

April 12, 2019

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Mr. Ambassador:

We are writing today regarding the Administration's recent decision to terminate Generalized System of Preferences (GSP) benefits with respect to U.S. imports from India.

Like you, we strongly support U.S. jobs that rely on two-way trade. We recognize that your decision with respect to India is intended to support U.S. export-related jobs by encouraging India to undertake market access reforms and other commitments that will open opportunities for U.S. firms. We agree that all countries, including India, should do more to open their markets to U.S. goods and services.

However, we fear that GSP revocation or suspension in the middle of the Indian elections will not achieve its intended goal of applying pressure for reform. Rather, it is likely to exacerbate political differences over trade issues, trigger retaliatory actions by the government of India, and undermine the business climate for U.S. businesses trading with and doing business in India.

At the same time, withdrawal of India's GSP status will have an adverse impact on many U.S. workers who now depend on global value chains that use imports from India. The ability to import items on a duty-free basis, including inputs used for manufacturing in the U.S., means U.S. companies can invest those tariff savings into U.S. jobs or pass them along to U.S. consumers.

Finally, this action seems to disregard the way in which this program helps lift hundreds of millions of people out of extreme poverty, as we have witnessed since its inception in 1974. In fact, Congress prioritized this development imperative, as the original intent of GSP was to "further...the economic development of developing countries through the expansion of their exports" and years later in its renewal remained "to assist their economic development and diversification through preferential market access."

It is our hope that we can still support U.S. jobs on both sides of the trade ledger by preserving India's GSP status AND continuing negotiations past the 60-day window triggered by the White House's March 4 notice of its intent to terminate India's GSP benefits.

Therefore, we urge that any final revocation or suspension be deferred for at least 60 days to allow the new government to appoint officials to engage in bilateral negotiations. Such a move would preserve those jobs that currently depend on U.S.-Indian trade while producing an action-forcing event that will afford a further opportunity to address the trade issues that led to this decision.

Sincerely,

American Apparel & Footwear Association (AAFA)
American Association of Exporters and Importers (AAEI)
American Association of Port Authorities (AAPA)
Association of Food Industries
Coalition for GSP
Council of Fashion Designers of America (CFDA)
Fashion Accessories Shippers Association (FASA)
Fashion Jewelry and Accessories Trade Association (FJATA)
Footwear Distributors and Retailers of America (FDRA)
Gemini Shippers Association
Halloween Industry Association, Inc. (HIA)
Juvenile Products Manufacturers Association (JPMA)
National Association of Chemical Distributors (NACD)
National Retail Federation (NRF)
The Oriental Rug Importers Association, Inc.
Outdoor Industry Association (OIA)
Promotional Products Association International (PPAI)
Retail Industry Leaders Association (RILA)
Sports & Fitness Industry Association (SFIA)
The Accessories Council
Travel Goods Association (TGA)
U.S. Chamber of Commerce
U.S.-India Business Council
U.S. Fashion Industry Association (USFIA)
U.S. Global Value Chain Coalition (USGVC)