

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

June 10, 2015

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

Dear Mr. President,

We write to underscore the importance of facilitating cross-border trade in North America as one means of supporting jobs and growing the American economy. With respect to Canada, the Beyond the Border initiative and the Regulatory Cooperation Council remain important mechanisms for addressing impediments to increased bilateral trade. As we have noted previously, reform of *de minimis* import duty policies in both Canada and Mexico remains a key priority, particularly as the United States considers a legislative reform of its own *de minimis* level this year; we therefore urge that efforts be redoubled to resolve this vexing issue with our North American trading partners.

Specifically with respect to Mexico, we note that the United States enjoys a dynamic two-way trading relationship that totaled more than \$550 billion in 2013; this relationship supports millions of jobs in both countries. The PEC strongly endorses your Administration's efforts to engage Mexico through the High Level Economic Dialogue (HLED). Initiatives within the HLED are strengthening economic as well as security relationships between our two countries in significant ways.

Such high-level exchanges with Mexico should prioritize actions that can help dramatically lower costs for American companies and increase the competitiveness of U.S. exports. One such step is import simplification. The majority of industrial freight, as well as casual consumer shipments, move by truck between the two countries. Within the HLED, we encourage the Administration to work with Mexico on measures to streamline the border brokerage and drayage processes.

In particular, we urge the elimination of Mexican regulations requiring the exclusive use of Mexican licensed brokers for all freight bound into Mexico and the even more restrictive requirement of having one Mexican broker required for all shipments on a single vehicle. These requirements have created chokepoints at border crossings by driving the development of unconventional consolidation and de-consolidation processes just to cross the U.S.-Mexico border.

Competition for customers in markets around the world increases daily, and any steps that reduce border costs will have a meaningful positive impact. By continuing to work collaboratively with Mexico and Canada, your Administration can help American firms leverage and grow the global competitiveness of North American supply chains. We look forward to working with you to ensure that American goods, services, and agricultural products remain competitive on the global stage.¹

Sincerely,

A handwritten signature in black ink that reads "Jim McNerney". The signature is written in a cursive style with a large, stylized "J" and "M".

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.