

Congress of the United States
Washington, DC 20515

May 2, 2019

Ambassador Robert Lighthizer
Office of the United States Trade Representative
600 17th St NW
Washington, DC 20006

Dear Ambassador Lighthizer:

We are writing to express our concerns with the recent announcement of intent to terminate India's designation as a beneficiary of the Generalized System of Preferences (GSP) program. While we support your goals of further opening the Indian market to U.S. exports, we urge you not to terminate benefits once the 60-day notice period required by statute ends in May. Instead, we hope your office will continue negotiating a deal that protects and promotes jobs that rely on trade – both imports and exports – with India.

The GSP program has strong, bipartisan support. H.R. 4979, which reauthorized GSP for three years, passed the House 400-2 before its inclusion and enactment into law as part of the Consolidated Appropriations Act, 2018. Such strong support comes from the recognition that GSP promotes growth both in the United States and developing countries.

No party – in the United States or India – would benefit from terminating GSP benefits. American companies that rely on duty-free treatment for India under GSP will pay hundreds of millions of dollars annually in new taxes. In the past, even temporary lapses in such benefits have caused companies to lay off workers, cut salaries and benefits, and delay or cancel job-creating investments in the United States.

Terminating GSP for India similarly would hurt, not help, companies seeking to expand their exports to India. Any progress made toward resolving issues over the last year of GSP negotiations seems unlikely to take effect if India is removed from the program. It would be a step back, not forward. Continuing negotiations is the only way to gain new market access for U.S. exports to India.

Reaching a comprehensive solution that benefits both U.S. import and export interests is further complicated by the upcoming elections in India. The 60-day notice period expires in the middle of Indian elections that run from mid-April to late-May. It will be up to India's next government to resolve outstanding issues with the United States, but seating that government and restarting negotiations also requires time. A decision to terminate GSP in the midst of the elections risks politicizing the issues further, with potentially negative consequences for broader relations with an important ally.


We look forward to working with you on trade policies that support American companies and workers, including continued GSP eligibility for India. We urge you not to terminate any GSP benefits until there is an opportunity to negotiate with India's next government. The alternative is


higher trade barriers all around, which would hurt American companies and workers that depend on strong two-way trade between the United States and India.

Sincerely,

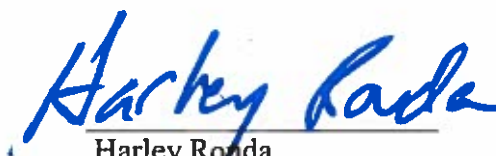

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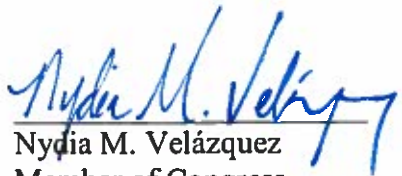
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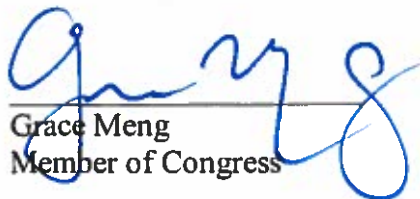
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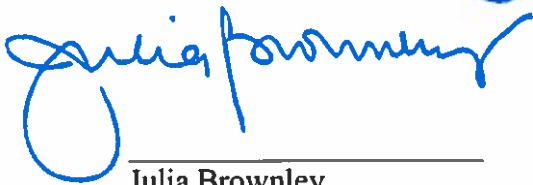
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