

Congress of the United States
Washington, DC 20515

September 23, 2015

The Honorable Michael Froman
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Froman:

As you know, the Trade Preferences Extension Act of 2015 renewed the African Growth and Opportunity Act for ten years. This law requires the Administration to conduct an out-of-cycle review of South Africa's eligibility under the program. South Africa has been a major beneficiary of AGOA and, over the course of AGOA, has led the way in seeking to encourage regional integration and AGOA utilization. However, it continues to maintain several policies that raise concerns about its commitment to an open, rules-based trading system.

First, we are concerned that South Africa's barriers to U.S. exports of poultry, pork, and beef are not based on science and are inconsistent with minimum international standards and best practices. With regard to poultry, we are encouraged that the two industries recently reached an agreement to improve U.S. access to the South African market, but we remain concerned about delays in implementing this agreement and attempts to reopen the deal. In addition, South Africa continues to apply a ban to U.S. poultry exports that is inconsistent with sound science, minimum international standards, and the practice of dozens of other countries. Without resolving this issue, the deal reached between the two industries will have no effect on U.S. market access.

Similarly, South Africa continues to block U.S. pork and beef exports for reasons that lack any scientific justification and are unsupported by minimum international standards, including the World Organization of Animal Health guidelines. Efforts to resolve these issues have been unduly delayed. We believe that South Africa must promptly lift these restrictions on U.S. exports that are not based on science.

Second, we are closely watching several proposals that may be indicative of a deteriorating investment climate. These include new localization requirements, cyber security proposals that may impose undue burdens on foreign investors, and legislation under consideration that would force foreign-owned companies that provide security services to give up ownership stakes. Such policies raise serious questions about South Africa's openness to foreign investment and its commitment to national treatment principles.

Third, we are concerned that under the 2014 trade agreement between the European Union and the South African Development Community, South Africa agreed to recognize certain Geographic Indications in its domestic market. This action effectively blocks U.S. producers of these products from exporting to South Africa. Last year, South Africa issued regulations

awarding the EU sole use of several GIs, including single-name GIs, bypassing its intellectual property rights system and undermining U.S. exports.

As the administration reviews South Africa's eligibility, we urge you to closely study these issues and to seek meaningful progress from South Africa to address these significant and troubling barriers.

Sincerely,



PATRICK TIBERTI
Member of Congress



CHARLES RANGEL
Member of Congress



ADRIAN SMITH
Member of Congress



ERIK PAULSEN
Member of Congress



JASON SMITH
Member of Congress