

## BPE Global Hot Topic – December 2017

### We Made It – 2017 is Almost Over!



As 2017 winds down, we are extremely grateful that we've made it through this year relatively unscathed. Our world didn't cease to function in 2017 despite a U.S. president who vehemently opposed the Trans-Pacific Partnership (TPP), has denounced the North American Free Trade Agreement (NAFTA) as a destroyer of manufacturing jobs and has adopted a trade policy agenda calling for fundamental change in the direction of U.S. trade policy. In fact, we're encouraged that TPP was the only trade program that took a direct hit. We want the attack on trade compliance policy to stop and we're hoping you will help us continue to defend against trade policy changes. Although we dodged many potential export and import business challenges in 2017 such as additional duties on Chinese imports, a Mexican wall tax, and the potential loss of NAFTA, the fight has only begun. NAFTA is being renegotiated and there have been 232 safeguard investigations so don't even think that we've won.

Our free [Trade Policy Impact Calculator](#), that we released in January 2017, offers a fiscal snapshot of possible trade changes and the impact to companies bottom lines. Our calculator has helped companies stave off panic regarding significant trade policy changes by providing them with actual data on how much the loss of GSP, NAFTA, TPP and TTIP would add to the company's costs. The calculator provides companies with a profile based on their historical data and origin country volume to provide a defense against the surge of retaliatory tariff threats spread across the global trade arena. We are proud that we can give the trade a free tool to support their defensive strategies and we encourage you to use the calculator, so you have fact-based data on the impact of trade policy changes on your business. We're updating it for 2018 and we hope you will again download and use the calculator, share it with your executive management and with your representatives in Congress.

2017 has not been a cakewalk. Things were much more challenging this past year. We have a Commodity Jurisdiction request that just celebrated it's one-year anniversary pending at the Department of State. Although the DoS has a great process for resolving interagency issues, they are so understaffed that our request is not being addressed in a timely manner. There are far less resources to support the Trade at all of the key agencies that we work with, with Bureau of Industry and Security under-staffed more than ever before on processing export licenses and particularly encryption classification requests, and CBP is asking for donations to continue its ACE development. We are apprehensive that these issues will continue into 2018. Please be aware that these issues could impact your company and please make sure to alert your management and trade associations when you experience these issues, so they can fight to protect your business.

The attack on global trade compliance is only going to intensify in 2018. We are going to have an even bigger battle to preserve existing trade policies in 2018 and we are up to the challenge. We'll be updating the Trade Policy Impact Calculator, so you can use your 2017 import data. Companies will continue to be vulnerable and should focus on the major challenges to their business such as a trade war over steel, transatlantic distrust, a China technology transfer investigation, 232 safeguard investigations, BREXIT, and a threat to KORUS to name a few. We're concerned that companies are getting complacent. We need you to stay vigilant and even be proactive regarding trade compliance policy, and get involved.



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The reality is that average tariffs are higher than the U.S. and the E.U. in the rest of the world and we are afraid that losing trade U.S. programs will put U.S. businesses at a disadvantage. We want you to keep beating the drum about conserving trade compliance programs. Keep continuing to fight to retain existing trade preferences and prevent protectionist policies. If you don't know where to start, just give us a call and we can help you identify the key risks to your company.

We're excited about 2018. We are all fired up and will continue to support and educate our amazing customers, so they can run strategic global trade compliance operations. We will continue to join our partners in new customer projects including import, export, trade automation, audit and training. We will continue to deliver meaningful and actionable trade compliance projects. We are here to celebrate and defend trade compliance and raise it up to the executive level where it belongs. We would love for you to join us in all this fun.

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