

Commercial Customs Operations Advisory Committee (COAC) Government Issue Paper: Northern Triangle

August 2019



U.S. Customs and
Border Protection



Trade Policy & Programs/Office of Trade
Rapid Response Subcommittee/Northern Triangle Working Group
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Action Required: Informational

Background:

- The Northern Triangle Working Group (NTWG) was established to develop recommendations on reducing nontariff trade barriers and improving customs processes in the Northern Triangle region of Central America, comprised of Guatemala, El Salvador, and Honduras, for the purpose of reducing migration driven by economic push factors.
- COAC and CBP have brought together over fifty (50) stakeholders to form the working group.
 - This includes representation from CBP, USAID, UNICEF, DOC, DOS, and USTR as well as other NGOs and private sector companies regularly conducting business in the region— representing the apparel, agricultural, mass merchandising, shipping, express courier, and other industries.
- Throughout June 2019, CBP and COAC hosted educational sessions with all NTWG stakeholders. Public sector members provided information about the existing environment in the Northern Triangle to assist recommendation development.
- The working group has held weekly calls and convened for an in-person meeting in Washington, D.C. from July 1-2, 2019.

Issue:

- NTWG leadership has identified five (5) key themes to guide recommendation development:
 1. Trade Finance and Economic Growth (i.e. banking and foreign direct investment, tax system)
 2. Trade Facilitation (i.e. customs and non-tariff trade barriers, legal and regulatory, Free Trade Agreements and regional integration)
 3. Infrastructure (i.e. ports/roads, congestion, technology, energy)
 4. Security and Corruption (i.e. smuggling/counterfeit trade, transparency, AEO, admin/judicial process)
 5. Capacity Building (i.e. trade education, building manufacturing base, in- country and external engagement)
- The NTWG is working to enhance regional trade flows affected by poor information exchange, limited coordination among border agencies, weak infrastructure and border control operations, customs delays, and inadequate risk management and trusted supply chain partnerships among authorities in the region.

Next Steps:

- The NTWG will continue exploring trade facilitation solutions to enhance the economic well-being of those in the Northern Triangle and address the push factors impacting North Triangle migration to the United States.
- The working group's strategic objectives include:
 - Identifying a U.S. and foreign industry engagement strategy to encourage commercial stakeholders to conduct business and invest in the Northern Triangle.
 - Identifying U.S. legal, regulatory and policy reform that could positively impact U.S. business capabilities with the Northern Triangle
 - Identifying investment opportunities for customs infrastructure development in the Northern Triangle and Southern Mexico