



Free Trade Agreements

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- ◆ Navigating Controlled Exports



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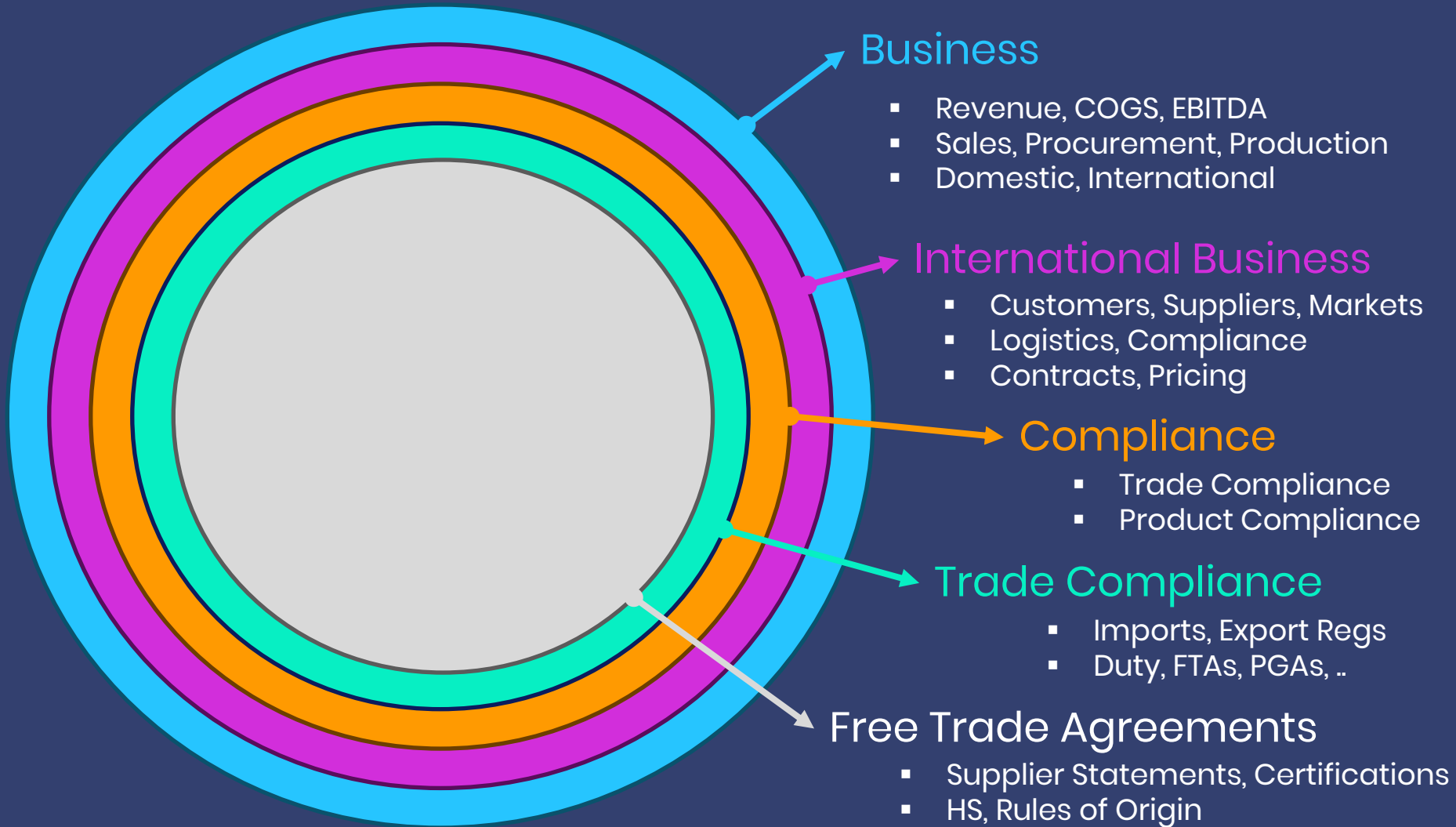
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Today we'll talk about:

1. Aligning Trade with Business Strategy
2. FTA Regulatory Environment
3. Business Decisions





Duty Preference Programs

Avoidance

Minimize duty at import

1

2

Deferral

Delay duty until necessary

Recovery

Recover duties paid previously

3

Coordinate strategy with regulatory programs to maximize advantage.

- Avoidance: FTA, Ch. 98, First Sale, Tariff Engineering, Carnets
- Deferral: TIB, Bonded Warehouse, FTZ, Reconciliation
- Recovery: Drawback, 520(d), PSC & Protests, CAPE



Know your
when & why.

Knowledge comes first.

FTAs are for Duty Avoidance

3 driving forces behind *using* an FTA:

1. You want to pay less duty on *your* imports
2. Your customers in another country want to pay less duty on *their* imports
3. Your customers in the U.S. have exports to a member country and they want to pay less duty on *those* imports

FTA avoids duty on MFN Tariffs and *some* Sec. 122 (USMCA, some DR-CAFTA textiles)

FTA & TPA with 20 Countries

USMCA:

- 1. Canada
- 2. Mexico

DR-CAFTA:

- 3. Dominican Republic
- 4. Guatemala
- 5. El Salvador
- 6. Honduras
- 7. Nicaragua
- 8. Costa Rica

10. Colombia

11. Peru

12. Chile

13. Morocco

14. Israel

15. Jordan

16. Bahrain

17. Oman

18. Singapore

20. Australia

19. Korea

Free Trade Agreements



Some key things to remember:

- ◇ Currently 14 FTAs with 20 countries
- ◇ US & Japan have an agreement in place for minerals
- ◇ Trade, international relations, and foreign policy are in an unprecedented state of disarray.
- ◇ USMCA is up for renewal in 2026

U.S. Trade Agreements:

Bilateral:

1. Australia
2. Bahrain
3. Chile
4. Colombia
5. Israel
6. Jordan
7. Korea
8. Morocco
9. Oman
10. Panama
11. Peru
12. Singapore

Multilateral:

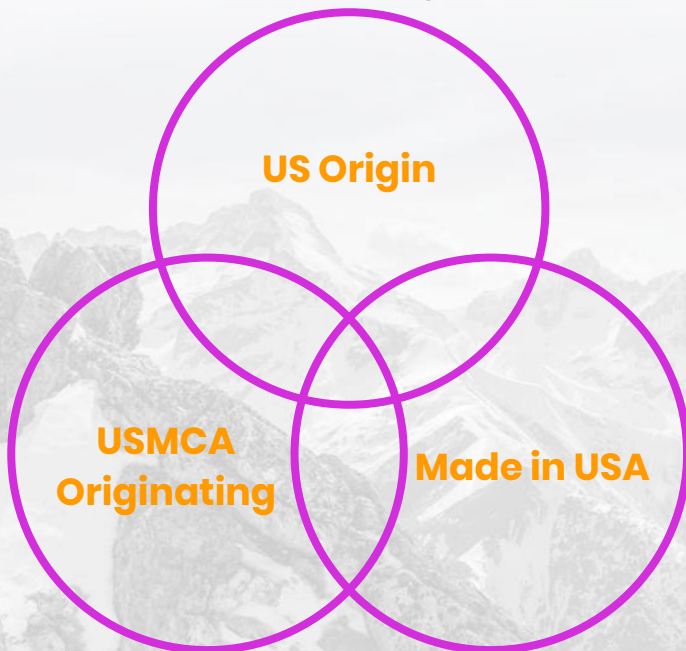
- DR-CAFTA
1. Costa Rica
 2. Dominican Republic
 3. El Salvador
 4. Guatemala
 5. Honduras
 6. Nicaragua
- USMCA
1. Canada
 2. Mexico

Originating Goods



What does it mean to be *originating* under a Free Trade Agreement?

Originating Goods satisfy the requirements of the FTA: for USMCA, that means they have met all applicable Rules of Origin from **Annex 4-B**.



A good that is **US Origin** is not necessarily **Originating**.

US Origin > Substantial Transformation, § 134
FTA Originating > Rules of Origin, § 182, General Notes

A good that Originates under USMCA does not necessarily Originate under KORUS or AUSFTA.

Made in USA applies an entirely different standard under the rules & regulations of the Federal Trade Commission.

See also: March 13th E.O. 14392 giving FTC additional mandates for enforcement of Made In America claims

Establishing an FTA Program for yourself



You will need:

1. Regulatory nerds who can navigate FTA Rules of Origin
2. Great communication with suppliers, production teams, & customers
3. Reliable recordkeeping

Regulatory References



Ways to succeed:

- ◇ Know which resources to use and how
- ◇ Consult with experts
- ◇ Keep current (as best you can)

Authoritative Sources

1. U.S. Trade Representative ustr.gov
2. Title 19 CFR ecfr.gov
3. General Notes of the HTSUS hts.usitc.gov
4. Member Country Gov't & Federal Sources

FTA Program: The Basics



What you need

Ways to succeed:

- ◇ Know your role & what you need
- ◇ Know your audience & what they need
- ◇ Maintain comprehensive records on how you meet your compliance obligations
- ◇ Be prepared to show your work to any Customs agency who requests that evidence

As an Importer

1. Obtain a valid Certification of Origin from Supplier and inform your Customs Broker

As an Exporter

1. Prepare your own valid Certification of Origin and provide to your Customer

As a Producer

1. Valid HS on the Finished Good
2. Knowledge of compliance with all applicable Rules of Origin
3. Valid substantiating evidence from your suppliers
4. Valid Certification of Origin that you prepare & provide to your Customer

USMCA Renewal



16 years in force, with renewal option every 6th year

- Entry into force: July 2020
- **Expiration:** July 2036
- First renewal talks: July 2026

Option 1

- **Renew for 16 years**
- **New Expiration:** July 2042
- Next Renewal Talk: July 2032

Option 2

- **Do not renew**
- Next Renewal Talk: July 2017
- **Expiration:** July 2036

Option 3

- Something else?



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[USMCA: Unlocking the Benefits of Other FTAs](#)



April 2026: [The Year Tariffs Took Over Trade](#)

Thank you for your time!



Questions?