

# 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.

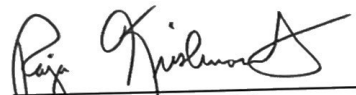
Legislation to renew GSP, including smart changes to make GSP countries more viable alternatives to China, would enjoy broad, bipartisan support. We look forward to working with you to pass such legislation as quickly as possible.


Sincerely,


  
Jake Auchincloss  
Member of Congress

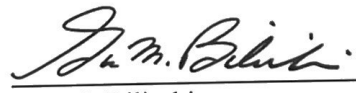
  
Neal P. Dunn, M.D.  
Member of Congress

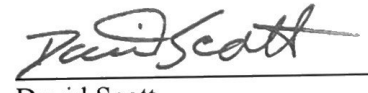
  
Mike Gallagher  
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Raja Krishnamoorthi  
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Earl L. "Buddy" Carter  
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Wiley Nickel  
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Gus M. Bilirakis  
Member of Congress

  
David Scott  
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John H. Rutherford  
Member of Congress

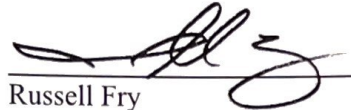
  
Andy Kim  
Member of Congress

  
André Carson  
Member of Congress




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Sharice L. Davids  
Member of Congress




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Russell Fry  
Member of Congress



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Debbie Wasserman Schultz  
Member of Congress



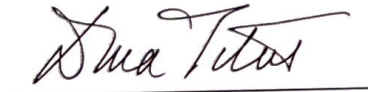
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Emanuel Cleaver, II  
Member of Congress



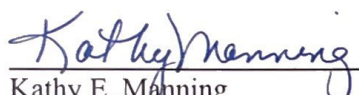
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Dusty Johnson  
Member of Congress



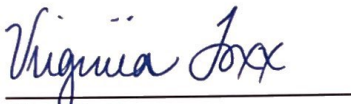
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Dina Titus  
Member of Congress




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Kathy E. Manning  
Member of Congress



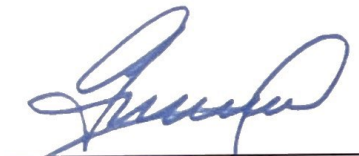
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Virginia Foxx  
Member of Congress




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Robert J. Wittman  
Member of Congress



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Carlos A. Gimenez  
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Kathy Castor  
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C. A. Dutch Ruppberger  
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Steve Womack  
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Jake Ellzey  
Member of Congress



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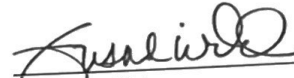
Troy Balderson  
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Ken Buck  
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Tim Burchett  
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Susan Wild  
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Doug LaMalfa  
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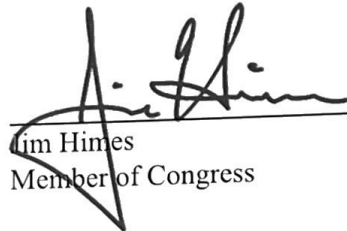
Brian J. Mast  
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Jen A. Riggans  
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Mario Diaz-Balart  
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Jim Himes  
Member of Congress



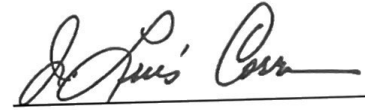
David G. Valadao  
Member of Congress



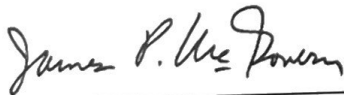
Eric Swalwell  
Member of Congress



Ryan K. Zinke  
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J. Luis Correa  
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James P. McGovern  
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Young Kim  
Member of Congress



David P. Joyce  
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Mike Levin  
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Rick Larsen  
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Max L. Miller  
Member of Congress



Ted W. Lieu  
Member of Congress



Paul D. Tonko  
Member of Congress



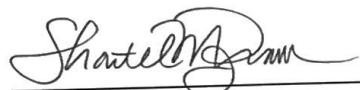
Deborah K. Ross  
Member of Congress



Dean Phillips  
Member of Congress



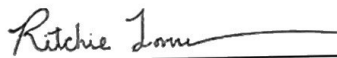
Seth Moulton  
Member of Congress



Shontel M. Brown  
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Frederica S. Wilson  
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Ritchie Torres  
Member of Congress



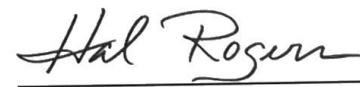
Glenn "GT" Thompson  
Member of Congress



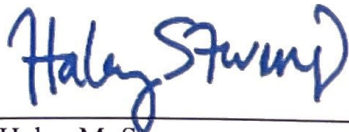
Mikie Sherrill  
Member of Congress



Adam B. Schiff  
Member of Congress



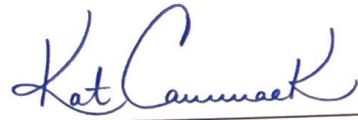
Harold Rogers  
Member of Congress



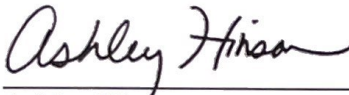
Haley M. Stevens  
Member of Congress



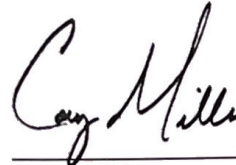
Blaine Luetkemeyer  
Member of Congress



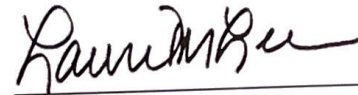
Kat Cammack  
Member of Congress



Ashley Hinson  
Member of Congress



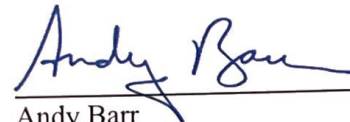
Cory Mills  
Member of Congress



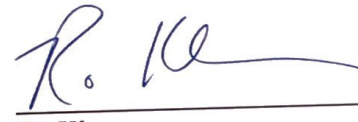
Laurel M. Lee  
Member of Congress



Jake LaTurner  
Member of Congress



Andy Barr  
Member of Congress



Ro Khanna  
Member of Congress



John R. Moolenaar  
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