

**H.R. 1891, AGOA Extension and Enhancement Act of 2015:
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TITLE I: EXTENSION OF AFRICAN GROWTH AND OPPORTUNITY ACT

SECTION 101: SHORT TITLE.

Section 101 entitles the bill the “AGOA Extension and Enhancement Act of 2015”.

SECTION 102: FINDINGS.

In Section 102, Congress finds that:

- (1) Since its enactment, the African Growth and Opportunity Act has been the centerpiece of trade relations between the United States and sub-Saharan Africa and has enhanced trade, investment, job creation, and democratic institutions throughout Africa.
- (2) Trade and investment, as facilitated by the African Growth and Opportunity Act, promote economic growth, development, poverty reduction, democracy, the rule of law, and stability in sub-Saharan Africa.
- (3) Trade between the United States and sub-Saharan Africa has more than tripled since the enactment of the African Growth and Opportunity Act in 2000, and United States direct investment in sub-Saharan Africa has grown almost six-fold.

- (4) It is in the interest of the United States to engage and compete in emerging markets in sub-Saharan African countries, to boost trade and investment between the United States and sub-Saharan African countries, and to renew and strengthen the African Growth and Opportunity Act.
- (5) The long-term economic security of the United States is enhanced by strong economic and political ties with the fastest-growing economies in the world, many of which are in sub-Saharan Africa.
- (6) It is a goal of the United States to further integrate sub-Saharan African countries into the global economy, stimulate economic development in Africa, and diversify sources of growth in sub-Saharan Africa.
- (7) To that end, implementation of the Agreement on Trade Facilitation of the World Trade Organization would strengthen regional integration efforts in sub-Saharan Africa and contribute to economic growth in the region.
- (8) The elimination of barriers to trade and investment in sub-Saharan Africa, including high tariffs, forced localization requirements, restrictions on investment, and customs barriers, will create opportunities for workers, businesses, farmers, and ranchers in the United States and sub-Saharan African countries.
- (9) The elimination of such barriers will improve utilization of the African Growth and Opportunity Act and strengthen regional and global integration, accelerate economic growth in sub-Saharan Africa, and enhance the trade relationship between the United States and sub-Saharan Africa.

SECTION 103: EXTENSION OF AFRICAN GROWTH AND OPPORTUNITY ACT.

Section 103 extends AGOA and the special rule of origin on third-country fabric from September 30, 2015 to September 30, 2025.

SECTION 104: PROMOTING GREATER REGIONAL INTEGRATION.

In order to encourage greater regional integration in Africa, section 104(a) amends section 506A(b)(2) of the Trade Act of 1974, as amended, to allow accumulation of the direct costs of processing operations performed in one or more beneficiary sub-Saharan African countries or former beneficiary sub-Saharan African countries in achieving the required minimum 35 percent local value content.

Section 104(b) ensures that the general rules of origin governing duty-free treatment under the GSP program would apply to any article described in section 503(a)(1) of title V of the Trade Act of 1974 that is the growth, product or manufacture of a beneficiary sub-Saharan African country. The general rule of origin governing duty-free treatment under the GSP program would continue to apply to imports from beneficiary sub-Saharan African countries of any item, other than textiles or apparel products or textile luggage, that is designated as import sensitive under section 503(b)(1) of title V of the Trade Act of 1974.

Section 104(c) authorizes the President to amend the Harmonized Tariff Schedule of the United States (HTSUS) to add the special tariff treatment symbol “D” in the “Special” subcolumn of the

HTSUS for every product with the special tariff treatment symbol “A” in the “Special” subcolumn to clarify that every article described in section 503(a)(1) of title V of the Trade Act of 1974 that is the growth, product, or manufacture of a beneficiary sub-Saharan African country will be eligible for the preferential tariff treatment described in amended section 506A(b)(2).

Section 104(d) makes the amendments in paragraphs (a) and (b) effective 30 days after the implementation of this Act.

SECTION 105: MONITORING AND REVIEW OF ELIGIBILITY.

Section 105(a) amends section 506A(a)(3) of the Trade Act of 1974 to require the President to provide at least 60 days notification and explanation to Congress and the sub-Saharan African country in question of his intention to terminate the designation of such country as a beneficiary sub-Saharan African country.

Section 105(b) amends section 506A of the Trade Act of 1974 to allow the President to withdraw, suspend, or limit duty-free treatment for certain articles if he determines that such treatment would be more effective in promoting compliance with eligibility requirements than terminating benefits. The President is required to notify Congress and the country in question at least 60 days in advance of any action, along with the reasons for such action.

Section 105(c) amends section 506A of the Trade Act of 1974 to require the President to annually publish in the Federal Register, as part of the annual monitoring and review of countries, a notice of the annual review and a request for public comments on whether beneficiary countries are meeting the eligibility criteria. It also requires the United States Trade Representative to hold a public hearing within 30 days of the President’s publication.

Section 105(c) also requires the President to create a new petition process in which interested parties may file a petition with the United States Trade Representative at any time regarding the compliance of any AGOA beneficiary country.

Section 105(c) authorizes the President to initiate an out-of-cycle review of any beneficiary sub-Saharan African country, at any time, to determine whether it is making continual progress in meeting the eligibility criteria. If a country fails the out-of-cycle review, the President shall terminate or withdraw, suspend, or limit the application of duty-free treatment. The President shall consult with Congress before initiating an investigation and report after a conclusion. In addition, the section expresses a Sense of Congress that the President should initiate within 30 days of enactment a review of South Africa or any other beneficiary country that is not in compliance with Section 104(a) of AGOA.

SECTION 106: BIENNIAL AGOA UTILIZATION STRATEGIES.

Section 106(a) expresses a Sense of Congress that eligible sub-Saharan African countries should develop biennial AGOA Utilization Strategies to more effectively and strategically utilize benefits available under AGOA and that the United State trade capacity building agencies should

work with and provide appropriate resources in developing and implementing these strategies. It also encourages USTR to consider requesting strategies from Regional Economic Communities, as appropriate.

Section 106(b) establishes that AGOA Utilization Strategies should identify strategic needs and priorities to bolster AGOA utilization and sets forth suggested content.

Section 106(c) calls on AGOA eligible countries and USTR to publish public versions of their utilization plans on the Internet.

SECTION 107: DEEPENING AND EXPANDING TRADE AND INVESTMENT TIES BETWEEN SUB-SAHARAN AFRICA AND THE UNITED STATES.

This section establishes the policy of the United States to deepen and expand investment ties between sub-Saharan Africa and the United States.

Section 107(a) establishes that the United States should continue to seek all opportunities to deepen and expand ties between sub-Saharan Africa and the United States through accession by sub-Saharan African countries to the World Trade Organization and negotiation of Trade and Investment Framework Agreements, Bilateral Investment Treaties, and Free Trade Agreements with individual countries and regional economic communities.

Section 107(b) states that the United States should continue to seek to agreements with individual countries as well as regional economic communities, as appropriate.

Section 107(c) provides that the United States should continue to promote the full implementation of commitments made under WTO agreements to improve AGOA utilization and promote trade and investment.

Section 107(d) provides that the United States should continue to promote the negotiation of trade agreements that cover substantially all trade between parties, and to object in all forums if other countries negotiate agreements that do not cover substantially all trade.

SECTION 108: REPORTS.

Section 108(a) requires the President to submit a biennial comprehensive report to Congress on the trade and investment relationship between the United States and sub-Saharan Africa. The first such report must be submitted not later than one year after the date of enactment.

Section 108(b) requires the United States Trade Representative to submit to Congress every five years a report that evaluates each AGOA eligible country's path toward becoming a trade agreement partner, identifies sub-Saharan countries that have expressed an interest in entering into a free trade agreement with the United States, and establishes a plan for negotiating and concluding such agreements. The first such report must be submitted not later than one year after the date of enactment.

Section 108(c) sunsets these reports consistent with the duration of this Act.

SECTION 109: TECHNICAL AMENDMENTS.

Section 109 deletes section 104(b) of the African Growth and Opportunity Act, which is duplicative.

SECTION 110: DEFINITIONS.

Section 110 defines certain terms in the Title, consistent with the African Growth and Opportunity Act.

TITLE II: EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

SECTION 201: EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

Section 201 amends Section 505 of the Trade Act of 1974 to extend the Generalized System of Preferences program until December 31, 2017, and retroactively applies to goods imported on or after July 31, 2013 that would have been eligible for duty-free treatment under the GSP program as of the date of enactment.

SECTION 202: AUTHORITY TO DESIGNATE CERTAIN COTTON ARTICLES AS ELIGIBLE ARTICLES ONLY FOR LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES UNDER GENERALIZED SYSTEM OF PREFERENCES

Section 202 amends Section 503(b) of the Trade Act of 1974 to authorize the President to designate certain cotton articles, classifiable under subheadings 5201.00.18, 5201.00.28, 5201.00.38, 5202.99.30, and 5203.00.30 of the Harmonized Tariff Schedules of the United States, as eligible articles for countries designated as least-developed beneficiary developing countries under the GSP program.

SECTION 203: APPLICATION OF COMPETITIVE NEED LIMITATION AND WAIVER UNDER GENERALIZED SYSTEM OF PREFERENCES WITH RESPECT TO ARTICLES OF BENEFICIARY DEVELOPING COUNTRIES EXPORTED TO THE UNITED STATES DURING CALENDAR YEAR 2014

Section 203 allows the Administration to complete the competitive need limitation and waiver determinations by October 1, 2015 for products entered in 2014.

TITLE III: EXTENSION OF PREFERENTIAL DUTY TREATMENT PROGRAM FOR HAITI

SECTION 301: EXTENSION OF PREFERENTIAL DUTY TREATMENT PROGRAM FOR HAITI

Section 301 amends Section 213A of the Caribbean Basin Economic Recovery Act to extend benefits to Haiti through 2025.

TITLE IV: OTHER PROVISIONS

SECTION 401: CUSTOMS USER FEES

Section 401(a) amends Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 to extend the period that the Secretary of the Treasury may charge for certain customs services for imported goods from September 30, 2024 to July 7, 2025.

Section 401(b) extends the ad valorem rate for the Merchandise Processing Fee collected by Customs and Border Protection that offsets the costs incurred in processing and inspecting imports, from June 30, 2021 to September 30, 2025.

SECTION 402: TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES

Section 402 amends current law, under which a large corporation must pay its Federal income tax through four quarterly estimated tax payments, each in an amount equal to 25 percent of the annual tax due. For estimated tax payments made by corporations with assets of more than \$1 billion in July, August, or September of 2020, the provision would increase the estimated tax by 5.25 percent of the amount otherwise due (disregarding any increases outside of the tax code). In addition, the provision would reduce the next estimated tax payment by the same amount.