

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

December 15, 2010

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports H.R. 6517, which would enact pending miscellaneous tariff bill (MTB) provisions, and extend the Generalized System of Preferences (GSP) and the Andean Trade Preference Act (ATPA), both of which will expire December 31. It would also extend the Trade and Globalization Adjustment Assistance Act of 2009, known as Trade Adjustment Assistance (TAA). While the continued eligibility of Ecuador for benefits under ATPA and the merit staffing issue as it relates to TAA remain issues of concern, the Chamber believes that on balance this bill is squarely in the interests of American workers and companies.

Tens of thousands of American workers and hundreds of American companies depend on the MTB for relief from tariffs that serve only to raise costs for U.S. manufacturers and other U.S. businesses. The MTB suspends duties on imported materials or intermediate products that are not produced domestically, or where there is no domestic opposition, thus lowering costs and helping U.S. businesses maintain their competitive edge.

The process for approving products for duty suspension under the MTB is fully transparent. All requests go through a vetting process to determine whether any affected products are produced domestically or whether there is any domestic opposition. Requests are subject to review by the Department of Commerce, the Office of the U.S. Trade Representative, U.S. Customs and Border Protection, and the U.S. International Trade Commission. Opportunities for public comment are provided by both the executive branch and Congress.

Similarly, GSP provides duty-free treatment to selected goods imported from more than 130 developing countries. Approximately three-quarters of U.S. imports using GSP are raw materials, components, or equipment used by U.S. companies to manufacture goods in the United States for domestic consumption or for export. In this fashion, GSP boosts the competitiveness of U.S. manufacturers and lowers the cost of consumer goods for American families. A Chamber study found that moving GSP imports from the docks to the retail shelves supports tens of thousands of U.S. jobs.

Similarly, ATPA has a proven record generating trade, growth, and jobs. Created with the goal of fostering legitimate development alternatives to narco-trafficking in the Andean countries, ATPA has boosted trade and today sustains hundreds of thousands of jobs, particularly in Colombia. These jobs tend to pay above-average wages and often serve as a gateway for

workers to enter the formal sector. American workers benefit as well: Colombia's cut flower industry, for example, sustains roughly 400,000 jobs, half in Colombia and half in the U.S. transportation, distribution, and retail industries. Similar to GSP and the MTB, ATPA lowers the cost of industrial inputs and boosts the competitiveness of U.S. manufacturers.

Given Ecuador's ongoing pattern of failure to respect the rule of law, private property, and the sanctity of contracts, the Chamber urges Congress to press the Administration to evaluate whether Ecuador is complying with the statute's eligibility criteria relating to the fair treatment of U.S. companies, which is a concern raised by the U.S. Department of State in recent years. The Chamber urges Congress to support an annual review mechanism for Ecuador on these issues.

The bill would also extend the Trade and Globalization Adjustment Assistance Act of 2009. Bicameral, bipartisan negotiations produced the modernized TAA legislation, and it offers more flexible training opportunities so workers can transition into new careers. The Chamber continues to have concerns relating to the merit staffing issue and is pleased that H.R. 6517, as amended, provides a delay in the merit staffing rulemaking. The Chamber will work during the 112th Congress to address this issue.

The Chamber urges Congress to approve H.R. 6517 before the conclusion of the 111th Congress. **The Chamber may consider votes on, or in relation to, this issue in our annual How They Voted scorecard.**

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten