

110TH CONGRESS
1ST SESSION

S. 1250

To direct the United States Trade Representative to conduct an investigation of the personal exemption allowance that Canada provides for merchandise purchased abroad by Canadian residents, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 2007

Ms. SNOWE (for herself and Ms. CANTWELL) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To direct the United States Trade Representative to conduct an investigation of the personal exemption allowance that Canada provides for merchandise purchased abroad by Canadian residents, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PARITY WITH CANADA ON PERSONAL DUTY EX-**
4 **EMPTION.**

5 (a) FINDINGS.—Congress makes the following find-
6 ings:

7 (1) The United States allows a \$200 duty-free
8 personal exemption for United States residents trav-

1 eling outside the United States on trips lasting up
2 to 48 hours. Canada allows no personal exemption
3 from duty for Canadian residents returning from
4 foreign travel lasting less than 24 hours, an exemp-
5 tion of only \$50 Canadian for foreign travel lasting
6 between 24 and 48 hours.

7 (2) Foreign travel by Canadian residents last-
8 ing 48 hours or less is almost exclusively and nec-
9 essarily to the United States.

10 (3) The United States Trade Representative ac-
11 knowledged in its 2006 National Trade Estimate
12 Report of Foreign Trade Barriers, that Canada's
13 personal duty exemption scheme "discourages shop-
14 ping visits to the United States by border resi-
15 dents."

16 (4) Under Chapter Twelve of the North Amer-
17 ican Free Trade Agreement (NAFTA), Canada is
18 obligated to accord to United States service pro-
19 viders, including retail and distribution service pro-
20 viders, treatment that is no less favorable than the
21 treatment Canada accords to its own service pro-
22 viders and the service providers of any other coun-
23 try.

24 (5) Despite years of objections by the United
25 States Government and retail and distribution serv-

1 ice providers, Canada has maintained its deliberately
 2 discriminatory personal exemption allowance scheme.

3 (6) Canada’s personal exemption allowance
 4 scheme is unjustifiable and burdens and restricts
 5 United States commerce.

6 (b) DEFINITIONS.—In this section:

7 (1) NAFTA.—The term “NAFTA” means the
 8 North American Free Trade Agreement.

9 (2) SERVICE PROVIDER.—The term “service
 10 provider” has the meaning given that term in Chap-
 11 ter Twelve of the NAFTA.

12 (3) TRADE REPRESENTATIVE.—The term
 13 “Trade Representative” means the United States
 14 Trade Representative.

15 (c) MANDATORY INVESTIGATION.—

16 (1) INITIATION OF INVESTIGATION.—Not later
 17 than 30 days after the date of the enactment of this
 18 Act, the Trade Representative shall initiate an inves-
 19 tigation of Canada’s personal exemption allowance
 20 scheme pursuant to title III of the Trade Act of
 21 1974 (19 U.S.C. 2411 et seq.) and shall report to
 22 Congress the results of that investigation and the
 23 action the Trade Representative is taking with re-
 24 spect to that scheme under that Act.

1 (2) WAIVER OF PRIOR CONSULTATION.—For
2 purposes of title III of such Act, the Trade Rep-
3 resentative shall not be required to conduct consulta-
4 tions under section 302(b)(1)(B) of such Act (19
5 U.S.C. 2412(b)(1)(B)) before making a determina-
6 tion under such Act with respect to Canada's per-
7 sonal exemption allowance scheme.

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