

G. U.S. CUSTOMS AND FREE TRADE AGREEMENT

U.S. Customs

Any product crossing the border from Canada into the U.S. must be accompanied by documentation specifying certain categories of information about the product. The shipper may either assume the responsibility of completing this documentation, or contract the services of a customs broker or freight forwarder.

The U.S. Customs Service maintains offices at border crossing points between Canada and the U.S., as well as at other locations. General inquiries may be addressed to any U.S. Customs Office. It is suggested that any detailed inquiry pertaining to the shipping of a specific product into the New England region be directed to the northeast regional headquarters office in Boston at the address below.

U.S. Customs Service
10 Causeway Street
Boston, MA 02222-1059
Tel: (617) 565-6108

Free Trade Agreement (FTA)

A major piece of U.S. Customs legislation is the U.S.-Canada Free Trade Agreement (FTA) which became law in 1988. The FTA created the world's largest free trade area. Below is a brief summary of the key provisions:

- Tariffs: Eliminates all tariffs on U.S. and Canadian goods by 1998. These goods must originate in the U.S. or Canada.

- Rule of origin: Uses a rule of origin to prevent third country goods from receiving FTA tariff treatment.

- Customs: Ends customs user fees for goods and duty drawback programs by 1994 for bilateral trade and duty waivers linked to performance requirements by 1998 (except for the Auto Pact).

- Quotas: Eliminates import and export quotas unless allowed by the General Agreement on Tariffs and Trade (GATT).

- National treatment: Reaffirms GATT principle preventing discrimination against imported goods.

- Standards: Prohibits use of product standards as a trade barrier and provides for national treatment of testing labs and certification bodies.