



April 17, 2024

The Honorable Jason Smith
Chairman
House Committee on Ways & Means
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways & Means
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

On behalf of the National Retail Federation, I am writing with regard to the Committee's scheduled markup of a number of trade-related bills. We applaud the Committee for taking the step to hold a markup on trade legislation, especially the Generalized System of Preferences (GSP) Reform Act (H.R. 7986) and the End China's De Minimis Abuse Act (H.R. 7979).

NRF, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail succeed. NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$5.3 trillion to annual GDP and supporting one in four U.S. jobs — 55 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

As the Committee is aware, the Generalized System of Preferences program has been expired for over three years. The program has always enjoyed strong bipartisan support in Congress. It is not only critical to helping lesser-developed countries grow and prosper, but it also benefits American families, workers and businesses by allowing them access to finished and intermediate goods that may otherwise be excluded from our market. GSP also provides an incentive for retailers to further diversify their supply chains, especially away from China. Since its expiration, retailers have been forced to pay duties on imports from a host of developing countries, many of which are strategic partners to the United States. The GSP Reform Act will retroactively renew the program, update the eligibility criteria and provide other needed updates to the program. NRF strongly supports reauthorization and urges passage of the bill.

We appreciate the Committee's attention on the issue of de minimis. We know there are continuing calls to reform the program to provide for a more level playing field for U.S. retailers and other businesses. We certainly believe there needs to be more attention from U.S. Customs and Border Protection on de minimis shipments to ensure only legitimate shipments enter our country and that the program is not used by those who don't adhere to U.S. trade laws or import illicit goods. The End China's De Minimis Abuse Act (H.R. 7979) tries to address this issue by eliminating the use of de minimis for products subject to U.S. trade remedy laws (Section 301, Section 232, AD/CVD, etc.). As the Committee advances legislation, we must make sure that U.S. Customs and Border Protection has the ability and resources to implement and enforce the new requirements.

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One of the bigger issues is the fact that the Section 301 China tariffs remain in place on consumer goods that had nothing to do with the original investigation. We may not have seen such a dramatic rise in de minimis shipments if there were not prohibitive tariffs on consumer goods. We urge the Committee to continue to push for the United States Trade Representative to release the four-year report and adjust the 301 tariffs, which have not changed China's policies.

We appreciate the Committee taking action on these bills. We urge Congress to continue the committee's action and pass meaningful trade legislation that will help retailers, their employees and their customers.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, which appears to read "David French". The signature is fluid and cursive, with a large initial "D" and "F".

David French
Executive Vice President
Government Relations