

November 21, 2024

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jefferies
Democratic Leader
United States House of Representatives
Washington, D.C. 20515

Dear Leader Schumer, Leader McConnell, Speaker Johnson, and Leader Jeffries:

On behalf of the undersigned organizations, we urge you to prioritize legislative action on the Generalized System of Preferences (GSP) program as you consider the Congressional agenda for the rest of the year. GSP, which lapsed on December 31, 2020, supports the development of 119 emerging economies by eliminating tariffs and opening the U.S. market to qualifying, non-sensitive exports from those countries. At the same time, GSP supports American workers and manufacturers by reducing costs of imported inputs and equipment and helps American families stretch their paychecks by lowering the costs of consumer goods imported duty-free.

Since GSP expired, American companies have paid over \$4 billion in extra taxes. The lapse has contributed to the significant cost increases on many everyday items over the last several years, the top economic concern for most Americans. At the same time, GSP expiration has hindered American companies' effort to diversify suppliers and build more resilient supply chains, including reducing dependence on China. The longer GSP remains expired, the more costs grow and the more confidence wanes in GSP's reliability as a tool to create diverse supply chains outside of China. Some companies who left China because of GSP have shifted back because of the program's expiration.

Fortunately, much congressional work on GSP renewal legislation is already done. The GSP Reform Act ([H.R.7986](#)) incorporates virtually all of the bipartisan GSP provisions from the trade package approved 91-4 by the Senate during the 117th Congress. H.R. 7986 also modernizes the program with updates to review procedures (e.g. expedited review) and "competitive need limitations" (CNLs). For example, the CNL Update Act ([H.R.6555](#)) enjoys strong bipartisan support, as did similar bills in the 117th Congress.

GSP renewal is about more than dollars and cents: the United States' credibility as a trading partner with developing countries is at stake, and countries such as China stand ready to fill the vacuum of abdicated U.S. leadership. Congress could show global leadership by extending the African Growth and Opportunity Act (AGOA) and the Haitian

Hemispheric Opportunity through Partnership Encouragement Act and the Haiti Economic Lift Program Act (HOPE-HELP) along with retroactive GSP renewal. Both programs are scheduled to expire on September 30, 2025 and have strong, bipartisan support. Yet as GSP users and qualifying countries know all too well, bipartisan support may not be enough to avoid a painful lapse in the programs.

Given the uncertainty of the last several years, and the competing priorities for the new Congress and Administration in 2025, it is critical that Congress passes a retroactive GSP renewal before the end of 2024. We urge you to find creative solutions to renew GSP, such as linking it to other bipartisan trade programs like AGOA and HOPE-HELP, while avoiding linkages to partisan issues that only will create further delay. We look forward to working with you to pass this important legislation.

Sincerely,

Alliance for Chemical Distribution
American Apparel & Footwear Association
American Association of Exporters and Importers (AAEI)
American Chemistry Council
Association of Floral Importers of Florida
Association of Food Industries
California Chamber of Commerce
Coalition for GSP
Coalition of New England Companies for Trade – CONECT
Consumer Brands Association
Consumer Technology Association (CTA)
Columbia River Customs Brokers & Forwarders Association
Customs Brokers & Forwarders Association of Northern California
Customs Brokers & International Freight Forwarders Association of Washington State
Express Association of America (EAA)
Footwear Distributors & Retailers of America (FDRA)
Gemini Shippers Association
International Wood Products Association
Los Angeles Customs Brokers & Freight Forwarders Association
National Confectioners Association (NCA)
National Customs Brokers & Forwarders Association of America, Inc. (NCBFAA)
National Fisheries Institute (NFI)
National Foreign Trade Council (NFTC)
National Retail Federation
Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc.
PeopleForBikes
Retail Industry Leaders Association
RV Industry Association
San Diego Customs Brokers Association

Society of American Florists
Sports & Fitness Industry Association
The Fashion Accessories Shippers Association
The Fashion Jewelry & Associates Trade Association
Travel Goods Association
U.S. Chamber of Commerce
United States Fashion Industry Association (USFIA)