

VAICEKAUSKAITE Indre (TRADE)

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Sent: 20 September 2012 01:39
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Subject: EU-US HLWG – Customs and Trade Facilitation/Supply Chains - Meeting with express industry, 19 September 2012

Participants:

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DG TRADE - Redonnet, Schwarzenbrunner, Grutschreiber, Padurariu, Lodrant

The meeting was organised to get more precise industry views, in a brainstorming mode, on the content of a customs and trade facilitation chapter and the cross-cutting aspects of facilitating supply chains in an EU-US trade agreement. Both these two areas have been identified by the interim report as candidates for negotiations in the "rules" group of issues.

The express industry representatives emphasized that, notwithstanding the generally advanced customs regimes on both sides of the Atlantic, there is considerable scope - both with regard to customs procedures and security regimes - to further simplify and facilitate trade and consequently enable business to become more efficient. The industry would ideally like the EU and the US to move towards a post-clearance environment with immediate release for most (unrestricted) goods flowing between them. Clearly this scenario would involve some challenging issues for negotiations.

As regards supply chain security, progress in bilateral cooperation (under the TEC umbrella) was acknowledged but companies remain concerned for example with administratively burdensome implementation of mutual recognition of air cargo controls on the US side. They were interested in using the trade agreement to make these arrangements. The industry also called for developing a common security risk assessment process and exemptions from security inspections for AEOs.

In the customs area our interlocutors highlighted examples of relevant facilitation measures such as increasing *de minimis* level for duties/VAT in the EU (which are much lower than in the US), reducing/harmonising data and documentation requirements (specific concern with the American Labelling Act which requires listing origin of all components of a good for the purpose of trade sanctions application), binding international standards such as RKC and Immediate Release Guidelines etc.

Finally, we discussed the need to look at the operation of supply chains in a comprehensive manner and for cooperative mechanisms to be able to address new issues as they arise.

EEA will submit within the next two weeks written inputs elaborating their concerns and proposals.

Martina LODRANT
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