

July 7, 2020

Mme. Dr. Graciela Márquez Colín
Secretary of Economy

Dr. Arturo Herrera Gutiérrez
Secretary of Finance and Public Credit

Mr. Marcelo Luis Ebrard Casaubón
Secretary of Foreign Relations

Mme. Raquel Buenrostro Sánchez
Head of the Tax Administration Service

Dear Secretary Márquez, Secretary Herrera, Secretary Ebrard, and Head Buenrostro:

On behalf of the undersigned trade associations that represent a broad group of industries and businesses across North America, we write to you to express our deep concerns with the implementation of Mexico's commitments under Chapter 7 - *Customs Administration and Trade Facilitation* of the United States-Mexico-Canada Agreement (USMCA).

Our organizations have been steadfast champions of the trilateral North American trading relationship and have been instrumental in the negotiation and implementation of USMCA. USMCA represents the first truly 21st century trade pact that includes numerous state-of-the-art provisions, including the highest standard Customs Administration and Trade Facilitation chapter negotiated to date. This chapter is especially significant for micro, small, and medium enterprises (MSMEs) that often encounter red tape and other challenges at North American borders.

While we have many successes to celebrate as USMCA entered into force on July 1, regrettably we are deeply concerned by Mexico's June 30 amendments to its *Reglas Generales de Comercio Exterior* in light of Mexico's obligations in Articles 7.8 (1)(f)(ii) and 7.8 (2) of Chapter 7 of USMCA. Rather than implement these articles to create a new-duty free threshold up to US\$117 and a meaningful informal clearance threshold up to US\$2,500, Mexico instead *raised* its "Tasa Global" import duties one percentage point on all USMCA low-value shipments between US\$50-US\$117 and by three percentage points for USMCA partners above US\$117 and up to US\$1000. These amendments violate the letter and the spirit of USMCA by raising import duties on U.S. and Canadian shipments and further complicate customs clearance operations. These changes were made with little to no consultation with USMCA partners and left the private sector scrambling to comply with the new requirements overnight to the detriment of consumers, including many MSMEs across North America.

Raising import duties will increase costs for Mexican consumers and create new barriers for MSMEs on all sides. Recently, we were pleased to see Mexican officials highlighting the new access Mexican MSMEs now receive through USMCA to the U.S. and Canada. Sadly, the same is now not true for MSMEs in the U.S. and Canada who are also looking to find new opportunities in Mexico.

We respectfully request the Mexican government immediately amend the June 30 publication of the *Reglas Generales de Comercio Exterior para 2020*, and recommit to the full implementation of USMCA's Chapter 7, including the removal of the "Tasa Global" duty and

the increase of the informal clearance threshold to US\$2,500. In the meantime, we ask that Mexico release liability for shipments that were in transit prior to the announcement of the new amendments until Mexico's systems and all internal implementation are ready for companies to utilize.

Our organizations continue to deeply value our relationships with the Mexican government and look forward to working with you to resolve this urgent issue. It is our hope that as the U.S., Canada, and Mexico move from entry-into-force to the compliance phase of USMCA, the three governments will continue promoting and prioritizing the facilitation of trade across the North America.

Sincerely,

American Chamber of Commerce in Canada
American Chamber of Commerce of Mexico
American Trucking Associations
Asociación de Internet MX
Asociación Latinoamérica de Internet (ALAI)
Asociación Nacional Mexicana de Empresas Courier, A.C. (ANMEC)
Business Roundtable
Canadian American Business Council
Canadian Chamber of Commerce
Canadian Manufacturers & Exporters
Coalition of Services Industries
Computer & Communications Industry Association (CCIA)
Computing Technology Industry Association (CompTIA)
Conference of Latin American and Caribbean Express Companies (CLADEC)
Consejo Mexicano de Comercio Exterior, Inversión y Tecnología, A.C. (COMCE)
Express Association of America (EAA)
Information Technology Industry Council (ITI)
International Chamber of Commerce México
Internet Association
National Association of Manufacturers
National Foreign Trade Council
National Retail Federation
TechNet
U.S. Chamber of Commerce
United States Council for International Business

CC:

Ambassador Robert Lighthizer
U.S Trade Representative

The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Intergovernmental Affairs