

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

September 10, 2020

The Honorable Richard Neal
Chairman
Committee on Ways & Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Earl Blumenauer
Chairman, Subcommittee on Trade
Committee on Ways & Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Chairman Blumenauer:

Thank you for convening the hearing today about the Caribbean Basin Trade Partnership Act (CBTPA). We look forward to working with you to achieve a strong bipartisan vote to renew this important trade preference program promptly, along with the Generalized System of Preferences (GSP). We write to highlight several principles that will be our focus in today's hearing and into the future.

First, Congress must act quickly to renew both CBTPA and GSP to reduce uncertainty. A lapse of either program would be costly for U.S. manufacturers and would diminish American leadership in international development. In order to minimize uncertainty for U.S. companies and their partners in developing countries at this particularly vulnerable time, both programs should be renewed together.


Second, preference programs like CBTPA and GSP boost the competitiveness of U.S. companies by lowering costs of imported inputs. Many U.S. companies, including small businesses, rely on these duty savings to maintain their competitive edge.

Third, preference programs also create strong enforcement mechanisms because of the stringent eligibility criteria that beneficiary countries must abide by to receive preferential treatment. Renewing these programs is essential to maintain the strength of this enforcement tool.

Fourth, preference programs play a key role in the U.S. international development agenda. These programs help strengthen our economic and strategic ties with developing countries throughout the world and provide a compelling alternative to developing countries that are considering closer ties with China as it seeks to advance its model through programs like the Belt and Road Initiative.

We look forward to working with you on a bipartisan basis to renew both CBTPA and GSP together in short order.

Sincerely,

Handwritten signature of Kevin Brady in black ink, featuring a stylized 'K' and 'B'.

KEVIN BRADY
Republican Leader
Committee on Ways & Means

Handwritten signature of Vern Buchanan in blue ink, featuring a stylized 'V' and 'B'.

VERN BUCHANAN
Republican Leader
Subcommittee on Trade
Committee on Ways & Means