COMMITTEE ON FINANCE
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BAUCUS, HATCH INTRODUCE BILL TO SUPPORT JOBS, STRENGTHEN TRADE TIES WITH SUB-SAHARAN AFRICA AND CENTRAL AMERICA

Finance Leaders' Bill Would Also Reauthorize Burma Import Sanctions

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) introduced legislation today to continue expanding U.S. trade with sub-Saharan Africa and Central America. The bill will extend a key provision of the African Growth and Opportunity Act (AGOA) and make non-controversial technical changes to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) textiles and apparel provisions. In addition to the AGOA and CAFTA-DR provisions, the bill would reauthorize import sanctions against Burma for three years, while preserving the Administration's right to waive or terminate those sanctions.

"We can strengthen our economy and create jobs in the U.S. by developing trade relationships with countries around the world. This program helps us advance our trade agenda, support jobs and boost our economy here at home," Baucus said. **"Burma has made real progress advancing democracy, but we need to maintain pressure to guarantee it continues."**

"This is win-win legislation that builds upon our nation's goal of strengthening economic relations with Africa, while ensuring that our regional trade agreement with Central America and the Dominican Republic continues to succeed," Hatch said. **"Swift passage of this legislation will help provide opportunities for job creation and economic growth both in the United States and abroad. Burma is making important progress undertaking much-needed political and economic reforms, but it's critical that we continue to have the necessary tools to address the situation if it deteriorates. As such, this bill reauthorizes the import ban on Burmese products, while providing the flexibility needed to address current conditions in Burma. This legislation makes sense, is good for our nation, and should see swift passage through the Congress."**

The bill would extend until September 2015 the AGOA provision allowing duty-free access to the U.S. market for apparel produced in sub-Saharan African countries made from third-country fabric, or fabric originally produced anywhere in the world, rather than from only within those countries themselves or from the United States. The provision is currently set to expire this fall. Because such a large proportion of apparel imported from AGOA nations is made with third-country fabric, allowing the provision to expire would seriously undermine AGOA's development goals. The senators' bill would also add the Republic of South Sudan to the list of 48 sub-Saharan nations eligible to qualify for duty-free access to the U.S. market for certain products, including apparel, footwear and textiles. That duty-free market access stimulates economic growth, boosts positive business activities and encourages integration among sub-Saharan economies. Over the last decade, six of the world's ten fastest-growing economies were in sub-Saharan Africa.

The bill would make technical corrections and modifications to the rules of origin for certain textile and apparel products under CAFTA-DR which will expand trade and create jobs in the United States and the CAFTA-DR countries. These changes were agreed to by Trade Ministers during the February 2011 CAFTA-DR Free Trade Commission meetings. All CAFTA-DR countries except the United States have already approved the changes this legislation codifies, and passage of this bill will ensure that all the CAFTA-DR countries can benefit from these changes.

The bill would also reauthorize import sanctions against Burma for three years. While there have been encouraging developments in Burma, additional political and economic reforms are required to meet the goals set forth in existing Burma sanctions legislation. The bill does leave intact the Administration's authority to waive or terminate the import sanctions.

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