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To reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1999

Mr. MANZULLO (for himself, Mr. MENENDEZ, Mr. GILMAN, Mr. GEJDENSON, Mr. ACKERMAN, Mr. BENTSEN, Mr. BEREUTER, Mr. BERMAN, Mrs. BIGGERT, Mr. BLUNT, Mr. BRADY of Texas, Mr. CALLAHAN, Mrs. CLAYTON, Mr. COOKSEY, Mr. COSTELLO, Mr. DAVIS of Illinois, Mr. DELAHUNT, Mr. DELAY, Mr. DIAZ-BALART, Mr. ENGLISH, Mr. EWING, Mr. FATTAH, Mr. FROST, Mr. GALLEGLY, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HOEFFEL, Mr. HOUGHTON, Ms. JACKSON-LEE of Texas, Ms. KILPATRICK, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LAHOOD, Mr. LANTOS, Mr. LEACH, Mrs. MCCARTHY of New York, Mr. MATSUI, Mrs. MEEK of Florida, Mrs. NAPOLITANO, Mr. ORTIZ, Mr. PACKARD, Mr. PORTER, Mr. RANGEL, Mr. ROTHMAN, Mr. RUSH, Mr. SAWYER, Mr. SHERMAN, and Mr. BERRY) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Export Enhancement
3 Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 The Congress makes the following findings:

6 (1) Since it began operations in 1971, the Over-
7 seas Private Investment Corporation (in this Act re-
8 ferred to as “OPIC”) has sold investment services
9 and mobilized private sector resources to assist de-
10 veloping countries and emerging democracies in the
11 transition from nonmarket to market economies.

12 (2) In an era of declining Federal budgetary re-
13 sources, OPIC has consistently demonstrated an
14 ability to operate on a self-sustaining basis to sup-
15 port United States companies and promote economic
16 reform in emerging economies in Africa, the newly
17 independent states of the former Soviet Union,
18 Latin America, and the Caribbean.

19 (3) OPIC has played an important role in rein-
20 forcing United States foreign policy goals and in
21 strengthening the United States economy by cre-
22 ating jobs and promoting exports.

23 (4) Over the past 28 years, projects supported
24 by OPIC have generated over \$58,000,000,000 in
25 United States exports, mobilized \$121,000,000,000

1 of United States private sector investment, and cre-
2 ated more than 237,000 United States jobs.

3 (5) OPIC has been run on a sound financial
4 basis with reserves totaling approximately
5 \$3,300,000,000 and with an estimated net budget
6 contribution to the international affairs account of
7 some \$204,000,000 in fiscal year 2000.

8 (6) OPIC has maintained a claims recovery rate
9 of 95 percent, settling 254 insurance claims for
10 \$541,000,000 and recovering all but \$29,000,000
11 since 1971.

12 (7) OPIC programs have served to rectify mar-
13 ket failures, including limited market information in
14 developing countries and underdeveloped capital
15 markets, by insuring United States firms against
16 economic and market uncertainties.

17 (8) The Trade and Development Agency (in
18 this Act referred to as "TDA") promotes United
19 States business involvement in infrastructure
20 projects in developing and middle income countries.

21 (9) TDA has generated \$12,300,000,000 in ex-
22 ports since its inception, with every \$1 in spending
23 for TDA projects leading to the sale of \$32 in
24 United States goods and services overseas.

1 (10) The United States and Foreign Commer-
2 cial Service (in this Act referred to as the “Commer-
3 cial Service”) plays an important role in helping
4 United States businesses identify export opportuni-
5 ties and develop reliable sources of information on
6 commercial prospects in foreign countries.

7 (11) The Congress has, on several occasions,
8 encouraged the Commercial Service to focus its re-
9 sources and efforts in countries or regions in Europe
10 and Asia to promote greater United States export
11 activity in those markets.

12 (12) The Congress supports the expansion of
13 the Rural Export Initiative by the International
14 Trade Administration (in this Act referred to as the
15 “ITA”) of the Department of Commerce, particu-
16 larly those elements related to the use of information
17 technology and electronic commerce techniques.

18 **SEC. 3. POLICY RECOMMENDATIONS.**

19 The Congress makes the following declarations:

20 (1) OPIC should set its fees at levels sufficient
21 to cover all operating costs, repay any subsidy ap-
22 propriations, and set aside adequate reserves against
23 future losses.

24 (2) OPIC should maintain a conservative ratio
25 of reserves to contingent liabilities and limit its obli-

1 gations in any one country in its worldwide finance
2 or insurance portfolio.

3 (3) Projects supported by OPIC should not dis-
4 place commercial finance or insurance offerings and
5 should encourage private sector financing and insur-
6 ance participation.

7 (4) Independent auditors should report annually
8 to the Congress on the level of OPIC's reserves in
9 relation to its liabilities and provide an analysis of
10 the trends in the levels of reserves and liabilities and
11 the composition of its insurance and finance port-
12 folios, including OPIC's investment funds.

13 (5) OPIC should double the dollar value of its
14 support for small businesses over the next four
15 years.

16 (6) In administering the programs and activi-
17 ties of the ITA, the Secretary of Commerce should
18 give particular emphasis to obtaining market access
19 for United States firms and to securing full compli-
20 ance with bilateral and multilateral trade agree-
21 ments.

22 (7) The ITA should facilitate the entrance of
23 United States businesses into the countries of sub-
24 Saharan Africa and Latin America.

1 (8) The Commercial Service, within the ITA,
2 should consider expanding its presence in urban
3 areas and in urban enterprise areas.

4 **SEC. 4. OPIC ISSUING AUTHORITY.**

5 Section 235(a)(2) of the Foreign Assistance Act of
6 1961 (22 U.S.C. 2195(a)(3)) is amended by striking
7 “1999” and inserting “2003”.

8 **SEC. 5. TRADE AND DEVELOPMENT AGENCY.**

9 (a) PURPOSE.—Section 661(a) of the Foreign Assist-
10 ance Act of 1961 (22 U.S.C. 2421(a)) is amended by in-
11 serting before the period at the end of the second sentence
12 the following: “, with special emphasis on economic sectors
13 with significant United States export potential, such as
14 energy, transportation, telecommunications, and environ-
15 ment”.

16 (b) CONTRIBUTIONS OF COSTS.—Section 661(b) of
17 the Foreign Assistance Act of 1961 (22 U.S.C. 2421(b))
18 is amended by adding at the end the following:

19 “(5) CONTRIBUTIONS TO COSTS.—The Trade
20 and Development Agency shall, to the maximum ex-
21 tent practicable, require corporations and other enti-
22 ties to—

23 “(A) share the costs of feasibility studies
24 and other project planning services funded
25 under this section; and

1 “(B) reimburse the Trade and Develop-
2 ment Agency those funds provided under this
3 section, if the corporation or entity concerned
4 succeeds in implementing the project for which
5 the funds were provided.”.

6 (c) FUNDING.—Section 661(f) of the Foreign Assist-
7 ance Act of 1961 (22 U.S.C. 2421(f)) is amended—

8 (1) in paragraph (1)(A) by striking
9 “\$77,000,000” and all that follows through “1996”
10 and inserting “\$48,000,000 for fiscal year 2000 and
11 such sums as may be necessary for each fiscal year
12 thereafter”; and

13 (2) in paragraph (2)(A), by striking “in fiscal
14 years” and all that follows through “provides” and
15 inserting “in carrying out its program, provide, as
16 appropriate, funds”.

17 **SEC. 6. PROGRAMS OF THE INTERNATIONAL TRADE ADMIN-**
18 **ISTRATION.**

19 (a) FUNDING.—There are authorized to be appro-
20 priated to the ITA—

21 (1) for fiscal year 2000, \$24,000,000 for its
22 Market Access and Compliance program,
23 \$68,000,000 for its Trade Development program,
24 and \$202,000,000 for the Commercial Service pro-
25 gram; and

1 (2) for each fiscal year thereafter, such sums as
2 may be necessary for the programs referred to in
3 paragraph (1).

4 (b) APPOINTMENTS.—Subject to the availability of
5 appropriations, the Secretary of Commerce, acting
6 through the Assistant Secretary of Commerce and Direc-
7 tor General of the United States and Foreign Commercial
8 Service, shall take steps to ensure that Commercial Serv-
9 ice employees are stationed in no fewer than 10 sub-Saha-
10 ran African countries and that the Commercial Service
11 has full-time employees in each country in South and Cen-
12 tral America and an adequate number of employees in the
13 Caribbean to ensure that United States businesses are
14 made aware of existing market opportunities for goods
15 and services.

16 (c) INITIATIVE FOR SUB-SAHARAN AFRICA AND
17 LATIN AMERICA.—The Assistant Secretary of Commerce
18 and Director General of the United States and Foreign
19 Commercial Service shall make a special effort to—

20 (1) identify those goods and services of United
21 States companies which are not being exported to
22 Latin America and sub-Saharan Africa but which
23 are being exported to countries in those regions by
24 competitor nations;

1 (2) identify trade barriers and noncompetitive
2 actions, including violations of intellectual property
3 rights, that are preventing or hindering the oper-
4 ation of United States companies in sub-Saharan
5 Africa and Latin America;

6 (3) publish on an annual basis the information
7 obtained under paragraphs (1) and (2);

8 (4) bring such information to the attention of
9 authorities in sub-Saharan Africa and Latin Amer-
10 ica with the goal of securing greater market access
11 for United States exporters of goods and services;
12 and

13 (5) report to the Speaker of the House of Rep-
14 resentatives and the President of the Senate the re-
15 sults of the efforts to increase the sales of United
16 States goods and services in sub-Saharan Africa and
17 Latin America.

18 (d) GLOBAL DIVERSITY AND URBAN EXPORT INITIA-
19 TIVE FOR THE ITA.—The ITA shall undertake an initia-
20 tive entitled the “Global Diversity and Urban Export Ini-
21 tiative” to increase exports from minority-owned busi-
22 nesses, focusing on businesses in under-served areas, in-
23 cluding inner-city urban areas and urban enterprise zones.
24 The initiative should use electronic commerce technology

1 and products as another means of helping urban-based
2 and minority-owned businesses export overseas.

3 (e) AUTHORIZATION FOR ADVERTISING.—The ITA is
4 authorized to advertise in newspapers, business journals,
5 and other relevant publications and related media to in-
6 form businesses about the services offered by the ITA.

7 **SEC. 7. BOARD OF DIRECTORS.**

8 Section 233(b) of the Foreign Assistance Act of 1961
9 (22 U.S.C. 2193(b)) is amended—

10 (1) by striking the second and third sentences;

11 (2) in the fourth sentence by striking “(other
12 than the President of the Corporation, appointed
13 pursuant to subsection (c) who shall serve as a Di-
14 rector, ex officio)”;

15 (3) in the second undesignated paragraph—

16 (A) by inserting “the President of the Cor-
17 poration, the Administrator of the Agency for
18 International Development, the United States
19 Trade Representative, and” after “including”;
20 and

21 (B) by adding at the end the following:
22 “The United States Trade Representative may
23 designate a Deputy United States Trade Rep-
24 resentative to serve on the Board in place of the
25 United States Trade Representative.”; and

1 (4) by inserting after the second undesignated
2 paragraph the following:

3 “There shall be a Chairman and a Vice Chairman
4 of the Board, both of whom shall be designated by the
5 President of the United States from among the Directors
6 of the Board other than those appointed under the second
7 sentence of the first paragraph of this subsection.”.

8 **SEC. 8. STRATEGIC EXPORT PLAN.**

9 Section 2312(c) of the Export Enhancement Act of
10 1988 (15 U.S.C. 4727(c)) is amended—

11 (1) by striking “and” at the end of paragraph
12 (5);

13 (2) by striking the period at the end of para-
14 graph (6) and inserting a semicolon; and

15 (3) by adding at the end the following:

16 “(7) ensure that all export promotion activities
17 of the Agency for International Development are
18 fully coordinated and consistent with those of other
19 agencies;

20 “(8) identify means for providing more coordi-
21 nated and comprehensive export promotion services
22 to, and on behalf of, small and medium-sized busi-
23 nesses; and

24 “(9) establish a set of priorities to promote
25 United States exports to, and free market reforms

1 in, the Middle East, Africa, Latin America, and
2 other emerging markets, that are designed to stimu-
3 late job growth both in the United States and those
4 regions and emerging markets.”.

5 **SEC. 9. IMPLEMENTATION OF PRIMARY OBJECTIVES.**

6 The Trade Promotion Coordinating Committee
7 shall—

8 (1) report on the actions taken or efforts cur-
9 rently underway to eliminate the areas of overlap
10 and duplication identified among Federal export pro-
11 motion activities;

12 (2) coordinate efforts to sponsor or promote
13 any trade show or trade fair;

14 (3) work with all relevant State and national
15 organizations, including the National Governors’ As-
16 sociation, that have established trade promotion of-
17 fices;

18 (4) report on actions taken or efforts currently
19 underway to promote better coordination between
20 State, Federal, and private sector export promotion
21 activities, including co-location, cost sharing between
22 Federal, State, and private sector export promotion
23 programs, and sharing of market research data; and

24 (5) by not later than September 30, 1999, in-
25 clude the matters addressed in paragraphs (1), (2),

1 (3), and (4) in the annual report required to be sub-
2 mitted under section 2312(f) of the Export En-
3 hancement Act of 1988 (15 U.S.C. 4727(f)).

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