United States Senate
WASHINGTON, DC 20510

July 14, 2017

The Honorable Robert Lighthizer
Ambassador
United States Trade Representative
600 17th Street NW
Washington, D.C. 20006

Dear Ambassador Lighthizer:

Ecommerce has been a tremendous boon to American small businesses, especially when it comes to exporting. Online tools have enabled many small businesses to reach new customers and break down traditional barriers to selling overseas, like communicating in a foreign language and conducting market research. Despite these positive trends, however, antiquated and complex trade laws stand in the way of small businesses reaching their full exporting potential. We write today to call your attention to one such barrier – excessively low *de minimis* thresholds – and urge you to work to cut red tape for American small businesses selling online.

As you know, countries establish *de minimis* thresholds to facilitate the flow of low-value goods across borders. When small American ecommerce businesses make sales to foreign buyers above the destination country's *de minimis* threshold, their packages are subject to heightened clearance processes, duties and taxes. As a result, when a foreign trading partner has a low *de minimis* threshold, American small businesses face additional government red tape at the border. For small businesses with limited time and resources, these burdens can be excessive and discourage them from exporting altogether.

Congress recognized the need to update antiquated *de minimis* thresholds in the Trade Facilitation and Enforcement Act of 2015 (PL 114-125). Through that law, Congress both raised the U.S. *de minimis* threshold on imported goods to $800 USD and urged the United States Trade Representative to "encourage other countries, through bilateral, regional, and multilateral fora, to establish commercially meaningful *de minimis* values for express and postal shipments that are exempt from customs duties and taxes and from certain entry documentation requirements, as appropriate."

We encourage you to make small businesses a priority in trade negotiations by following through on Congressional intent and seeking *de minimis* parity with our trading partners. Doing so would cut red tape on American small businesses and enable them to fulfill their exporting potential by leveling the playing field with foreign competition. In particular, increased *de minimis* thresholds in Canada and Mexico would bring direct benefits to American small businesses who count these countries as top trading partners. Notably, the *de minimis* threshold for Canada was set more than 30 years ago and ranks as the lowest in the industrialized world. Raising Canada's $20 CAD *de minimis* threshold on low-value, low-risk shipments would improve the ability of American small businesses operating online to serve Canadian consumers.

Small businesses are the backbone of our economy, representing 99 percent of employers and creating two out of every three jobs in the United States. Although 95 percent of the world's customers live in foreign countries, only one percent of small- and medium-sized enterprises export their goods and services in foreign markets. Ecommerce, which now represents $2.2 trillion or approximately 12 percent of the global goods trade, has the potential to fuel small business growth by unleashing this untapped potential. We urge you to keep the interests of small businesses in mind and seek to relieve them of exporting barriers in the form of low *de minimis* thresholds.

Sincerely,

Jeanne Shaheen
U.S. Senator

Rob Portman
U.S. Senator

Jon Tester
U.S. Senator

Kirsten Gillibrand
U.S. Senator

John Hoeven
U.S. Senator

Patty Murray
U.S. Senator

Tammy Duckworth
U.S. Senator

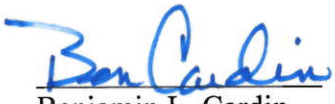
Sherrod Brown
U.S. Senator

Angus S. King, Jr.
U.S. Senator

Maria Cantwell
U.S. Senator



Thomas R. Carper
U.S. Senator



Benjamin L. Cardin
U.S. Senator



Johnny Isakson
U.S. Senator



Edward J. Markey
U.S. Senator



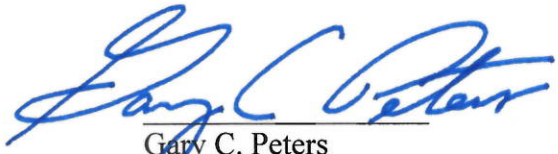
Dianne Feinstein
U.S. Senator



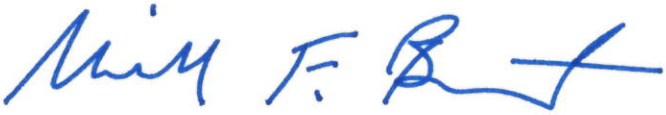
Margaret Wood Hassan
U.S. Senator



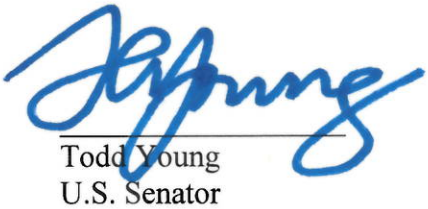
Tim Kaine
U.S. Senator



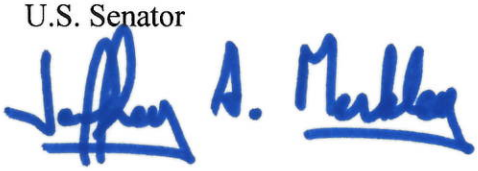
Gary C. Peters
U.S. Senator



Michael F. Bennet
U.S. Senator



Todd Young
U.S. Senator



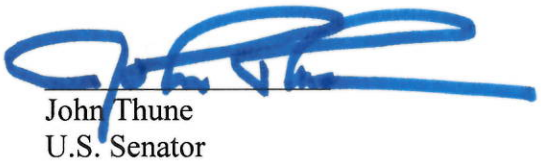
Jeffrey A. Merkley
U.S. Senator



Richard J. Durbin
U.S. Senator



Shelley Moore Capito
U.S. Senator



John Thune
U.S. Senator

Debbie Stabenow
U.S. Senator

Steve Daines
U.S. Senator

Amy Klobuchar
U.S. Senator

James M. Inhofe
U.S. Senator

CC: The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce

The Honorable Linda McMahon
Administrator
U.S. Small Business Administration