



FOREIGN AFFAIRS COMMITTEE

REPUBLICANS

AGOA Extension and Enhancement Act of 2024 – Congressman John James

Background: The American business community is eagerly awaiting clarity on the future of the African Growth and Opportunity Act (AGOA) as calls for its reauthorization gain momentum. Businesses are looking for strong signals of U.S. support for renewal to ensure long-term predictability and assurances that trade preference to African countries will continue. This is particularly crucial given the 5 to 10-year investment horizons across many sectors, and the influence of great power competitors throughout Africa.

This bill includes the following:

Extension (Sec. 2): This bill would extend AGOA by 12 years from the end of the current authorization, making the program’s new expiration date September 30, 2037.

Review, Enforcement, and Reporting Requirements (Sec. 3):

- **Biennial Reviews:** This bill would change the requirement for the President to conduct an annual review of all 49 AGOA-eligible countries every year, to now be once every two years review. This change would free resources to focus on effective implementation of AGOA and enforcement of the program’s requirements.
- **Out-of-Cycle Reviews:** The out-of-cycle review is an integral part of ensuring that AGOA eligibility is swiftly able to respond to developments throughout Africa that negatively affect U.S. national interest. This bill would allow Congressional Committee leadership, defined as the Chair and Ranking Member of the Foreign Affairs and Ways and Means Committees of the House, and the Finance and Foreign Relations Committees of the Senate, to initiate an out-of-cycle review by the President at any time via written request to the President, which the Executive Branch must carry out immediately.
- **Enforcement Options:** Current statute requires that the President terminate a country’s AGOA benefits if that country does not meet the program’s eligibility criteria. This bill would provide the President with a menu of options for enforcement, including: (1) full termination of benefits, (2) termination of benefits for certain products, (3) issuance of a warning letter providing notice that benefits will be terminated in the following year without corrective action, and (4) the option to take no action, if U.S. interests are best served by taking no action.

Improving Utilization (Sec. 4): National AGOA utilization strategies are prepared by governments in sub-Saharan Africa as part of their planning to determine how they can take fuller advantage of the preferential access to the U.S. market provided by AGOA. Their development shows a level of commitment from the governments to achieve the maximum benefit from AGOA eligibility. As of 2021, only 18 of the 39 AGOA eligible countries had developed national AGOA utilization strategies. This bill would make the publishing of a national AGOA utilization strategy a mandatory requirement for AGOA eligibility.

Income Graduation (Sec. 5): Under current law, countries lose eligibility for AGOA benefits once they become “high-income” according to the World Bank’s measure of GDP per capita. Recognizing the volatility of GDP numbers from year-to-year this bill would ensure that countries do not lose eligibility until they have maintained “high-income” status for five consecutive years. Further, the President may extend a country’s eligibility for up to an additional five years to allow time for the negotiation of a free trade agreement.

Clarifying Eligibility Criteria (Sec. 6): Under current statute, AGOA’s eligibility criteria include requirements that a country uphold a market-based economy, good governance, and human rights. This bill would add specificity to those requirements by cross-referencing other U.S. laws and policies. For example, the bill would require that AGOA beneficiaries not be subject to coup-related restrictions in U.S. foreign aid appropriations, not be designated as a state-sponsor or terrorism, and not be designated as a country in violation of the Child Soldiers Prevention Act.

Prohibiting Imports of Goods Made with Forced Labor (Sec. 7): Current statute prohibits the import of any goods made wholly or in part by forced labor. The Uyghur Forced Labor Prevention Act supports enforcement of that prohibition on goods manufactured in China, especially goods from Xinjiang. This bill reemphasizes that prohibition, and calls on the Secretary of Commerce to submit a report on the procedures in place to ensure that imports under AGOA are compliant with these U.S. laws.

Biennial Reports (Sec. 8): This bill would clarify the current requirement that the President must submit a report on the implementation of AGOA to Congress every two years. This bill would also provide for reporting on potential free trade agreements with sub-Saharan African countries to be included in the biennial reports.

USITC Study on Expanding Covered Goods (Sec. 9): AGOA covers most—but not all—goods imported to the United States from sub-Saharan Africa. The list of covered goods has not been substantially updated since the program was created in 2000. This bill would task the U.S. International Trade Commission with producing a study into the economic effects of adding additional products to the list of covered goods.

AGOA Forum (Sec. 10): This bill would require the AGOA Forum to be held annually no later than September 30.

Protecting Against Transshipment (Sec. 11): Current statute requires AGOA beneficiaries to transmit a “textile visa” to U.S. Customs and Border Protection (CBP) with every shipment of apparel. CBP no longer requires textile visas to effectively monitor imports, and they are in use only because statute requires them for trade with AGOA beneficiaries. This bill would eliminate requirements for textile visas. In addition, current statute mandates that CBP send “production verification teams” to “at least four” AGOA beneficiaries each year in order to monitor compliance with AGOA’s rules of origin. This requires CBP to devote disproportionate enforcement resources to sub-Saharan Africa. This bill would modify statute to require production verification team visits to sub-Saharan Africa “as necessary to verify compliance” with AGOA, freeing CBP to devote enforcement resources where they are needed most.

Technical Corrections (Sec. 12): This bill would update the names of countries that have changed, and update the names of U.S. federal agencies that have changed.