

**Submission for the Record from the Coalition for GSP
to the Senate Finance Committee for the June 5 hearing on
“Revitalizing and Renewing GSP, AGOA and Other Trade
Preference Programs”**

The Coalition for GSP is pleased to submit these brief comments and subsequent letter from over 300 American companies and associations urging the immediate renewal of the Generalized System of Preferences (GSP) program. Since GSP expired at the end of 2020, the United States has imposed billions of dollars in extra tariffs on over \$60 billion of products from developing country partners.

As the data on the next page shows, employers in every state have been forced to pay additional tariffs due to GSP expiration. At the same time, Chinese exporters have clearly benefited from GHSP expiration, reversing trends where GSP countries were replacing China as suppliers of key products.

Yet the staggering financial costs of this unprecedented GSP lapse cannot show the true harm expiration has done to American companies, workers, and trading relationships with GSP countries:

- One letter signer, which has paid over \$10 million in extra tariffs, laid off approximately 20% of its headquarters staff last week.
- One letter signer, a small business that has paid over \$4 million in extra tariffs, has laid off three-quarters of its workers. The owners have accumulated over \$3 million in personal debt to keep the company afloat but are now preparing to close for good.
- Numerous letter signers, mostly small business owners, have taken out loans against their homes while waiting for Congress to renew GSP, with high interest rates and continued congressional inaction making repayment nearly impossible.
- Many letter signers, after investing significant time and money to find suppliers outside of China, have been forced to return to China. One noted 100% of their products were Chinese before 2018, and it took 18 months to shift to 80% GSP (and 20% non-GSP, non-China), but they are back to 95% Chinese products due to GSP lapse.

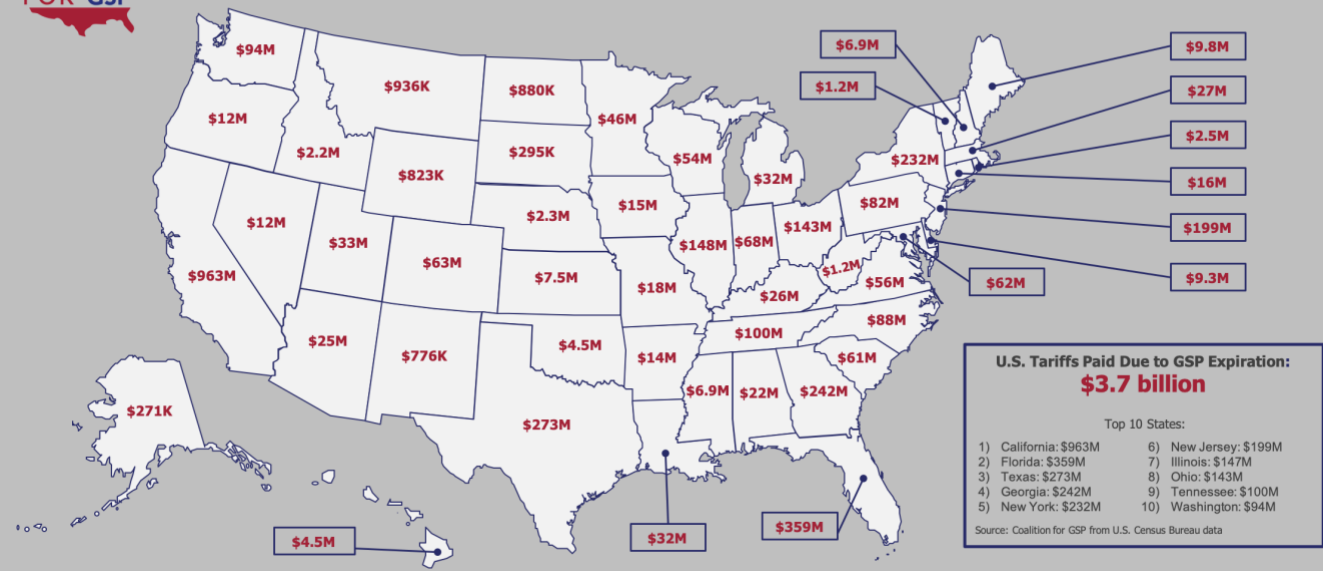
The damages from GSP expiration are not hypothetical. They are real and getting worse every day. If Congress’ goal is to promote development while shifting supply chains out of China – not to mention reducing costs for Americans – the last three and a half years have been a huge missed opportunity. It is time for Congress to end this lose-lose situation we all seem to be stuck in.

We thank you for holding the hearing on this critical issue and look forward to working with you to advance GSP renewal legislation as soon as possible in this Congress.

Daniel Anthony
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Coalition for GSP
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Washington, DC 20006

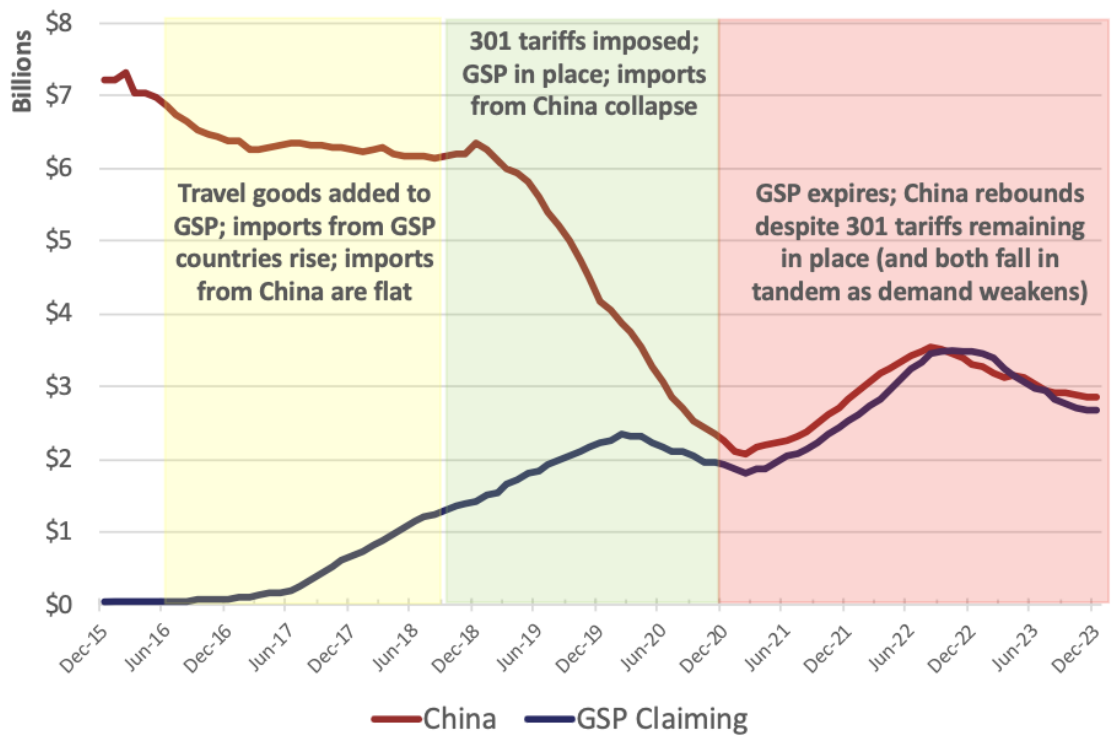


Tariffs Paid Due to GSP Expiration January 2021-April 2024



GSP Expiration: Reversing the Trend of Buying Less Travel Goods from China

US Imports of Travel Goods, Trailing 12 Months



June 19, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Michael Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Wyden, Ranking Member Crapo, and Members of the Senate Finance Committee:

We are writing to urge swift passage of legislation to renew the Generalized System of Preferences (GSP) program in response to the June 5 Senate Finance Committee hearing “Revitalizing and Renewing GSP, AGOA and Other Trade Preference Programs.” Congressional authorization of the Generalized System of Preferences (GSP) expired on December 31, 2020. As a result, American companies paid at least \$3.7 billion in extra taxes on GSP-claiming products from January 2021 to April 2024. According to Pew Research Center survey [results](#) published May 23, Americans’ top two concerns are inflation and “the ability of Dems/Reps to work together.” GSP renewal addresses both of those concerns.

The most pressing need, fundamentally, is to reauthorize the program. These are not our words, but from the opening statement of Allison Gill, Legal Director of Global Labor Justice.¹ The expiration length is nearly double, and tariff costs will be at least triple, any other lapse in GSP’s 50-year history. Expecting Congress to act reasonably quickly, as in the past, many small business owners have accrued huge personal debts. Refunds are not a new, corporate giveaway: they follow decades of precedent and ensure those that continued to use GSP in good faith are not punished for Congress’ failure to renew it in a timely manner. Yet users’ confidence wanes every day, harming the long-term reliability of GSP and other expiring preference programs.

The GSP Reform Act ([H.R.7986](#)) and Senate-passed GSP provisions from the last Congress are a strong starting point for negotiations. Approved by the House Ways and Means Committee, H.R.7986 provides a 10-year extension of GSP authorization, refunds of tariffs paid, updates to “competitive need limitations” (CNLs), and other important administrative changes. It updates eligibility criteria flagged by the Biden administration, including anti-corruption, human rights, rule of law, labor and environment. Many provisions are identical to those first negotiated by Chairman Wyden and Ranking Member Crapo – and passed 91-4 by the Senate – demonstrating the underlying bipartisan support many core changes in H.R.7986 should enjoy.

Modest changes to H.R.7986 could ensure GSP remains a viable tool to promote development, lower costs for Americans, and provide sourcing alternatives to China. Congress should go beyond H.R.7986 by including the bipartisan CNL Update Act ([H.R.6555](#)). It should conduct more analysis before enacting rules of origin changes that could instead push more trade back to China and other non-beneficiaries. Congress must consider whether eligibility criteria changes, no matter how well-intentioned, will reduce GSP’s effectiveness by making long-term investments too risky. Ultimately, any changes that make GSP harder to use, or easier to lose, make GSP countries less attractive, thereby benefiting non-beneficiaries such as China.

Restoring duty-free treatment for countries that have lost eligibility could greatly revitalize GSP. Eligibility for India and Turkey was terminated in 2019. American companies paid up to \$1.7 billion and \$500 million in additional tariffs on previously GSP-eligible imports from India and Turkey, respectively, from January 2021 to

¹ https://www.finance.senate.gov/imo/media/doc/06052024_gill_testimony.pdf, page 3.

April 2024. A much greater share of Indian and Turkish products are inputs to U.S. manufacturing. These payments are not eligible for refunds, but could drive more supply chain resiliency and diversification of both components and finished goods outside China if GSP eligibility is restored upon renewal.

We welcome Ranking Member Crapo's comment that he is "ready to see GSP, AGOA and potentially other preference programs all passed as part of a package by...next month." After 42 months of expiration, such an ambitious timeline is not just warranted, but long overdue. Since the House Ways and Means Committee approved H.R.7986, American companies have paid at least another \$160 million in extra tariffs. There is no doubt that Chinese exporters are the top beneficiary of the continued lapse, while GSP partner countries and the American companies that seek closer ties with them suffer the most.

We are all ready to work with Congress to revitalize the program, but further delay cannot be an option. We urge you to pass renew GSP and refund tariffs paid immediately.

Sincerely,

Agriculture Transportation Coalition - AgTC
Alliance For Chemical Distribution
American Apparel & Footwear Association
American Chemistry Council
American Spice Trade Association
Association of Floral Importers of Florida
Association of Food Industries
California Chamber of Commerce
Coalition for GSP
Coalition of New England Companies for Trade (CONNECT)
Columbia River Customs Brokers and Forwarders Association
Consumer Brands Association
Consumer Technology Association
Customs Brokers and Forwarders Assoc. of Northern California
Customs Brokers and International Freight Forwarders Association of Washington State
Express Association of America (EAA)
Fashion Jewelry and Accessories Trade Association (FJATA)
Footwear Distributors & Retailers of America (FDRA)
International Bottled Water Association
International Wood Products Association
LA Customs Brokers and Freight Forwarders Assoc.
National Fisheries Institute
National Retail Federation
Pacific Coast Council of Customs Brokers and Freight Forwarders
PeopleForBikes
Recreation Vehicle Industry Association
Retail Industry Leaders Association (RILA)
RV Industry Association
San Diego Customs Brokers Association
Travel Goods Association
U.S. Chamber of Commerce
United States Fashion Industry Association

3V Sigma USA (Georgetown, SC)
A & J Distributors, Inc. (Itasca, IL)
AAW Products Inc. (Miami, FL)
Aberdeen Road Co dba Herculite (Emigsville, PA)
Acme Food Sales, Inc (Seattle, WA)
Adherex Group (Cleveland, OH)
adidas America, Inc. (Portland, OR)
Adrienne Designs (Fountain Valley, CA)
AdvenTech, LLC dba Rig'Em Right Outdoors (Newport, NC)
Agron, Inc. (Los Angeles, CA)
AHF Products (Mountville, PA)
Aid Through Trade (Annapolis, MD)
Albaugh, LLC (Ankeny, IA)
Allied Mayork Corp (Fort Lee, NJ)
American Omni Trading (Katy, TX)
American Trade Sales, Inc. (New York, NY)
American Traveler Inc. (Rancho Cucamonga, CA)
Ammex Corporation (Kent, WA)
Andre Prost, Inc. (Old Saybrook, CT)
Arbel Corp. (Los Angeles, CA)
Arbel Jewelry, Inc. (Tarzana, CA)
Architectural Surfaces Group (Spicewood, TX)
Argo Fine Imports (Mandeville, LA)
Arizona Tile (Tempe, AZ)
Ark 54 LLC DBA The Wine Check (Sonoma, CA)
Art's Elegance Inc. (Pasadena, CA)
Atalanta Corporation (Elizabeth, NJ)
B&C Technologies LLC (Panama City Beach, FL)
Babco Foods International LLC (Piscataway, NJ)
Bakner Manufacturing (Canton, GA)
Balajee Trade Link, LLC (Taylor, PA)
BASF (Florham Park, NJ)
BFB Enterprises, Inc. (Panama City, FL)
BHR Associates LLC (Ridgefield, NY)
Big Tree Farms, Inc (Burlington, VT)
Black Diamond Equipment Ltd. (Salt Lake City, UT)
BMF BROS. (New York, NY)
Boise Cascade Company (Boise, ID)
Bozel North America LLC (Temperance, MI)
Brockway-Smith Company (Wilmington, MA)
BTR International, Inc. (New York, NY)
Bueno of California (Fullerton, CA)
Camerican International (Paramus, NJ)
Carry Gear Solutions, LLC (Seattle, WA)
Centric Brands (Greensboro, NC)
Century Granite Company Inc. (Elberton, Georgia)
CHO America (Houston, TX)

Cintek System Inc. (Cerritos, CA)
Cipriani Harrison Valves Corp. (Rancho Santa Margarita, CA)
Cochran Inc. (Barre, VT)
Colour Republic LLC (Miami, FL)
COMEQ, Inc. (White Marsh, MD)
Comex International Trading Inc. (Los Angeles, CA)
Complete Framer's Supply, Inc. (Fort Lauderdale, FL)
Concannon Lumber Company (Portland, OR)
Cortina Leathers (Conneaut, OH)
Continental Flowers (Doral, FL)
Cosmos Granite (East), LLC (Raleigh, NC)
Crayola (Easton, PA)
Crosby Street Studios (New York, NY)
Crown Gold Inc (Los Angeles, CA)
Custom Direct, Inc. (Plano, TX)
Del Alma Group (Lindon, UT)
DELSEY Paris (Hanover, MD)
Delta Children's Products (New York, NY)
Dyreich ((blank), (blank))
dZi Handmade (Easthampton, MA)
Eagle Creek (Steamboat, CO)
Edgewater Jewelry Group (Miami, FL)
Engel Coolers (Jupiter, FL)
Engineered Products and Innovation, LLC (Youngstown, OH)
Eppco Enterprises (South Euclid, OH)
Equiflor Corp. (Doral, FL)
Eucatex North America (Alpharetta, GA)
Europa Trading Inc (Los Angeles, CA)
Everlast Sports Manufacturing (New York, NY)
Fab-Line Machinery, LLC (Nashville, TN)
Faci USA Industrial, Inc. (Lufkin, TX)
Fahy Leather (Pacific Palisades, CA)
Falcon Farms, Inc (Doral, FL)
Famous Gold Inc (Houston, TX)
Fantasia Accessories (New York, NY)
Fast-Pak Trading Inc. (Secaucus, NJ)
Felman Trading Americas, Inc. (Miami, FL)
FFF Associates Inc (Stamford, CT)
Fijian Wholesale Co (Hayward, CA)
First Place Jewelry LLC (Glendale, AZ)
Florisol and Company Flower Trading (Miami, FL)
Franklin Manufacturing Corp (Mineola, NY)
Fusion Gourmet, Inc. (Rancho Dominguez, CA)
Gap Inc. (San Francisco, CA)
Gharda Chemicals International Inc (Newtown, PA)
GHT Corp (Miami, FL)
Global Product Solutions, LLC (Canton, CT)
Global Values Inc. (Palatine, IL)

Green Boy Group (Redondo Beach, CA)
Green Chem Industries (West Palm Beach, FL)
Greenwich Metals, Inc. (Greenwich, CT)
Gulf Chemical Intl Corp (Houston, TX)
Hallmark Cards, Inc. (Kansas City, MO)
Hamilton Beach Brands (Glen Allen, VA)
Hamilton Retail Solutions (Jeffersonville, IN)
Harris Spice Co. (Anaheim, CA)
Hiblow USA, Inc. (Saline, MI)
Higher Ground Gear (Saline, MI)
HOBO Bags (Annapolis, MD)
Holex USA Inc. (Miami, FL)
Holland Southwest International (Houston, TX)
HRS Global LLC (Jeffersonville, IN)
HSV Automotive Inc. (Spring, TX)
Hunter Chemical (Fort Washington, PA)
HVA CEYLON LLC (Santa Clarita, CA)
Hyline International (Valencia, CA)
In3redients (Chicago, IL)
India Arts, LLC (Hayward, CA)
Inplac NA (Charlotte, NC)
International Durus (Northridge, CA)
International Frozen Food Corporation (Setauket, NY)
International Import Corp (New York, NY)
Isaiah Thompson (Parsippany, NJ)
ISS AMERICA (Bellefontaine, OH)
iTi Tropicals Inc. (Lawrenceville, NJ)
Jamtown, LLC (Edmonds, WA)
Jane Diaz/New York, Inc. (New York, NY)
JBH Intertrade (Garden City, NY)
JBS USA Leather, Inc. (Hickory, NC)
JELD-WEN, Inc (Charlotte, NC)
Jelly Belly Candy Company (Fairfield, CA)
Jet Fresh Flower Distributors Inc. (Miami, FL)
JSA, Inc. (Aventura, FL)
JW Hampton Jr & Co Inc (Jamaica, NY)
Kamali Group Inc. (Great Neck, NY)
Kaplan Solutions, Inc. (El Dorado Hills, CA)
Kirkland Associates, Ltd. (McMinnville, OR)
Kishek International Inc. (Costa Mesa, CA)
KOUBOO LLC (Laguna Beach, CA)
L & M Direct, LLC (New York, NY)
Lakland Guitars, LLC (Chicago, IL)
Lamex Agrifoods Inc (Miami, FL)
Latin Gold. Co. (Los Angeles, CA)
Lay-n-Go (Alexandria, VA)
LBB Specialties (South Norwalk, CT)
Lily Koo LLC (Jamestown, NC)

Linbro Inc. (San Rafael, CA)
L.L. Bean, Inc. (Freeport, ME)
LongLat Inc. (Clifton, NJ)
LooptyHoops (Lansdale, PA)
Lucy Limited LLC (Abilene, TX)
Luggage Shop of Lubbock (Lubbock, TX)
Malga USA LLC (New Hartford, NY)
Malouf Companies (Nibley, UT)
Mandia Int'l Trading Corp (Utica, NY)
Maria Flowers International Inc. (Miami, FL)
Matr Boomie (Austin, TX)
MC Imports, LLC (Medina, MN)
McKlein Company LLC (Chicago, IL)
Media Imports (Los Angeles, CA)
Metal Exchange Corporation (St. Louis, MO)
Metal Marketplace International (Philadelphia, PA)
Miaflora farms, LLC (Miami, FL)
Mike's Organic Curry Love (Boise, ID)
Mitsubishi Electric US, Inc. (Cypress, CA)
MKC Customs Brokers International Inc. (Inglewood, CA)
Montana Fly Company, LLC (Columbia Falls, MT)
Monument Advocacy (Washington, DC)
MS International (Orange, CA)
NAECO, LLC (Peachtree City, GA)
National Floral Supply, LLC (Milford, CT)
NEMO Equipment, Inc. (Dover, NH)
Niagara Bottling, LLC (Ontario, CA)
Nina Designs (Emeryville, CA)
Nizamian & Nizamian LLP (Los Angeles, CA)
North American Plastics (Irving, TX)
notNeutral, Inc. (Los Angeles, CA)
Nova Gas Technologies, Inc. (North Charleston, SC)
NOVICA (Santa Monica, CA)
Novita (Monrovia, CA)
Nutribon Distribution Inc. (Torrance, CA)
Obeetee, Inc. (New York, NY)
Ocean Ohana Inc. d.b.a. Betty Belts (Ventura, CA)
OHM International Inc (Monroe Township, NJ)
One World Projects (Batavia, NY)
Oro Elefante, Inc (Los Angeles, CA)
Panasonic Corporation of North America (Newark, NJ)
Paradise Golf Equipment (Monument, CO)
Perfetti van Melle (Erlanger, KY)
Perry Elis International (Miami, FL)
Pirate Pete's Soda Pop LLC (Northfield, NJ)
Primetac (Little Ferry, NJ)
Primo Water (Tampa, FL)
Prochimie International, Inc. (Windsor, CT)

PVH Corp. (New York, NY)
Raj International Trading (Mount Laurel, NJ)
Ralph Friedland & Bros. (Cliffwood Beach, NJ)
Ravago Chemicals North America (Orlando, FL)
Red V Foods Corp. (Buford, GA)
Reel-Logix, LLC (Houston, TX)
RG Barry Brands (Pickerington, OH)
Ricardo Beverly Hills (Kent, WA)
Royal Chain Group (New York, NY)
Royal Tropics LLC (McCall, ID)
RTIC Outdoors (Houston, TX)
S & G Resources, Inc. (Medfield, MA)
Samick Music Corp. (Gallatin, TN)
Samsonite (Mansfield, MA)
SanMar Corporation (Issaquah, WA)
Seasonal Specialties (Eden Prairie, MN)
Sequoia Southeast (Bentonville, AR)
Sherpani (Boulder, CO)
Sightline Retail (Bentonville, AK)
SIGMA Corporation (Cream Ridge, NJ)
Signal Products, Inc (New York, NY)
Sintex Minerals and Services, Inc. (Rosenberg, TX)
Source Direct Inc (Cinnaminson, NJ)
Soyventis North America LLC (Fairfield, NJ)
Spanish Food Solutions (Great Neck, NY)
Specialized Bicycle Components (Morgan Hill, CA)
Stellar Bouquet & Farms (Miami, FL)
Stellar Farms & Farms (Miami, FL)
Stoeger Industries Inc. (Accokeek, MD)
Strategic Sales Partners, LLC (Fort Mill, SC)
Sugarpod Naturals (Hillsboro, OR)
SUMATRA INC. (Carmichael, CA)
Sumitomo Electric Wintec America, Inc. (Edmonton, KY)
Sumitomo Electric Wiring Systems, Inc. (Bowling Green, KY)
Summit Specialty International (Atlanta, GA)
Sunflex Packagers, Inc. (Cranford, NJ)
Sunshine Bouquet (Miami, FL)
SupplyOne Inc. (Newtown Square, PA)
Sutton Home Fashions (New York, NY)
Tapestry (New York, NY)
Target Corporation (Minneapolis, MN)
Terra Flowers LLC (Miami, FL)
TG Missouri Corporation (Perryville, MO)
The Argentine Cheese Co., Inc. (Palm Beach, FL)
The Cannon Group Inc. (Westerville, OH)
The Home Depot (Atlanta, GA)
The Sak Brand Group (Glen Rock, NJ)
The William Carter Company (Atlanta, GA)

Thompson Traders, Inc. (Greensboro, NC)
Tomoe USA Inc. (Kingwood, TX)
Torter Corporation (Montville, NJ)
Triad Magnetics (Perris, CA)
Trimaco, LLC (Morrisville, NC)
Trinidad/Benham Corp. (Denver, CO)
TR International Trading Co., dba Catalynt Solutions Inc. (Edmonds, WA)
U.S. Electrofused Minerals, Inc. (Aliquippa, PA)
United States Luggage (Hauppauge, NY)
Univar Solutions (Downers Grove, IL)
Universal Alloys Inc. (Pembroke Pines, FL)
Universal Arquati Moulding (Santa Clarita, CA)
US Asian Marketing and Manufacturing Inc. (Prescott Valley, AZ)
USPA Accessories, LLC (New York, NY)
Vail International Corporation (New York, NY)
Van Horn, Metz & Co., Inc. (Conshohocken, PA)
Vera Bradley Designs (Roanoke, IN)
VF Corporation (Denver, CO)
VLM Foods USA Ltd. (Dover, DE)
Vogt Power, International, Inc. (Louisville, KY)
Vortex Optics (Barneveld, WI)
Vtronix LLC (Weston, FL)
Walmart (Bentonville, AR)
Warehouse Associates (Indianapolis, IN)
Wearwell, Inc. (Smyrna, TN)
West Coast Trading (Hayward, CA)
Wheeky Pets LLC (Brighton, MI)
Wholesale Millwork, Inc. (Baltimore, MD)
Willert Home Products, Inc. (St. Louis, MO)
Wixon, Inc. (Saint Francis, WI)
woom bikes USA (Austin, TX)
World Confections, Inc. (South Orange, NJ)
WorldFinds (Westmont, IL)
Worlds Best LLC (Fort Lee, NJ)
Xena International Inc. (St. Charles, IL)
Xpres LLC (Winston-Salem, NC)
Yamaha Corporation of America (Buena Park, CA)
YETI Coolers (Austin, TX)
YGI Group (New York, NY)
Yunus Textile Mills Ltd (New York, NY)
Zebra Pen Corp. (Edison, NJ)
Zen Distributors Group (Miami, FL)
Zinus, Inc. (Tracy, CA)