



July 19, 2013

The Honorable Harry Reid
Majority Leader
S-221 The Capitol
U. S. Senate
Washington, DC 20051

VIA FACSIMILE: (202) 224-7327

Dear Mr. Majority Leader:

The members of the Alliance of GSP Countries appreciate this opportunity to write to you once more concerning the quickly approaching expiration of the Generalized System of Preferences (GSP) program on July 31, 2013. As you are aware, the bipartisan leadership of the Senate Finance Committee introduced S.1331. The bill would extend the Generalized System of Preferences (GSP) through September 2015. The Alliance urges the Senate to clear a path to extend the GSP Program without change, before expiration, and for as long as possible. Passage of S.1331 by July 31 would accomplish these purposes.

Expiration of the GSP would have a detrimental impact on our exporters that have worked hard to win a U.S. niche for their products. Particularly hard-hit would be small and women-owned businesses. We have already seen that U.S. imports under the GSP are down 7.1 percent in the first five months of 2013, which we believe is a sign that U.S. importers are already seeking other consistently priced sources of supply. We urge you to find a way forward to extend the GSP program before it expires.

The Alliance is comprised of eighteen geographically and economically diverse countries. They are Algeria, Bangladesh, Ecuador, Egypt, Fiji, Georgia, Indonesia, Moldova, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Tunisia, Ukraine, Uruguay, and Yemen.

The Alliance for GSP Countries (A-GSPC)
Sandler Trade LLC 202.350.4303
<http://allianceforgsp.org>

In the past several weeks, the Alliance has met with your trade staff, the Minority Leader's trade staff, and trade staff to over a dozen Members of Congress, including many on the Senate Finance Committee. They reported to us that the GSP has widespread bipartisan support and that Members understand the vital importance of GSP to keeping U.S. manufacturers internationally competitive. U.S. manufacturers use 70 percent of GSP imports to manufacture other goods. The average duty saved on GSP imports is 4.1 percent and individual tariffs range from one percent to 25 percent. If Congress allows GSP to expire, U.S. businesses will pay \$2 million daily in unanticipated duties.

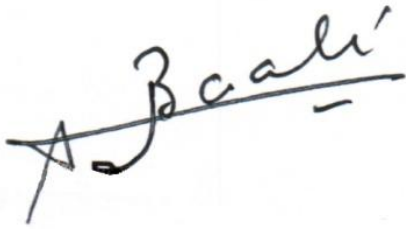
Congressional staff also informed us of Members' views that GSP plays a key role in promoting countries' adherence to internationally recognized standards. As directed by Congress, the Administration is working with GSP beneficiary countries to achieve mutually beneficial levels of worker rights, protection of intellectual property, market access, and investment opportunities.

We seek to stress that expiration of the GSP, even if renewed retroactively, creates longer-term problems for U.S. businesses and our countries. In 2011, when Congress allowed GSP to lapse for 11 months, overall U.S. imports grew 17 percent. U.S. imports entering under the GSP, however, declined by 15 percent. Trade in many products shifted, some permanently, to competing low-cost suppliers.

We respectfully urge that Congress move quickly to renew GSP prior to its expiration on July 31, 2013. This will assure a predictable trading environment that is key to generating investment and expanding trade in our economies. The livelihoods of more than 3.8 billion people living in two-thirds of the world's economies would be seriously affected by the lack of GSP duty-free access for their products into the U.S. market.

Thank you very much for your consideration. Should you have any questions, please do not hesitate to contact us. We would be happy to meet with you or your staff to discuss the GSP and its benefits in detail.

Very sincerely,



H.E. Abdallah Baali
*Ambassador Extraordinary and
Plenipotentiary
Embassy of Algeria*



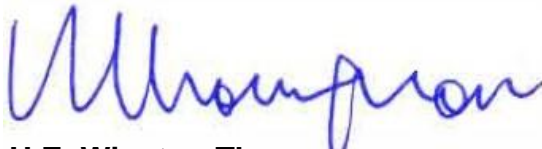
H.E. Dr. Dino Patti Djala
*Ambassador Extraordinary and
Plenipotentiary
Embassy of the Republic of Indonesia*



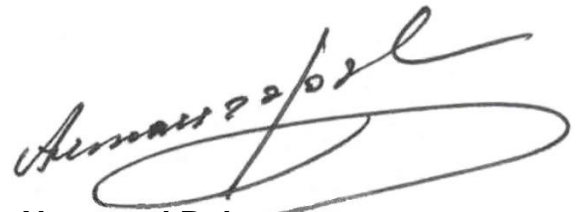
H.E. Nathalie Cely Suarez
*Ambassador Extraordinary and
Plenipotentiary
Embassy of Ecuador*



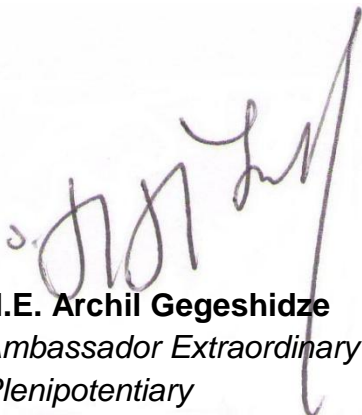
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