



November 17, 2021

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

The Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

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

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Wyden and Neal and Ranking Members Crapo and Brady:

The U.S. Chamber of Commerce urges Congress to act before the end of the year to advance long-stalled but traditionally bipartisan trade legislation — namely, bills to renew the Generalized System of Preferences (GSP) and the Miscellaneous Tariff Bill (MTB) — which expired last December. We also urge you to approve legislation to extend Permanent Normal Trade Relations to the Republic of Kazakhstan. Further delay in approving these measures will present real and mounting costs for U.S. workers and businesses.

For more than four decades, GSP has promoted market-based economic growth in developing countries by providing duty-free access to the U.S. market for select goods. Products imported under GSP generally do not compete with American-made goods in any significant way. More than half of U.S. imports under GSP are raw materials, parts and components, or other inputs relied upon by U.S. companies to produce goods in the United States for domestic consumption or export. GSP also helps American families stretch their budgets by reducing prices of a variety of generally inexpensive consumer goods. New tariff costs likely will exceed \$1 billion annually if GSP is not renewed.

The Chamber appreciates that GSP's eligibility criteria provide the U.S. government with leverage to encourage beneficiary countries to protect intellectual property, treat U.S. investors fairly, and improve labor practices, and we understand Members are exploring refinements to these criteria. However, if these revisions lead foreign governments to conclude GSP's compliance burdens outweigh its economic benefits, it would undermine the program's viability as a tool to foster trade-based economic development while also failing to advance the new criteria's goals. We encourage lawmakers and leadership to work together on any new GSP eligibility criteria under consideration and reach a balanced approach that will allow the program to be reauthorized this year.

Another trade program that has long enjoyed bipartisan support is the MTB, which temporarily eliminates tariffs on select imported materials. The U.S. International Trade Commission leads a rigorous vetting process established by Congress to confirm that products proposed for tariff relief are not made in the United States or are unavailable in sufficient quantities to meet U.S. manufacturers' needs. The program enhances the competitiveness of American companies and ensures that U.S.-made products can compete in both domestic and foreign markets.

Congress approved the last MTB unanimously in 2018, but it expired at the end of last year. As a result, U.S. businesses are now paying hundreds of millions of dollars in duties on critical inputs that generally are unavailable from domestic sources. The harm is especially significant for small and medium-sized companies, often limiting the ability of such firms to expand production, hire additional workers, or invest in new cost-saving equipment.

Finally, the Chamber and our affiliated U.S.-Kazakhstan Business Council strongly support H.R. 5544, a bill to establish Permanent Normal Trade Relations (PNTR) with Kazakhstan, which joined the World Trade Organization (WTO) in 2015. In doing so, Kazakhstan committed to enact a host of reforms to ensure greater respect for the rule of law, protect intellectual property, and open its market to trade and investment.

In turn, Congress must act to ensure that U.S. workers, farmers, ranchers, and companies benefit from the market-opening reforms the Central Asian nation has begun. Specifically, Congress must pass a short and simple bill that grants Kazakhstan PNTR status and graduates the country from the requirements of the Jackson-Vanik amendment to the Trade Act of 1974. This measure was devised to press the Soviet Union to allow the emigration of Soviet Jews, prisoners of conscience, and victims of religious persecution. For decades, U.S. presidents of both parties have issued annual certifications of Kazakhstan's full compliance of the Jackson-Vanik amendment.

Failure to approve this legislation — in compliance with U.S. commitments as a member of the WTO — could put U.S. goods and services at a unique disadvantage in Kazakhstan's market and drive new sales, exports, and job-creation opportunities to our European and Asian competitors. Furthermore, following the U.S. withdrawal from Afghanistan, approving this legislation will demonstrate the U.S. commitment to economic stability in the critical Central Asia region and incentivize neighboring nations to join the rules-based trading system of the WTO.

The U.S. Chamber of Commerce urges Congress to approve these bills before the end of the year to ensure U.S. workers and businesses can secure the benefits of these important trade programs.

Sincerely,



Neil L. Bradley

cc: Members of the Senate Committee on Finance
Members of the House Committee on Ways and Means