

February 13, 2018

Chairman Kevin Brady Ways and Means Committee U.S. House of Representatives 1102 Longworth House Office Building Washington, DC 20515

Re: GSP Renewal Legislation (H.R. 4979)

Dear Chairman Brady and Ranking Member Neal:

Ranking Member Richard Neal Ways and Means Committee U.S. House of Representatives 1139E Longworth House Office Building Washington, DC 20515

On behalf of the American Association of Exporters and Importers (AAEI), we write to voice our strong support for H.R. 4979 to extend the Generalized System of Preferences (GSP) pending before the House of Representatives.

AAEI has been a national voice for the international trade community in the United States since 1921. AAEI represents the entire spectrum of the international trade community across all industry sectors. Our members include manufacturers, importers, exporters, wholesalers, retailers and service providers to the industry, which is comprised of customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests and ports. Many of these enterprises are small businesses seeking to export to foreign markets. AAEI promotes fair and open trade policy. We advocate for companies engaged in international trade, supply chain security, export controls, non-tariff barriers, import safety and customs and border protection issues. AAEI is the premier trade organization representing those immediately engaged in and directly impacted by developments pertaining to international trade. We are recognized as the technical experts regarding the day-to-day facilitation of trade, including the administration of and compliance with customs and export laws of the United States, including trade preference programs including GSP.

GSP has become an integral part of the United States' trade policy and the expiration of this important trade preference program places U.S. companies at a competitive disadvantage in relation to their competitors in foreign markets. AAEI members reply upon GSP to import component parts and other inputs to manufacture finished products which are then exported to foreign markets. Prolonged expiration of GSP introduces uncertainty into the global supply chain, particularly for small-medium size companies, and so the retroactive application of GSP to certain liquidated entries is important for these companies to continue using GSP. In many cases, GSP is the difference between SMEs profitability on certain products and markets, and without GSP they would withdraw from that product line or market.

We hope these comments provide the House with insight as to the real impact of GSP on U.S. companies, and we support Congress' quick action on this important trade legislation.

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