

Updated
June 27, 2008

**An Open Letter to Congress
on Renewal of the U.S. Generalized System of Preferences Program**

For over three decades, the United States has extended preferential duty-free market access through the Generalized System of Preferences (GSP) program to imports from developing countries as a means of stimulating economic growth and reducing poverty. GSP and related preference programs have contributed to the development of export-oriented manufacturing and of new markets for developing country products, resulting in the creation of jobs that have helped improve the living standards of the poor. In many cases these jobs have been a primary employment engine for women, who have relatively few economic alternatives. Lower-income countries tend to benefit more, as products receiving preferential treatment make up a larger part of their exports to the United States. These preferences are thus helping the poorest countries to increase their share of U.S. imports.

In addition, GSP has become an integral component of American manufacturing competitiveness at the same time it lowers costs of consumer goods to American families. The duty savings granted by GSP affect raw materials as well as finished consumer goods. While overall U.S. tariffs are relatively low, for numerous products tariffs remain quite high. GSP duty savings frequently make the difference between profitability and survival of American companies, many of them small businesses, in a highly competitive U.S. marketplace. The additional price margin that GSP duty reduction provides also ensures that a wide range of developing countries can remain competitive with large-scale manufacturing countries in the global economy. The GSP duty savings frequently are the cost reduction needed to put developing country suppliers on a level playing field with much lower-cost producers in the more competitive exporting countries.

GSP expires at the end of this year, and we urge Congress to renew this critical program as soon as possible, before its expiration on December 31, 2008.

Sincerely,

Albaugh, Inc. (Ankeny, IA)

American Spice Trade Association

Association of American Chambers of Commerce in Latin America (AACCLA)

Axis Chemical (Long Beach, CA)

Brazil-U.S. Business Council

Business Roundtable

Caterpillar, Inc. (Peoria, IL)

The Clorox Company (Oakland, CA)

Coalition of New England Companies for Trade

Columbia River Customs Brokers and Freight Forwarders Association

Consumer Electronics Association

Crayola, LLC (Easton, PA)

Customs Brokers and Forwarders Assoc. of Northern California

CVS Caremark Corporation (Woonsocket, RI)

The Dow Chemical Company (Midland, MI)

Dow Corning Corporation (Midland, MI)

Emergency Committee for American Trade (ECAT)

FMC Corporation (Philadelphia, PA)

General Electric Company (Fairfield, CT)

The Home Depot (Atlanta, GA)

J. C. Penney Company (Plano, TX)

Joint Industry Group

Leo Schachter Diamonds Complete (New York, NY)

Los Angeles Customs Brokers and Freight Forwarders Association Inc.

Lowe's Companies, Inc. (Mooresville, NC)

Magnum Medical (Chandler, AZ)

Motor Equipment Manufacturers Association

National Customs Brokers and Forwarders Association of America

National Association of Manufacturers

National Foreign Trade Council

National Retail Federation

The ONE Campaign

Outdoor Industry Association

Oxfam America

Pacific Coast Council of Customs Brokers and Freight Forwarders Assn, Inc.

Panasonic North America (Secaucus, NJ)

Partnership to Cut Hunger and Poverty in Africa

PBI Gordon (Kansas City, MO)
Piremag (Middletown, NJ)
Resin Technology, LLC (Groton, MA)
Retail Industry Leaders Association (RILA)
S & V Industries (Akron, OH)
Target (Minneapolis, MN)
Ten Strawberry Street (Denver, Colorado)
Timex Corporation (Middlebury, CT)
Tumac Lumber Co., Inc. (Portland, OR)
U.S. Chamber of Commerce
U.S.-India Business Council
Wal-Mart Stores (Bentonville, AR)
Women Thrive Worldwide
Yazaki North America, Inc. (Canton, MI)

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