mail Carrier operating into the Union from a 3rd country airport) program which is based on airport, operator specific designation and validation, and verification of

screening entities and other players in the supply chain. The EU approach is further combined with special measures for “high risk” cargo. However, the EU and the US have different definitions of “high risk” cargo.

- The 1st of June 2012 agreement between the EU and US which recognize each other’s air cargo security regimes for shipments originating within each jurisdiction is a useful model, but the provisions for mutual recognition need to be strengthened as the mutual recognition is not resilient enough to withstand a potential future incident. In addition, this agreement only recognizes the validity of each side’s programs – it does not harmonize regulations. Therefore, in addition to strengthening the mutual recognition of each side’s programs, the TTIP should contain a commitment that relevant EU and US agencies would enter into a regulatory dialogue to develop a harmonized approach to air cargo security regulations and procedures that includes, inter alia:
 - Common definition for high risk cargo
 - Common standards for accepted security equipment and screening methods
 - Common requirements for staff training and
 - Better cooperation towards intelligence sharing

VII. Advance Cargo Information for Security Risk Assessment

- To provide advance information on air cargo, the United States has developed the Air Cargo Advance Screening (ACAS) pilot program. In the EU, advance cargo information pilot programs are being conducted in several member countries. As both the EU and the U.S. are expecting to develop regulatory requirements on air cargo information in the near future, it is essential that a common EU/US approach be adopted. The TTIP should include a commitment to develop common requirements for data on each shipment, common protocols in communication with carriers, and common risk criteria.
- A common EU/US approach to advance air cargo information would generate significant benefits and increased efficiency in terms of data structure, IT resources, personnel training, technology costs and operational efficiency. Having the world’s two largest air cargo markets adopting similar regulatory requirements for advance air cargo information would provide a strong impetus for generating a global standard around which all countries could agree and incorporate through the International Civil Aviation Organization and the World Customs Organization.