

House Committee on Ways and Means

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House Passes Bill to Extend GSP and ATPA Programs

WASHINGTON, D.C. – The U.S. House of Representatives today approved H.R. 4284, legislation extending the Generalized System of Preferences (GSP) and the Andean Trade Preferences Act (ATPA) programs that have played an important role in the nation’s trade and development efforts for decades. The legislation, introduced by Ways and Means Committee Chairman Charles B. Rangel (D-NY) and Ways and Means Trade Subcommittee Chairman Sander M. Levin (D-MI), extends both programs for one year.

“This legislation keeps in place valuable benefits both for developing countries and for U.S. workers and businesses,” said Chairman Rangel. **“The bipartisan support in the House is testament to the broad importance of this legislation. I hope the Senate will be able to act swiftly as well to preserve these important programs.”**

“I am glad we were able to take this critical step to preserve GSP and ATPA for the next year,” said Chairman Levin. **“Now we have time to turn our sights to the important work that awaits us – undertaking a comprehensive review of all aspects of the preference programs and whether they are serving the needs of citizens in developing countries as well as our citizens. This includes considering how well existing eligibility criteria are working and whether improvements or additions are needed (for example, with regard to the environment). Similarly, we will need to consider whether all the nations that need assistance are getting it. We will be taking a careful look at all of these important questions next year, working closely with the Administration.”**

One Year Extension of the Generalized System of Preferences Program

Congress created the Generalized System of Preferences, the first of the U.S. preference programs, in the Trade Act of 1974 and implemented it beginning in 1976. Under the basic GSP scheme, 132 beneficiary developing countries are eligible to export approximately 3,400 types of products duty-free to the United States. The GSP program also provides additional benefits to the 44 GSP countries that are designated “least developed” under the program. These countries may export an additional 1,400 types of products. To qualify for GSP benefits, participants must meet eligibility criteria (e.g., whether the country has taken, or is taking, steps to afford internationally recognized worker rights; whether the country provides certain protections for U.S. investors). GSP currently expires on December 31, 2009. H.R. 4284 extends the GSP program by one year.

One Year Extension of the Andean Trade Preferences Program

The Andean Trade Preference Act (ATPA) was enacted in December 1991, to help Bolivia, Colombia, Ecuador and Peru develop economic alternatives to drug production and trafficking. ATPA provides benefits beyond those under GSP, including additional product coverage. To qualify for ATPA benefits, countries must meet certain eligibility criteria (e.g., related to counter-narcotics cooperation). The Andean Trade Promotion and Drug Eradication Act (ATPDEA), enacted in August 2002, renewed and amended ATPA to provide duty-free treatment for certain products previously excluded under ATPA, subject to additional eligibility criteria (e.g., evaluating the extent to which each beneficiary country is providing internationally-recognized worker rights). On June 30, 2009, the President terminated Bolivia’s benefits under the program, based on Bolivia’s failure to meet eligibility criteria related to counternarcotics cooperation. The ATPA program is currently scheduled to expire on December 31, 2009. H.R. 4284 extends the ATPA program by one year for Colombia, Ecuador and Peru.

Currently, under the ATPA program, the United States Trade Representative must conduct a review of the operation of the program, including compliance with eligibility criteria, and submit a report to Congress by April 30, 2011. H.R. 4284 moves up the deadline for the report to June 30, 2010.

Cost

The bill's total cost is \$785 million. As was the case in past, recent GSP and ATPA extensions, this cost is paid for by extending Customs user fees.

Please [click here for text of H.R. 4284](#).

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