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Blumenauer introduces bill to reauthorize TAA, GSP, MTB June 23, 2023 at 4:00 PM

House Democrats this week introduced legislation to reauthorize and update the Generalized System of Preferences and the Trade Adjustment Assistance program, as well as implement a new Miscellaneous Tariff Bill.

The “[American Worker and Trade Competitiveness Act](#),” introduced by Ways & Means trade subcommittee ranking member Earl Blumenauer (D-OR) and co-sponsored by 10 other Democrats on the Ways & Means Committee, would “increase U.S. competitiveness and support workers around the globe,” according to a [fact sheet](#) from Blumenauer’s office.

GSP and the last MTB expired at the end of 2020, subjecting exports from developing economies to higher duty rates and closing the cycle for importers to petition for temporary tariff suspensions on products. The American Worker Trade and Competitiveness Act would reauthorize GSP through 2026 with retroactivity, offering refunds on duty paid on goods from beneficiary countries during the lapse period. It also would authorize two more MTB cycles and duty suspensions and reductions for approved imports through the end of 2024.

The TAA program, which provides assistance to workers affected by international trade, expired on June 30, 2022. [Funding was approved for 2023](#) but the program was [not reauthorized](#). Blumenauer's bill would increase funding for TAA, expand eligibility for affected workers and implement "long-overdue provisions that improve and modernize the TAA programs," the fact sheet states.

A congressional staffer said Blumenauer tied the three programs together to ensure they move through the House together. "Obviously there's broad support for GSP and MTB to be reauthorized, but it's important that TAA isn't left behind," the staffer said.

The GSP authorization provisions in Blumenauer's latest bill closely resemble those in the China-focused America COMPETES Act passed by the House in February 2022. They include new environmental and labor eligibility requirements to align with those sought by House Democrats in the U.S.-Mexico-Canada Agreement, as well as human rights, rule of law and anti-corruption requirements identical to those in the African Growth and Opportunity Act. The GSP and MTB provisions were part of a trade title that did not make it into the final China-focused legislation, the Chips and Science Act, after lawmakers failed to reconcile differences over labor and environmental standards.

"The language appears identical" to the prior legislation, said Dan Anthony, executive director of the Coalition for GSP, an industry group that advocates the program's reauthorization.

Anthony noted that the new bill would extend GSP two years beyond previous House proposals. "The added two years to the extension is encouraging," Anthony said.

However, Anthony contended that the bill's stricter eligibility requirements "could undermine efforts to make GSP a better tool for reducing U.S. reliance on China, which is clearly a big focus [in] the new Congress."

The idea that restoring the preference program could help the U.S. diversify supply chains away from China has received bipartisan congressional

support, as China's competitors can enjoy tariff advantages in the U.S. market via GSP, advocates say.

"In order to decouple smartly, we have to incentivize other partners to provide goods and services to our nation," Rep. Blake Moore (R-UT) said during a Ways & Means [trade subcommittee hearing](#) in May. "We can't survive without it."

Senate Finance Committee ranking member Mike Crapo (R-ID) in February expressed similar sentiments. Countries in the Indo-Pacific region in particular "are eager for us to pass MTB and GSP because they want to be our trading partners," he said. "They want to expand their economy and their strength with us. But if we don't do it with them, they will have to move to China, and China is openly courting them."

But critics of last year's House bill contend that new labor and environmental standards in the bill would be cost-restrictive for many of the developing economies GSP is designed to benefit.

In the Senate, Majority Leader Charles Schumer (D-NY) and the chairs of nine committees last month [outlined plans](#) to craft new comprehensive legislation addressing U.S. competition with China. That package could include a trade title with GSP and MTB provisions included.

The Democrats' bill was released the same day Indian Prime Minister Narendra Modi, during a meeting with President Biden, raised the prospect of restoring India's status under the GSP program, according to [a joint statement](#) issued by the two leaders.

The Trump administration ended India's GSP beneficiary status in 2019 as it attempted to forge a limited trade deal with the country. That effort proved unsuccessful. -- *Oliver Ward (oward@iwppnews.com)*

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