


EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

SEP 30 2013

The Honorable Irving Williamson
Chairman
U.S. International Trade Commission
500 E Street SW
Washington, DC 20436

DOCKET NUMBER 2986
Office of the Secretary Int'l Trade Commission


Dear Chairman Williamson:

First, let me thank you for the Commission's excellent work. The ITC is a key partner for USTR and I look forward to working with you on our many areas of common interest. I am writing today regarding the African Growth and Opportunity Act (AGOA).

The United States promotes trade and investment with sub-Saharan Africa and supports economic development through preference programs like AGOA. Since its enactment in 2000, AGOA has created opportunities to increase U.S.-sub-Saharan African trade and investment. As the Administration works with its partners in the region and Congress to renew and potentially modify AGOA, it is vital to have accurate factual information to (i) assess the impact AGOA has had on the economies of sub-Saharan Africa, and (ii) identify factors that have impacted trade, investment, and the economic climate in the region.

Therefore, pursuant to section 332(g) of the Tariff Act of 1930, and the authority delegated by the President to the United States Trade Representative (USTR), I request that the U.S. International Trade Commission (the Commission), conduct four investigations and provide four reports as follows:

Investigation 1: That the Commission conduct an investigation and provide a report addressing the following topics for sub-Saharan African countries, as defined in AGOA, and, where applicable, those AGOA beneficiary countries that are designated as a lesser developed beneficiary country (LDBC), covering the period 2000-13:

1. AGOA trade performance, utilization and competitiveness factors. Specifically, the report should:

- Provide a review of the literature on the AGOA preference program, in terms of expanding and diversifying the exports of AGOA beneficiary countries to the United States, compared to preference programs offered by third parties such as the EU.
- Identify the non-crude petroleum sectors (i.e., manufacturing and agricultural) in AGOA beneficiary countries in which exports to the United States, under AGOA and under the U.S. Generalized System of Preferences program, have increased the most, in absolute terms, since 2000, and identify the key factors behind this growth.

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- Describe the main factors affecting AGOA trade in the principal non-crude petroleum products that AGOA beneficiary countries export and that the United States principally imports from non-sub-Saharan African sources; and
 - Based on a review of literature, identify products with potential for integration into regional or global supply chains, and export potential to the United States under AGOA, as well as factors that affect AGOA beneficiary countries' competitiveness in these sectors.
2. AGOA's effects on the business and investment climate in sub-Saharan Africa. Specifically, the report should:
- Identify and describe changes, if any, in the business and investment climates in sub-Saharan African countries since 2000, including removal of barriers to domestic and foreign investment; and
 - Describe U.S. goods and services-related investment trends in sub-Saharan African countries since 2000 and compare these trends with investments by other countries in sub-Saharan African countries, including investments by the EU, China, Brazil, and India. Identify any links between these investment trends and the AGOA program.
3. Current or potential reciprocal trade agreements between sub-Saharan African and non-sub-Saharan African partners and the relationship of these agreements to the objectives of AGOA. Specifically, the report should:
- Provide a list of reciprocal trade agreements that sub-Saharan African countries have completed or are under negotiation. For the reciprocal trade agreements that have entered into force and, to the extent information is available in the case of those that are pending or under negotiation, provide a brief description of areas covered or likely to be covered under the agreements; identify U.S. sectors/products impacted or potentially impacted, including any tariff differentials; and
 - Provide examples of developing countries that have moved from unilateral trade preferences to reciprocal trade agreements, and any effects of the change for the developing country in terms of expansion and diversification of its trade.

I anticipate that this report will be made available to the public in its entirety. Therefore, the report should not contain any confidential business or national security information. This report should be delivered six months from the date of this letter.

In addition, to further inform USTR's analysis, I request that the Commission provide three confidential reports, as follows:

Investigation 2: That the Commission conduct an investigation and provide a confidential report containing an assessment of the economic effects of providing duty-free treatment for imports of products from AGOA beneficiary countries on U.S. industries producing like or directly competitive products and on U.S. consumers. The report should include an assessment of the economic effect on U.S. industries and consumers of imports of articles already eligible for duty-free treatment under AGOA, as well as an assessment of the probable economic effect on U.S. industries and consumers of the extension of duty-free treatment to the remaining articles in chapters 1 through 97 of the Harmonized Tariff Schedule of the United States (HTS). The assessment should take into account implementation of U.S. commitments in the World Trade Organization and should be based on the HTS in effect during 2013 and trade data for 2012.

This report should be delivered six months from the date of this letter.

Investigation 3: That the Commission conduct an investigation and provide a confidential report that, to the extent practicable, identifies possible changes to the rules of origin under AGOA that could have the potential to promote regional integration and increase exports to the United States, and the leading manufactured or processed goods (non-petroleum) which might benefit from such changes.

This report should be delivered seven months from the date of this letter.

Investigation 4: That the Commission conduct an investigation and provide a confidential report containing, to the extent practicable, an assessment of the impact of the EU-South Africa Free Trade Agreement on U.S. exports to South Africa. This analysis should also identify the U.S. sectors/products with potential for increased U.S. exports if South Africa were to reduce its MFN tariffs for those U.S. products to the tariff levels of the EU-South Africa FTA.

This report should be delivered six months from the date of this letter.

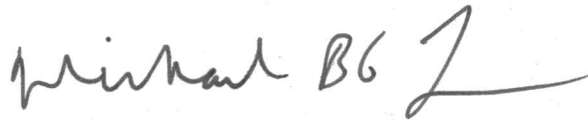
In accordance with Office of the U.S. Trade Representative (USTR) policy on implementing Executive Order 13526, as amended, entitled "Classified National Security Information" and published January 5, 2010, I direct you to mark or identify as "confidential," for a period of ten years, such portions of the Commission's reports and its working papers that deal with the assessments and analyses, as identified by USTR, provided in the three confidential reports. Consistent with this Executive Order, this information will be classified on the basis that it concerns economic matters relating to the national security of the United States. USTR also considers the Commission's three confidential reports to be inter-agency memoranda that will contain pre-decisional advice and be subject to the deliberative process privilege.

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I also request kindly that you submit outlines of these confidential reports as soon as possible to enable an appropriate USTR official with original classification authority to provide you with further written guidance on their classification, including the extent to which portions of the reports will require classification and for how long.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Michael B. G. Froman". The signature is written in a cursive style with a long horizontal stroke at the end.

Ambassador Michael B. G. Froman