

# United States Senate

WASHINGTON, DC 20510

April 12, 2019

The Honorable Robert E. Lighthizer  
Ambassador  
Office of the United States Trade Representative  
600 17th Street, N.W.  
Washington, D.C., 20508

Dear Ambassador Lighthizer:

We write to you today regarding the ongoing negotiations between the Office of the United States Trade Representative (USTR) and India's Ministry of Commerce and Industry regarding the duty-free treatment of goods under the Generalized System of Preferences (GSP) program.

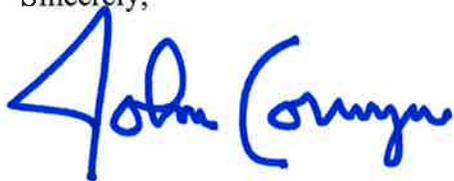
As you know, in April 2018, the USTR announced that it planned to review the GSP eligibility of a number of countries, including India. The USTR's announcement specifically cited "concerns related to its compliance with GSP market access criterion," based on petitions filed from the U.S. medical device and dairy industries. On March 4, 2019, Congress was notified of USTR's intention to terminate India's designation as a beneficiary developing country under GSP due to a lack of compliance. We understand that the Administration may issue a proclamation withdrawing India's GSP benefits 60 days or later from the congressional notification date.

As Co-Chairs of the United States Senate's India Caucus, we fully appreciate and support your efforts to address a host of market access issues facing American businesses in India. Congressional support for the GSP program was made clear last year when the U.S. Senate and U.S. House of Representatives reauthorized the program, in nearly unanimous fashion, for three years. While we agree that there are a number of market access issues that can and should be addressed, we do remain concerned that the withdrawal of duty concessions will make Indian exports of eligible products to the United States costlier, as the importer of those products will have to pay a "Most Favored Nation" (MFN), duty which is higher than the rate under GSP. Some of these costs will likely be passed on to American consumers.

As you know, India's elections will conclude on May 23, 2019. We believe that the election season may serve as a hindrance for our Indian counterparts in negotiating and concluding a deal on difficult political issues. If another round of negotiations during the election season does not resolve the outstanding issues, we would ask you to consider delaying the issuance of a Presidential proclamation to withdraw India's GSP benefits by at least 30 days, beyond the 60 day calendar, in order to move the negotiations beyond India's elections. We believe that allowing for continued negotiations beyond the elections would underscore the importance of this bilateral relationship and provide a real opportunity to resolve these market access issues, potentially improving the overall U.S.-India relationship for years to come.

We appreciate you and team's continued efforts to resolve a small but significant set of trade issues through the GSP review process. We stand ready and willing to assist in any way possible to ensure that the U.S.-India relationship remains strong.

Sincerely,

Handwritten signature of John Cornyn in blue ink.

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JOHN CORNYN  
United States Senator

Handwritten signature of Mark R. Warner in blue ink.

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MARK WARNER  
United States Senator