

# Congress of the United States

Washington, DC 20510

July 11, 2023

The Honorable Jason Smith  
Chairman of the House Committee on Ways  
and Means  
United States House of Representatives  
Washington, DC 20515

The Honorable Richard E. Neal  
Ranking Member of the House Committee on  
Ways and Means  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

Strategic competition with China is one of the defining issues of the 118<sup>th</sup> Congress. Reducing U.S. reliance on China is a policy goal shared by many across the political spectrum, as well as many American companies. We hope to work with you and the Ways and Means Committee on bipartisan legislation to help facilitate supply chain shifts out of China, including renewal of the Generalized System of Preferences (GSP) program.

Established in 1974, GSP is the United States' oldest and largest trade preference program. GSP boosts trade and economic development by eliminating tariffs on non-sensitive goods from 119 qualifying developing countries. Congress has renewed GSP repeatedly with overwhelming bipartisan support. While the House last renewed GSP by a vote of 400-2, this authorization expired on December 31, 2020.

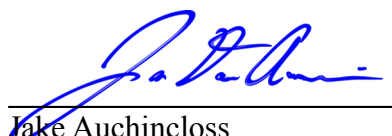
GSP can play a critical role in helping American companies find non-Chinese suppliers. China has never qualified for GSP benefits, but many of its competitors do. GSP can result in tariff savings averaging 5 percent on all products, and frequently rising to 20 percent. Nearly all GSP-eligible products also are subject to Section 301 tariffs when imported from China, so GSP can provide tariff advantages as high as 45 percent for key products compared to China.

China is benefiting significantly from GSP expiration, which has led to over \$2.5 billion in extra tariffs on \$45 billion in imports from China's developing country competitors. American companies that reduced imports from China from 2018-2020 in response to Section 301 tariffs – the very action Congress seeks to encourage – have borne much of the GSP expiration costs. These U.S. importers have had to choose between raising prices on consumers or finding cheaper places to source products and industrial inputs, including returning to China. This undesirable trend will continue to worsen as long as GSP remains expired.

GSP renewal would benefit American firms and families. Lower tariffs on inputs and parts helps U.S. manufacturers stay competitive in global markets. GSP benefits for consumer goods help American families stretch their paychecks further. Renewal also would demonstrate U.S. trade leadership to GSP partner countries and allies around the world.

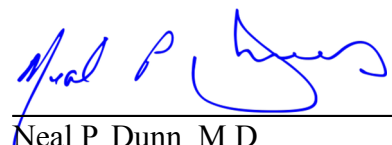
Legislation to renew GSP, including smart changes to make GSP countries more viable alternatives to China, would enjoy broad, bipartisan support. We look forward to working with you to pass such legislation as quickly as possible.

Sincerely,




---

Jake Auchincloss  
Member of Congress



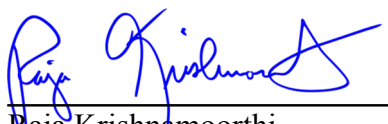
---

Neal P. Dunn, M.D.  
Member of Congress




---

Mike Gallagher  
Member of Congress



---

Raja Krishnamoorthi  
Member of Congress



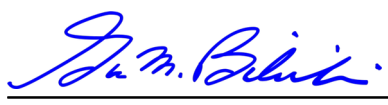
---

Earl L. "Buddy" Carter  
Member of Congress




---

Wiley Nickel  
Member of Congress




---

Gus M. Bilirakis  
Member of Congress



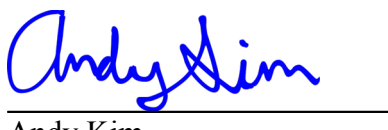
---

David Scott  
Member of Congress




---

John H. Rutherford  
Member of Congress



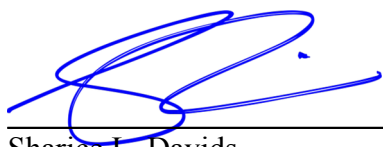
---

Andy Kim  
Member of Congress



---

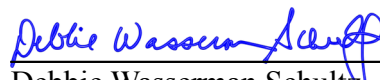
André Carson  
Member of Congress



Sharice L. Davids  
Member of Congress



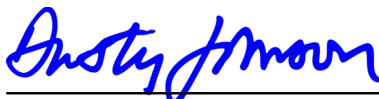
Russell Fry  
Member of Congress



Debbie Wasserman Schultz  
Member of Congress



Emanuel Cleaver, II  
Member of Congress



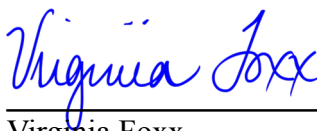
Dusty Johnson  
Member of Congress



Dina Titus  
Member of Congress



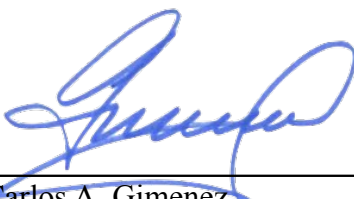
Kathy E. Manning  
Member of Congress



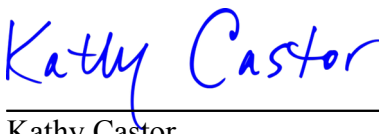
Virginia Foxx  
Member of Congress



Robert J. Wittman  
Member of Congress



Carlos A. Gimenez  
Member of Congress



Kathy Castor  
Member of Congress



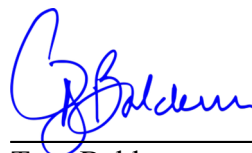
C. A. Dutch Ruppertsberger  
Member of Congress



Steve Womack  
Member of Congress



Jake Ellzey  
Member of Congress



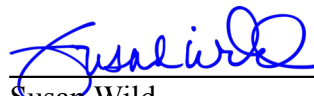
Troy Balderson  
Member of Congress



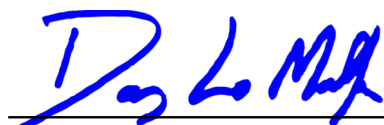
Ken Buck  
Member of Congress



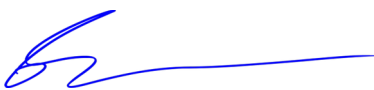
Tim Burchett  
Member of Congress



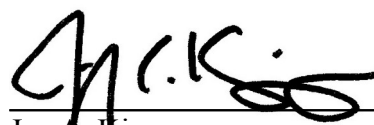
Susan Wild  
Member of Congress



Doug LaMalfa  
Member of Congress



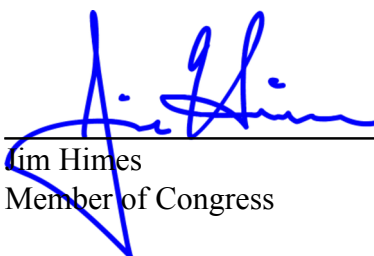
Brian J. Mast  
Member of Congress



Jen A. Kiggans  
Member of Congress



Mario Diaz-Balart  
Member of Congress



Tim Himes  
Member of Congress



David G. Valadao  
Member of Congress



Eric Swalwell  
Member of Congress



Ryan K. Zinke  
Member of Congress



J. Luis Correa  
Member of Congress



James P. McGovern  
Member of Congress



Young Kim  
Member of Congress



David P. Joyce  
Member of Congress



Mike Levin  
Member of Congress



Rick Larsen  
Member of Congress



Max L. Miller  
Member of Congress



Ted W. Lieu  
Member of Congress



Paul D. Tonko  
Member of Congress



Deborah K. Ross  
Member of Congress



Dean Phillips  
Member of Congress



Seth Moulton  
Member of Congress



Shontel M. Brown  
Member of Congress



Frederica S. Wilson  
Member of Congress



Ritchie Torres  
Member of Congress



Glenn "GT" Thompson  
Member of Congress



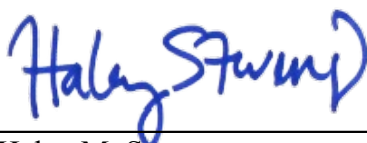
Mikie Sherrill  
Member of Congress



Adam B. Schiff  
Member of Congress

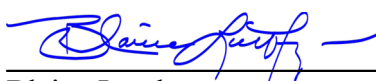


Harold Rogers  
Member of Congress



---

Haley M. Stevens  
Member of Congress



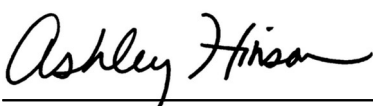
---

Blaine Luetkemeyer  
Member of Congress



---

Kat Cammack  
Member of Congress



---

Ashley Hinson  
Member of Congress



---

Cory Mills  
Member of Congress



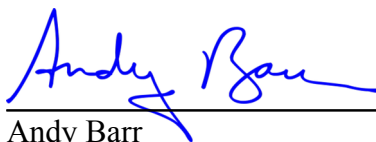
---

Laurel M. Lee  
Member of Congress



---

Jake LaTurner  
Member of Congress



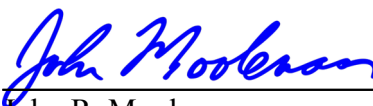
---

Andy Barr  
Member of Congress



---

Ro Khanna  
Member of Congress



---

John R. Moolenaar  
Member of Congress