

To the office of U.S. Representative Jason Smith

Re: HR 6500 (119th Congress), Continuing Appropriations and Extensions Act, 2027 • Latest action (2026-09-02): Became Public Law No: 119-103.

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Sub-Saharan Africa Trade Preference Extension and User Fee Stability Act of 2027

The measure, as described from the official record: Extend duty-free trade preferences for eligible sub-Saharan African countries under AGOA and the Generalized System of Preferences through 2028, extend customs user fees through 2031, and provide retroactive duty refunds for qualifying imports that entered after the previous expiration.

THE PROPOSAL

This Act extends the African Growth and Opportunity Act (AGOA) and Generalized System of Preferences (GSP) duty-free treatment for eligible sub-Saharan African countries through December 31, 2028, consistent with the original bill. It also extends the third-country fabric provision and apparel duty-free treatment for lesser-developed beneficiary countries under the same terms. The extension applies only to countries that meet the existing eligibility criteria under the Trade Act of 1974, including compliance with rule-of-law, human rights, and labor standards.

The Act extends the authorization for customs user fees and merchandise processing fees through December 31, 2031, at the existing rates and without increasing the fee schedule. These fees shall be dedicated to the operation of U.S. Customs and Border Protection (CBP) and the modernization of trade facilitation systems, with a required annual report to Congress on fee collection and expenditure.

For retroactive refunds, the Act directs CBP to accept refund requests for duties paid on eligible AGOA/GSP articles that entered the United States after September 30, 2025, and before the date of enactment. The Secretary of Homeland Security shall promulgate a streamlined refund application process within 60 days of enactment, requiring only the entry number or sufficient documentation to reconstruct the entry. CBP shall process and refund eligible entries within 90 days of a complete application. Refunds shall be paid from the Customs User Fee account, subject to a cap of \$250 million for this retroactive refund program.

The Act includes a sunset clause: all extensions and the refund authority expire on December 31, 2028, except the user fee extension, which expires December 31, 2031. The Government Accountability Office shall conduct an independent evaluation by December 31, 2027, of the economic impact of AGOA on beneficiary countries and U.S. importers, and submit recommendations to Congress on whether to further extend or modify the program. No extension shall be automatic; any future continuation requires new legislation.

OPERATIVE PROVISIONS (VFA PROPOSAL)

Funding Source	Customs User Fee account, existing fee collections, with refunds capped at \$250 million from that account.
Funding Amount	\$250 million cap for retroactive refunds; no new appropriations.
Sunset Years	5 years
Oversight Body	Government Accountability Office (GAO) evaluation and annual CBP report to Congress
Enforcement Mechanism	CBP administers refunds and must comply with 90-day processing deadlines; GAO audits compliance; judicial review available under the Administrative Procedure Act.
Effective Date	Upon enactment, with regulations within 60 days and retroactive refunds available for entries after September 30, 2025.

CONSTITUTIONAL BASIS

- Article I, Section 8, Clause 3 (Commerce with foreign Nations)
- Article I, Section 8, Clause 1 (lay and collect Taxes, Duties, Imposts and Excises)
- Article I, Section 8, Clause 18 (Necessary and Proper Clause)
- Amendment X (reserved powers to states, not implicated)

WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)

Honors Democratic priorities: supports economic development in sub-Saharan Africa, preserves labor and human rights eligibility conditions, and adds GAO oversight to ensure program effectiveness and accountability. Honors Republican priorities: no new spending (refunds paid from existing fee collections), sunset provisions to prevent permanent programs, and user fee extension to maintain customs operations without general fund reliance.

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