

United States House of Representatives,  
Washington, DC 20515

Dear Representative:

On behalf of the National Association of Chemical Distributors (NACD), I am writing to urge you to support H.R. 4979: *To extend the Generalized System of Preferences (GSP) and to make technical changes to the competitive need limitations provision of the program*. The bill will renew GSP through December 31, 2020, refund tariffs paid since GSP expired at the end of 2017, and change dates related to annual GSP reviews.

Last authorized by Congress in June 2015, the GSP program eliminates U.S. import tariffs on non-sensitive products from more than 120 developing countries. Without renewal of the program, these tariffs are ultimately being paid by American manufacturers, farmers, and consumers.

Since its implementation in 1976, the GSP program has benefited American companies and workers by cutting tariffs (i.e., taxes) on certain imported products. In 2016, the program saved American companies about \$730 million in taxes. Most products imported under the GSP program are raw materials, components, and parts used by American manufacturers and farmers to produce other goods in the United States. These imports, often not available in the U.S., help American manufacturers and workers compete in today's economy. The GSP program also promotes good work policies abroad by requiring participating countries to improve labor practices, avoid child labor, protect intellectual property rights, and treat American investors fairly. A country's inability to meet these requirements rescinds GSP program eligibility.

Failure to reauthorize the GSP program has already caused many U.S. companies to lay off workers, reduce wages and benefits, and reduce investment. U.S. companies that rely upon the program and have already placed orders for delivery in 2018 are left completely uncertain on whether they will be reimbursed for this extra cost. The Coalition for GSP, a group of U.S. companies and associations in support of GSP, asserts that expiration of GSP has cost American companies "nearly \$2 million per day in higher taxes while waiting for Congress to renew the program."

I strongly urge you to work with your colleagues to pass long-term renewal of the GSP program by supporting H.R. 4979. Doing so will help ensure American jobs and give businesses the certainty to continue thriving in today's competitive market.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric R. Byer". The signature is fluid and cursive, with a large initial "E" and "B".

Eric R. Byer  
President