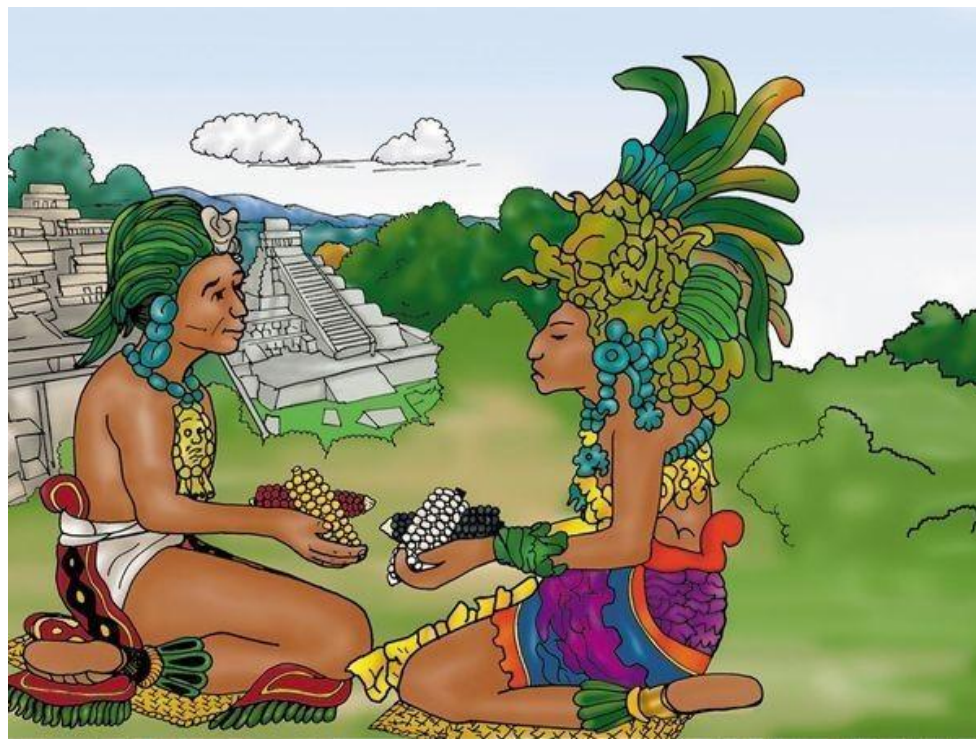


Free Trade, Fair Trade, Safe Trade and now ... *Fast Trade!*

Bob Griffin



The 20th Century

- WWI
- Great Depression
- WWII
- Bretton Woods (1944)
 - General Agreements on Tariffs and Trade (GATT)
 - International Monetary Fund
 - World Bank
 - International Trade Organization
- International Plant Protection Convention (1952)
- WTO-SPS Agreement (1994)

Rounds of GATT Trade Negotiation

- Rounds 1-6 (1949-1967) – focused on reducing and removing tariffs (**free trade**)
- Round 7 (1973-79; Tokyo) – aimed at disciplining technical barriers to trade (**fair trade**)
- Round 8 (1986-94; Uruguay) establish the WTO, create binding dispute settlement, and discipline sanitary and phytosanitary measures (**safe trade**)
- WTO (2001 - present; Doha) reduce bureaucratic barriers to trade (**fast trade**)

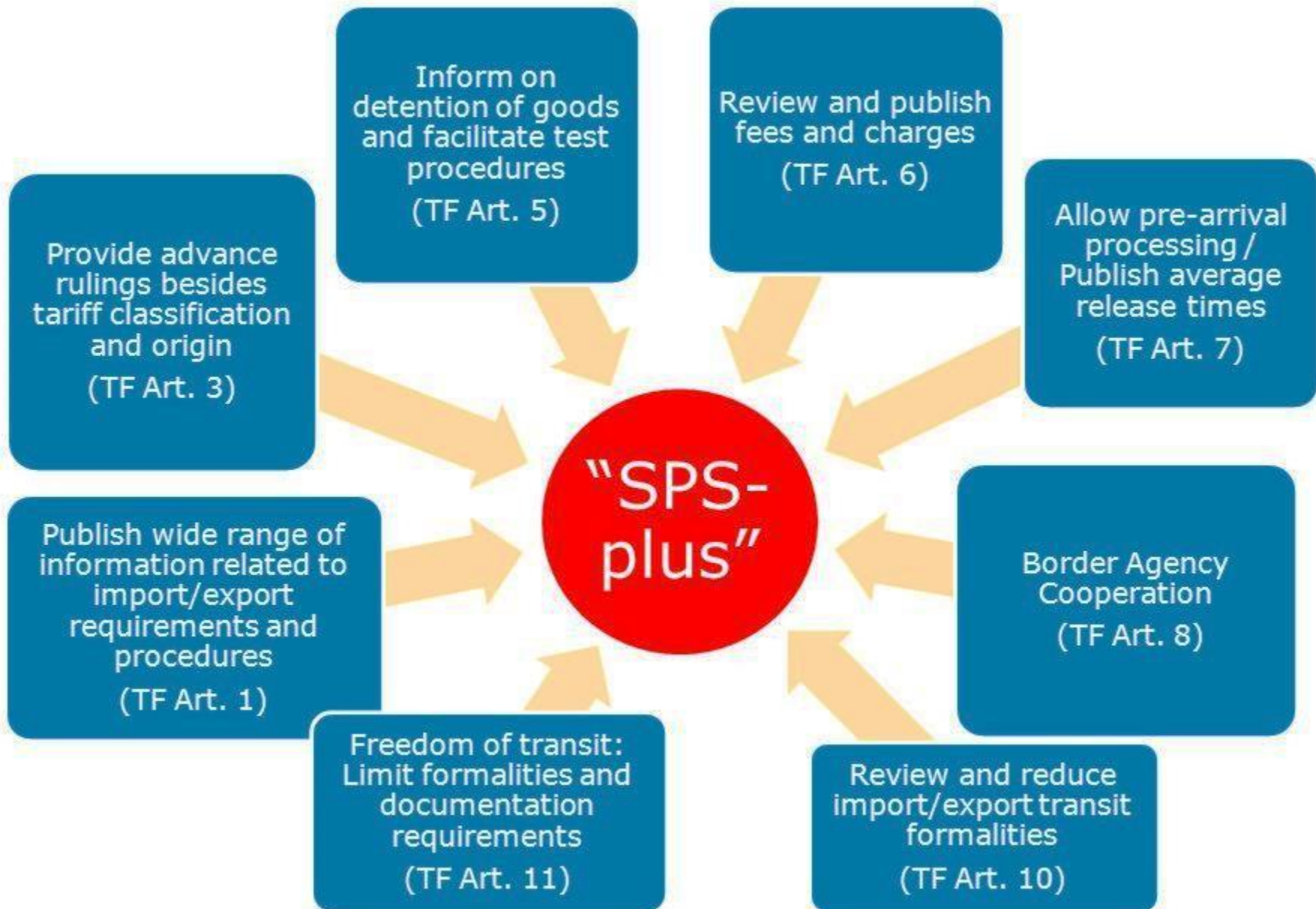
Trade Facilitation Agreement (TFA)

- Only product of the Doha Development Round of WTO Trade Negotiations
- Completed in 2013
- Came into force for all WTO Members in **February, 2017**

“Expediting the movement, release and clearance of goods, including goods in transit”

Relationship to the SPS Agreement

- Nothing in the TFA diminishes the rights and obligations of WTO members under the SPS.
- Most provisions of the TFA go beyond the SPS and are identified as “SPS plus”
- Many intersections in transparency requirements
- Provisions for expediting the clearance of perishables default to SPS requirements



Structure of the TFA



Article 1
Publication & Availability
of Information



Article 5
Measures to Enhance
Impartiality, Non-Discrimination
& Transparency



Article 9
Movement under
Customs Control



Article 2
Comment
and Consultations



Article 6
Disciplines on Fees
and Charges



Article 10
Import, Export
& Transit Formalities



Article 3
Advance
Rulings



Article 7
Release and Clearance
of Goods



Article 11
Freedom
of transit



Article 4
Procedures for
Appeal or Review



Article 8
Border Agency
Cooperation



Article 12
Customs
Cooperation

Article 7: Release and Clearance

1. Pre-arrival

- Submit import documentation in advance
- Electronic format and processing

4. Risk Management

- Adopt risk-based systems
- Concentrate on high-risk consignments

Article 8: Border Agency Cooperation

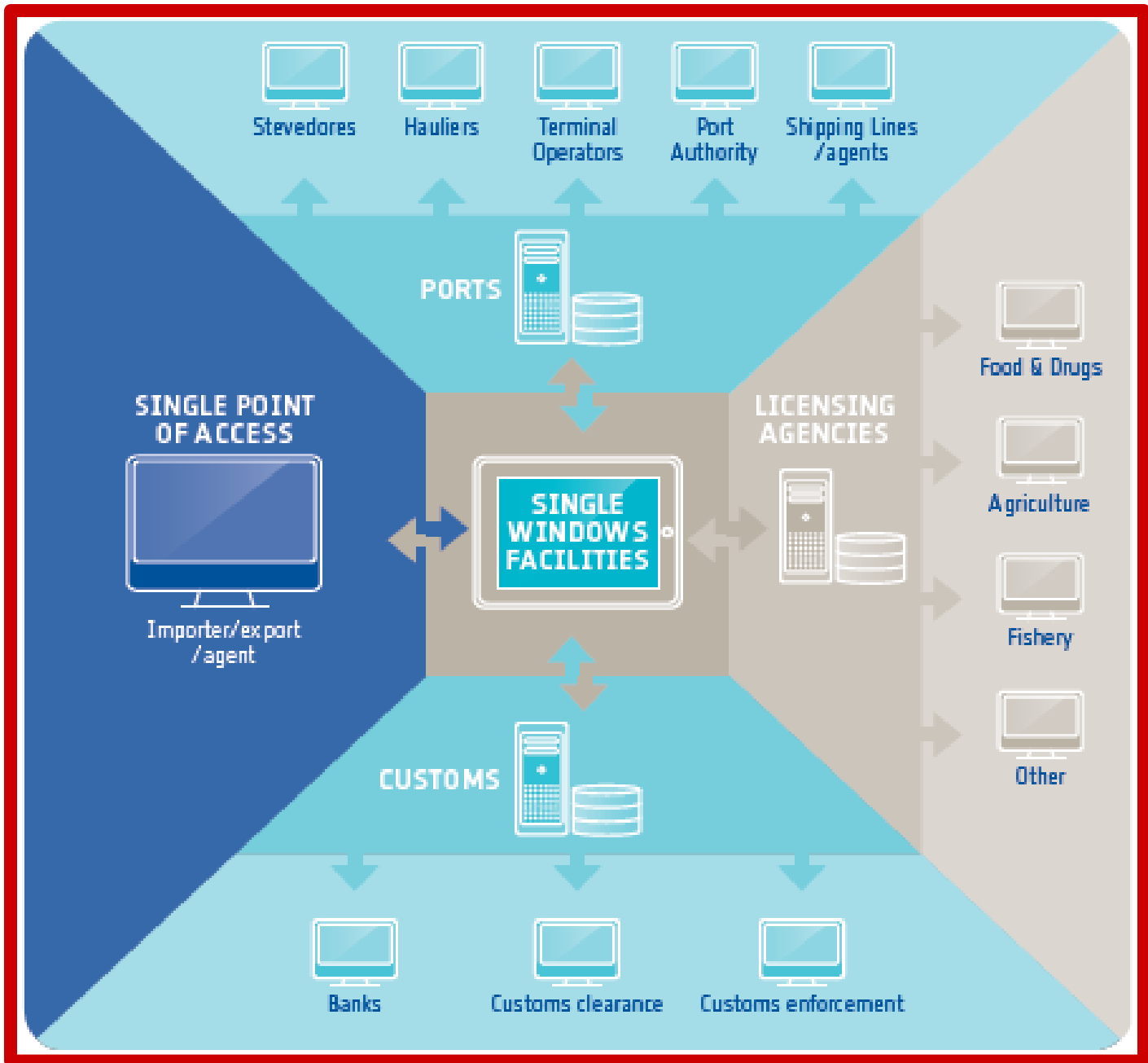
- Authorities and agencies responsible for border controls must cooperate/coordinate
- Alignment of working days/hours
- Alignment of procedures
- Common facilities
- Joint controls
- One-stop border control

Article 10: Single Window

- Single entry point for import/export documentation
- No duplication requirements
- Details must be notified
- Use “information technology”

What is a single window?

"A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic then individual data elements should only be submitted once."



Article 12: Customs Cooperation

- Customs is responsible for:
 - Transparency
 - Confidentiality
 - Reducing costs and administrative burden
 - System security
- Customs responsibilities under TFA do not apply to bilateral and regional agreements

Links to Risk-Based Sampling!!!

- **Art 7.1.1:** “...shall adopt or maintain procedures...expediting the release of goods...”
- **Art 7.4.3:** “...shall...expedite the release of low risk shipments ... select, on a random basis, consignments for such controls as part of its risk management.”
- **Art 7.5.2:** “...post-clearance audit in a risk-based manner...”
- **Art 7.4.4:** “...shall...use information technology to support the single window.”

US Executive Order 13659

“Streamlining the Export-Import Processes
for America’s Business”

- Established 2014 by the Obama Administration
- “lead by example”
- Define standard data elements
- Establish Border Interagency Executive Council
- Support Automated Commercial Environment (ACE) and International Trade Data System (ITDS)

U.S. implementation of TFA

- **Automated Commercial Environment (ACE)**
 - allow trade participants to access and manage their trade information through reports
 - expedite legitimate trade by providing CBP with the information needed to efficiently process imports and exports
 - improve communication, collaboration, and compliance efforts
 - facilitate efficient collection, processing, and analysis of commercial import and export data
 - provide an information sharing platform for trade data
- **International Trade Data System (ITDS)** assists agencies in the identification, documentation, and execution of ACE.
- **Partner Government Agencies (PGA)** create digital “message sets” for requirements in ITDS.

Three take-home messages on TFA



TFA is an obligation for all WTO members and mirrors US Executive Order 13659



Customs is responsible for the single window



The single window is designed for fully electronic clearances

What it means...

- Current and future clearance designs must be created with Customs.
- Current and future designs must be digital.
- Private sector and Customs will determine the speed of adoption and degree to which NPPO support is required for system operation.

We have entered the era of fast trade; we cannot go back and are unlikely to go slowly!

Think about it...

- The world's largest retailer has no stores...(Amazon)
- The world's largest taxi company has no cars...(Uber)
- The world's largest encyclopedia publishes no books... (Wikipedia)
- The world's largest accommodation provider has no hotels...(Airbnb)
- The world's most popular media provider creates no content...(Facebook)

The common background for all of these enormous global shifts is... **software**

Metaphor for a mindset



Organization
Information
Communication
Visualization
Harmonization
Speed



Affordability
Feasibility
Usability
Ubiquity
Connect-ability
Convenience

Cenca tlazohcamati

(Thank you)



NAPPO

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