



NCBFAA

The National Customs Brokers & Forwarders Association of America, Inc.

News Release

Contact: Geoff Powell @ (410) 609-2580
Jon Kent @ (703) 351-6222
Tom Mathers @ (202) 466-0222

For Immediate Release

Delayed GSP Renewal Jeopardizes Companies, NCBFAA Says in Letter to Congress

Washington, DC: In letters to the Senate and House, the National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA) President Geoffrey Powell urged Congress to renew the Generalized System of Preferences (GSP) program before its scheduled yearend expiration. Letter recipients included Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) as well as House Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA).

President Powell pointed out that GSP lowers the cost of raw materials, which helps to keep U.S. companies competitive in foreign markets, and it lowers the cost of finished products to U.S. consumers; products, he added, for which there is no U.S. production.

Despite strong Congressional support for the program, he noted Congress' inability to extend the program has caused it to lapse on repeated occasions. "Even though GSP renewal eventually occurred and was applied retroactively to the date of expiration," he argued, "the economic damage and disruption to businesses - especially the many small businesses that depend on the program to remain competitive - was significant."

Without renewal, companies face the prospect of incurring \$75 million in duties each month from GSP countries. Even with a retroactive renewal and refunded duties, President Powell pointed out that small and medium-sized companies operating on slim profit margins could incur severe cash flow burdens.

The uncertainty is another factor, especially for companies placing orders for 2018 delivery. Finding alternative sources may not be feasible nor is waiting to see if GSP will be renewed on time realistic. "The ensuing chaos creates ripple effects as new hiring is delayed and new investment is put on hold," President Powell wrote.

Headquartered in Washington, D.C., the NCBFAA represents more than 1,000 member companies with 110,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in 1897 in New York, NCBFAA is the effective national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing, and various meetings and conferences throughout the year.

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