February 12, 2018

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce strongly supports H.R. 4979, which would renew the Generalized System of Preferences (GSP) for three years. The Chamber urges Congress to act swiftly to renew this important program, which lapsed on December 31. The Chamber may include votes on, or in relation to, this legislation in our annual How They Voted scorecard.

For four decades, GSP has promoted market-based economic growth in developing countries by providing duty-free access to the U.S. market. Today, the program suspends tariffs on nearly 5,000 products from more than 120 developing countries. Products imported under GSP generally do not compete with U.S.-made goods in any significant way.

GSP also enhances the competitiveness of American manufacturers by lowering their costs while providing real savings for U.S. consumers. Approximately three-quarters of U.S. imports under GSP are raw materials, parts and components, or other goods used by U.S. companies to manufacture goods in the United States for domestic consumption or for export. GSP also helps American families stretch their budgets by providing preferential access to the U.S. market for a variety of inexpensive consumer goods.

The program’s benefits for the United States are tangible. U.S. consumers enjoyed more than $865 million in savings on import duties last year under the GSP program. Also, GSP’s eligibility criteria provide the U.S. government with leverage to encourage beneficiary countries to protect intellectual property, treat U.S. investors fairly, and improve labor practices, among other reforms. For all of these reasons, the GSP program has long enjoyed bipartisan support.

Failure to reauthorize GSP swiftly could cause U.S. companies to lay off workers, reduce wages and benefits, and cut investment, as transpired when the program lapsed between August 2013 and July 2015. Only after Congress passed an extension could many American businesses that rely on the program start hiring again.

GSP has been an effective tool promoting market-based economic growth in developing countries, strengthening U.S. manufacturing, and expanding consumer choice. The Chamber urges Congress to renew this important program swiftly.

Sincerely,

Neil L. Bradley