

July 17, 2018

Erland Herfindahl
Chair of the GSP Subcommittee of the Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

RE: Initiation of Country Practice Review of India, *Federal Register* of April 27, 2018 (Docket No. USTR-2018-0006)

Dear Mr. Herfindahl,

We are writing to offer post-hearing comments regarding the Generalized System of Preferences (GSP) Country Practice petition regarding India. The Retail Industry Leaders Association (RILA) urges you to conduct this review with prudence and caution, recognizing that encouraging economic development through duty-free exports is the heart of the GSP program, both in spirit and in the letter of the law. Any decision made under this review should not deviate from this founding purpose of GSP.

RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad. As such, RILA and its members understand the importance of the rule of law and the imperative of GSP beneficiaries' meeting their statutory eligibility criteria.

At the same time, America's retailers are perhaps better placed than most to understand and contribute to the development purpose of GSP. As you know, economic development is rarely distributed evenly by region, industry, and population. While it is undeniable that India has grown world-class competitive industries in some sectors of its economy, millions of Indians work in cottage industries making crafts, handwoven rugs, and other handmade goods in the country's small villages and even their homes. Indian exports of home décor items like pillows and woven baskets, wooden bowls and other household items, as well as textile items and rugs rely critically on GSP. These exports are a lifeline to rural communities with few other paths out of poverty and toward sustainable economic development.

Recognizing the development imperative of trade, RILA's member companies do more than just source goods from India under GSP. For example, our members have partnered with Non-Governmental Organizations (NGOs) like NEST to bring responsible sourcing standards, transparency and compliance to artisans and homeworkers who work outside of conventional factories. They have worked with Goodweave, an award-

winning program to end child and forced labor from the rug-making sector. And our members have partnered with Laborlink to use technology to reduce the risk of human trafficking. These and other retailer partnerships represent an investment in Indian livelihoods that the U.S. government should want to support.

RILA recognizes the importance of reviewing our trade programs for compliance and effectiveness, and we support U.S. government efforts to ensure that U.S. trading partners comply with their trade commitments. However, we respectfully submit that there are other trade policy tools that the United States can use to enforce its rights where there are grounds to do so. Once again, on behalf of all of our members, we urge you to act with prudence and caution in evaluating this country petition, and to not lose sight of the core development imperative of GSP—both for India itself, and for the millions of Indian workers and families who benefit from the program's existence.

Thank you for the consideration of our views. Please feel free to contact me at hun.quach@rila.org or (703) 600-2041 if you have any questions.

Sincerely,



Hun Quach
Vice President, International Trade
Retail Industry Leaders Association (RILA)