

United States Senate

WASHINGTON, DC 20510

March 4, 2016

The Honorable Michael Froman
United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Froman,

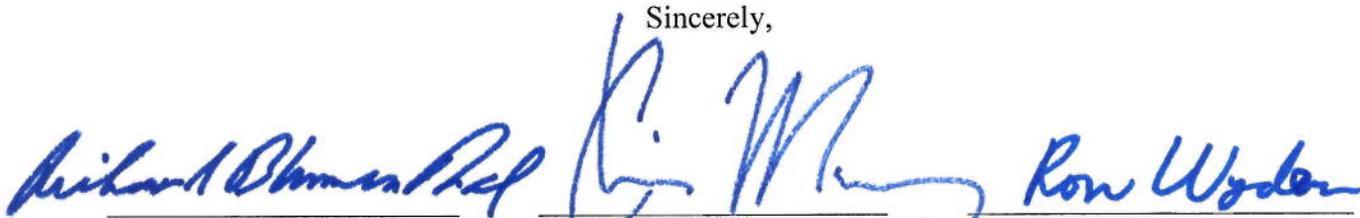
In light of the President's meeting with Prime Minister Trudeau on March 10th, we wanted to highlight an issue that has the potential to significantly increase exports to Canada especially by small and medium sized American businesses.

Each country sets a customs duty de minimis level beneath which it does not assess tax and/or customs duties on imported merchandise. In the United States, this threshold has been \$200 (\$800 for U.S. citizens personally bringing goods back from foreign travel). That amount is being raised to \$800 generally in the recently enacted Trade Facilitation and Trade Enforcement Act.

Canada, by reason of proximity and language, is often the first foreign market that small and medium sized businesses contemplate for export. However, the current Canadian customs de minimis level for online purchases is only C\$20 (C\$200 for Canadian citizens personally bringing back goods from short foreign travel and C\$800 for longer trips abroad). While U.S. goods can often qualify to enter Canada duty-free under the North American Free Trade Agreement, the low de minimis level is a distinct disadvantage to American companies trying to export to Canada, particularly relatively low value items where the either the duty or costs associated with formal entry can effectively kill the sale.

We ask that you urge the Prime Minister to increase Canada's de minimis threshold to a commercially reasonable level, ideally equal to the United States level but at least C\$200 (the same level as exists today for Canadians travelling cross border and returning home with goods purchased during those short trips abroad).

Sincerely,



RICHARD BLUMENTHAL
United States Senator

CHRISTOPHER S. MURPHY
United States Senator

RON WYDEN
United States Senator