

Ways & Means Member Day Remarks – Congressman Neal Dunn (FL-02)

Thank you, Mr. Chairman.

It has become clear strategic competition with China is one of the defining issues of the 118th Congress. Reducing U.S. reliance on China is a shared policy goal of many across the political spectrum, as well as many American companies.

In July, Mr. Auchincloss & I, joined by 64 other members of congress, sent a letter to this Committee, underscoring the necessity of legislation to help facilitate supply chain shifts out of China. Specifically, this addressed renewal of the Generalized System of Preferences (GSP) program. Thank you, Mr. Chairman, for you & your staff's attention to this letter.

GSP is one of America's oldest and largest trade agreements that has consistently been renewed by both Democrat and Republican administrations since 1974. GSP boosts economic development by removing tariffs on non-sensitive goods from 119 developing countries. China is not a qualified country. Thanks to D.C. gridlock, GSP expired on December 31, 2020. However, the last vote on GSP renewal passed by a vote of 400-2 in the House.

I am confident that GSP renewal legislation will be delivered under Chairman Smith's leadership on the Ways & Means Committee – without it, billions of dollars in additional costs from current tariffs will burden American companies.

Right now, American companies are forced to choose between hiking prices for consumers, absorbing the profit cuts, or finding a cheaper place to manufacture, like China. In our competitive race with China, GSP is a valuable tool to help American companies find non-CCP suppliers. China has never qualified for GSP benefits, but many of its competitors do.

GSP can result in tariff savings averaging 5% on all products, & frequently rising to 20%. Nearly all GSP eligible products are also subject to Section 301 tariffs when imported from China, so GSP can provide tariff advantages as high as 45% for key products compared to imports from China.

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.

We want to unleash American prosperity & economic potential. Renewing this program will keep businesses open at home and abroad, instead of moving to China, a direct economic competitor. Thank you for the opportunity to speak before this committee.

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