

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

March 11, 2011

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

Dear Mr. President,

As we continue to work together to implement the National Export Initiative (NEI) goal to double exports in the next five years, we believe that it is important for the U.S. government to place a renewed focus on trade facilitation. Trade facilitation – the streamlining of the administrative and physical barriers that delay the movement of goods across borders – is critical to enhancing the ability of U.S. companies to export globally. By some estimates, inefficient customs, trading practices and procedures can alone increase the cost of selling into a country by 5 to 15 percent.

In order to address these inefficiencies, the U.S. should continue to encourage our trading partners to adopt the recommendations in the Revised Kyoto Convention (RKC) and the SAFE Framework of Standards established by the World Customs Organization (WCO) and ensure that the trade facilitation measures already largely agreed in the current Doha Round are put in place regardless of the outcome of the over-arching negotiations.

The U.S. should view the NEI as an opportunity to refocus current and past trade security, compliance and facilitation measures to fully establish an automated single shipment information window, that works with equal efficiency for both imports into and exports from the United States and is aligned with international data standards. As your leadership of export control reform progresses, all of the gains should be made available through automated processes that comply with essential National Security controls, but expedite the clearance of all other goods so the U.S. can compete in the competitive, global environment.

A single window, which is “a system that allows traders to lodge information with a single body to fulfill all import or export related regulatory requirements” would reduce a major barrier to U.S. exports and deliver immediate, measurable benefits.

For example, the World Bank estimates that, globally, it takes an average of six days to move goods to or from the U.S. A one day improvement in the time it takes to export from and import into the U.S., by means of a single window, could increase U.S. trade by almost \$29 billion and would help to create thousands of new U.S. jobs.

## Automated Single Window

The automated single window is not a new undertaking in the U.S. and some progress has been made on its development and implementation since its genesis in 1993.

In 2001, Customs and Border Protection (CBP) initiated a project to modernize their customs information systems. The project created the Automated Commercial Environment (ACE) as the single online access point that connects CBP, the trade community, and other government agencies. This system will replace CBP's older Automated Commercial System (ACS).

A key aspect of the ACE effort is the International Trade Data Systems (ITDS) program. ITDS is a single-window that will allow traders to provide electronic international trade and transportation data to all Federal agencies that have import/export responsibilities. The ultimate goal is a single window into the Federal government that will facilitate commerce and increase compliance with trade laws.

To date, the ACE/ITDS program has focused primarily on U.S. import data. However, the 2010 ITDS Report to Congress authored by the Department of the Treasury recommends that export functionality be given a higher priority. Export agencies should work with the ITDS Board of Directors to quickly identify ways to provide an export single window. The ITDS Board has already engaged the Export Control Reform Task Force that you have created and is preparing to push this initiative forward. The absence of a single, automated system for export clearance increases costs for U.S. exporters, unnecessarily adding expense and time-in-transit to business transactions.

New technologies, for example "cloud computing", allow users the ability to seamlessly interface data in real-time while still protecting sensitive and agency specific data and ensuring that they are readily available. These advances make the goal of creating a single window for trade data much more achievable and much more worthwhile than ever before.

We recommend your Administration work with the various stakeholders, including the DHS/CBP, USTR, Treasury, USDA/FAS, and DoC/ ITA to invigorate the creation of a single window to create a seamless export process. Additionally, work with Congress to secure adequate resources to enable the development and implementation of a single window in a timely manner.

The Council believes that the creation of this single window would increase the efficiency and ease of exporting, especially for small- and medium-size enterprises and reduce friction in trade. Although this is just one part of the larger trade facilitation effort, it is an important and critical step that can be undertaken now with little or no cost to help achieve the goals of the NEI. <sup>1</sup>

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McFarney". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

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<sup>1</sup> Please note that this letter has been prepared by the private-sector appointed members of the PEC.