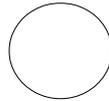


Trans-Pacific Partnership

PROVIDING IMPROVED TRADE FACILITATION

The Trans-Pacific Partnership (TPP) will make customs procedures more efficient and transparent, cutting unnecessary red tape and bureaucracy. These improved procedures will facilitate the movement of cargo and will increase the efficiency of trade, helping make U.S. exports more competitive. These customs provisions will be particularly helpful to small and medium-sized enterprises that are often disproportionately affected by unfair customs procedures when they try to export U.S. products into new markets.



Businesses of all kinds rely on customs processes to export and deliver their products to customers worldwide on a just-in-time basis. TPP improves these processes to eliminate unnecessary and burdensome delays at land borders and ports of entry in the TPP countries. The agreement provides that border measures have to be transparent and that the customs procedures cannot be obstacles to trade among the TPP members. These provisions will be particularly beneficial to small and medium-sized enterprises (SMEs) that are hurt most by highly complex and inefficient customs procedures. Key provisions in the agreement will also assist customs officers in developing more efficient means of customs administration and aid them in preventing duty evasion, counterfeit trade and other customs offenses. With the growth of global supply chains, these provisions will increase in importance.

TPP's key trade facilitation provisions include:

- **Transparency:** Each TPP country will publish its customs laws, regulations and procedures online to ensure that they are available to all TPP exporters who want to know what border charges and procedures will apply when they export to another TPP country.
- **Binding Advanced Rulings:** TPP countries have each agreed to establish an advance ruling process so that exporters will know what to expect when they export products. Companies or individuals may apply for these rulings on such issues as tariff classification, valuation, origin and preference claims before goods are shipped, thereby providing certainty and expediting clearance. TPP countries have agreed to issue such rulings (which will remain valid for at least 3 years) as quickly as possible, but in any case no later than 150 days after receipt of a ruling request.
- **Expedited Release:** TPP countries have agreed to move shipments as quickly as possible and to release shipments within 48 hours of their arrival in another TPP country. Each country is required to adopt procedures that allow

for the advance filing of release information in order to expedite customs clearance.

- Express Shipments: Many SMEs use express shipment companies to deliver their goods internationally. TPP requires expedited customs clearance for express shipments and encourages release of goods within six hours after arrival, using data which can be electronically transmitted. The TPP countries have agreed to remove limits on the size and weight of express shipments. Clearance of low-value shipments will be without a separate fee.
- Customs Penalties: The TPP requires customs penalties to be administered in an impartial and transparent manner. The TPP is the first free trade agreement that includes disciplines on the imposition of customs penalties to ensure that businesses are not unfairly charged inappropriate or excessive penalties.
- Customs Cooperation: The agreement explicitly provides for customs cooperation between TPP countries. TPP Countries are encouraged to assist other TPP countries to enforce customs laws and regulations, including providing information when pursuing an investigation of unlawful activity.
- Risk Management: Each TPP country is required to adopt a risk management system for assessment and targeting that will enable its customs authority to focus its inspection activities on high-risk goods and simplify the clearance and movement of low-risk goods.

These commitments will help ensure that shipments will move across TPP borders as efficiently as possible, thereby getting products to consumers faster.