



FOR IMMEDIATE RELEASE  
August 2, 2012

Contact: Communications Office (Baucus), 202-224-4515  
Julia Lawless (Hatch), 202-224-4515

## **BAUCUS, HATCH APPLAUD SENATE PASSAGE OF BILL TO SUPPORT JOBS, STRENGTHEN TRADE TIES WITH SUB-SAHARAN AFRICA AND CENTRAL AMERICA**

*Finance Leaders' Bill Also Renews Import Sanctions Against Burma*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) today applauded the Senate's passage of their bill 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 renew import sanctions against Burma for one year and reauthorize for three years a fast-track process for Congress to approve annual renewal of sanctions.

**"Building ties with Africa and Central America is a significant part of our trade agenda, and it helps support jobs here in the U.S.,"** Baucus said. **"And this bill takes important steps maintaining pressure on Burma to continue making political and economic reforms and taking positive steps forward."**

**"This common-sense measure will foster prosperity through strengthened trade relations while providing real opportunities for job creation and economic growth both at home and abroad. Furthermore, by extending Burma trade sanctions, this bill will give us the tools to ensure that Burma continues down the path of reform. I'm proud to have worked with Chairman Baucus on this important trade initiative,"** Hatch said.

Baucus and Hatch's 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 AGOA beneficiary countries or from the United States. The provision is currently set to expire this fall. Because almost 95 percent 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 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 renew import sanctions against Burma for one year and reauthorize for three years a fast-track process for Congress to approve annual renewal of sanctions. 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.

###