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February 26, 2020

Standing Committee on International Trade
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario
K1A 0A6

RE: COMMENTS ON BILL C-4, AN ACT TO IMPLEMENT THE AGREEMENT BETWEEN CANADA, THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES

I am writing on behalf of the International Mailers Advisory Group (IMAG), a U.S.-based 501 c 6 trade association formed in 1997 to represent the interests of international mailers and shippers. Our core mission is to address barriers to the efficient flow of information and goods across borders. Our member companies are made up of consolidators, hardware and software solutions providers, and ecommerce marketplaces and platforms. You can find our list of members [here](#). We estimate IMAG members spend more than \$1 billion each year on postage or shipping fees and move billions of dollars in goods across borders each year. Members use a wide array of shipping and delivery partners, including designated operators (posts), integrators, local couriers, freight forwarders, and new market entrants. Nearly every one of our members ships to Canada, which is a top market for U.S. shippers.

As such, our members have an interest in the new NAFTA trade agreement, CUSMA (or USMCA as it is known in the United States), especially the elements that pertain to ecommerce. In particular, our members support the increase in the de minimis thresholds from the current C\$20 to C\$40 for tax relief and C\$150 for duty relief on express shipments. However, we would urge that the increase on de minimis be extended to postal shipments as well, rather than only apply to express shipments.

Most low-value cross-border online purchases move through the postal channel. Nearly two-thirds of all cross-border purchases have a value less than €50 and about 70 percent of online cross-border shipments are delivered the last mile by the post, according to the International Post Corporation's (IPC) Cross-Border Shopper Survey. Limiting the increase in the de minimis threshold to express shipments only leaves in place the artificially low C\$20 de minimis for the vast majority of cross-border shipments. Not only does this structure limit the cross-border benefits of the new CUSMA, but it penalizes Canadian consumers who use Canada Post, and creates a significant competitive disadvantage for Canada Post relative to express providers.

Additionally, IMAG would urge that implementing legislation apply the new de minimis thresholds regardless of country of origin. A multi-tiered de minimis regime will cause confusion for Canadian consumers, implementation challenges for logistics providers, and enormous complexity for Canadian Border Services Agency (CBSA). As it now stands, once CUSMA is implemented, there will be three streams: express shipments between United States or Mexico and Canada; postal shipments between

United States or Mexico and Canada; and shipments from all non-CUSMA countries. A more streamlined and simplified entry would have the effect of supporting the Auditor General's position that efforts should be made to facilitate trade and minimize delays in the movement of goods, to the greatest extent possible.

The increased focus on strengthening advance data sharing among posts will ensure that Canadian imports have proper descriptions of goods for both security and assessment purposes. It would be unfortunate to have postal shipments slowed at the border due to such a low de minimis threshold.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'Katherine Muth', written in a cursive style.

Katherine Muth
Executive Director
International Mailers Advisory Group

About IMAG:

The International Mailers Advisory Group (IMAG) is a U.S.-based 501 c 6 trade association that represents the interests of a diverse community of consolidators, hardware and software solutions providers, and ecommerce marketplaces and platforms. Our core mission is to address barriers to the efficient flow of information and goods across borders for companies utilizing postal services. A list of current members can be found [here](#).