

106TH CONGRESS
1ST SESSION

H. R. 434

AN ACT

To authorize a new trade and investment policy for
sub-Saharan Africa.

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To authorize a new trade and investment policy for sub-Saharan Africa.

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 “African Growth and
3 Opportunity Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that it is in the mutual economic
6 interest of the United States and sub-Saharan Africa to
7 promote stable and sustainable economic growth and de-
8 velopment in sub-Saharan Africa and that sustained eco-
9 nomic growth in sub-Saharan Africa depends in large
10 measure upon the development of a receptive environment
11 for trade and investment. To that end, the United States
12 seeks to facilitate market-led economic growth in, and
13 thereby the social and economic development of, the coun-
14 tries of sub-Saharan Africa. In particular, the United
15 States seeks to assist sub-Saharan African countries, and
16 the private sector in those countries, to achieve economic
17 self-reliance by—

18 (1) strengthening and expanding the private
19 sector in sub-Saharan Africa, especially women-
20 owned businesses;

21 (2) encouraging increased trade and investment
22 between the United States and sub-Saharan Africa;

23 (3) reducing tariff and nontariff barriers and
24 other trade obstacles;

25 (4) expanding United States assistance to sub-
26 Saharan Africa’s regional integration efforts;

1 (5) negotiating free trade areas;

2 (6) establishing a United States-Sub-Saharan
3 Africa Trade and Investment Partnership;

4 (7) focusing on countries committed to account-
5 able government, economic reform, and the eradi-
6 cation of poverty;

7 (8) establishing a United States-Sub-Saharan
8 Africa Economic Cooperation Forum;

9 (9) continuing to support development assist-
10 ance for those countries in sub-Saharan Africa at-
11 tempting to build civil societies; and

12 (10) encouraging the establishment and devel-
13 opment of small businesses in sub-Saharan Africa
14 and encouraging trade between United States small
15 businesses and these newly-established small busi-
16 nesses in sub-Saharan Africa.

17 **SEC. 3. STATEMENT OF POLICY.**

18 The Congress supports economic self-reliance for sub-
19 Saharan African countries, particularly those committed
20 to—

21 (1) economic and political reform;

22 (2) market incentives and private sector growth;

23 (3) the eradication of poverty; and

24 (4) the importance of women to economic
25 growth and development.

1 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

2 (a) IN GENERAL.—A sub-Saharan African country
3 shall be eligible to participate in programs, projects, or
4 activities, or receive assistance or other benefits under this
5 Act if the President determines that the country does not
6 engage in gross violations of internationally recognized
7 human rights and has established, or is making continual
8 progress toward establishing, a market-based economy,
9 such as the establishment and enforcement of appropriate
10 policies relating to—

11 (1) promoting free movement of goods and serv-
12 ices between the United States and sub-Saharan Af-
13 rica and among countries in sub-Saharan Africa;

14 (2) promoting the expansion of the production
15 base and the transformation of commodities and
16 nontraditional products for exports through joint
17 venture projects between African and foreign inves-
18 tors;

19 (3) trade issues, such as protection of intellec-
20 tual property rights, improvements in standards,
21 testing, labeling and certification, and government
22 procurement;

23 (4) the protection of property rights, such as
24 protection against expropriation and a functioning
25 and fair judicial system;

1 (5) the protection of internationally recognized
2 worker rights, including the right of association, the
3 right to organize and bargain collectively, a prohibi-
4 tion on the use of any form of forced or compulsory
5 labor, a minimum age for the employment of chil-
6 dren, and acceptable conditions of work with respect
7 to minimum wages, hours of work, and occupational
8 safety and health;

9 (6) appropriate fiscal systems, such as reducing
10 high import and corporate taxes, controlling govern-
11 ment consumption, participation in bilateral invest-
12 ment treaties, and the harmonization of such trea-
13 ties to avoid double taxation;

14 (7) foreign investment issues, such as the provi-
15 sion of national treatment for foreign investors, re-
16 moving restrictions on investment, and other meas-
17 ures to create an environment conducive to domestic
18 and foreign investment;

19 (8) supporting the growth of regional markets
20 within a free trade area framework;

21 (9) governance issues, such as eliminating gov-
22 ernment corruption, minimizing government inter-
23 vention in the market such as price controls and
24 subsidies, and streamlining the business license proc-
25 ess;

1 (10) supporting the growth of the private sec-
2 tor, in particular by promoting the emergence of a
3 new generation of African entrepreneurs;

4 (11) encouraging the private ownership of gov-
5 ernment-controlled economic enterprises through di-
6 vestiture programs; and

7 (12) observing the rule of law, including equal
8 protection under the law and the right to due proc-
9 ess and a fair trial.

10 (b) ADDITIONAL FACTORS.—In determining whether
11 a sub-Saharan African country is eligible under subsection
12 (a), the President shall take into account the following fac-
13 tors:

14 (1) An expression by such country of its desire
15 to be an eligible country under subsection (a).

16 (2) The extent to which such country has made
17 substantial progress toward—

18 (A) reducing tariff levels;

19 (B) binding its tariffs in the World Trade
20 Organization and assuming meaningful binding
21 obligations in other sectors of trade; and

22 (C) eliminating nontariff barriers to trade.

23 (3) Whether such country, if not already a
24 member of the World Trade Organization, is actively
25 pursuing membership in that Organization.

1 (4) The extent to which such country has a rec-
2 ognizable commitment to reducing poverty, increas-
3 ing the availability of health care and educational
4 opportunities, the expansion of physical infrastruc-
5 ture in a manner designed to maximize accessibility,
6 increased access to market and credit facilities for
7 small farmers and producers, and improved eco-
8 nomic opportunities for women as entrepreneurs and
9 employees, and promoting and enabling the forma-
10 tion of capital to support the establishment and op-
11 eration of micro-enterprises.

12 (5) Whether or not such country engages in ac-
13 tivities that undermine United States national secu-
14 rity or foreign policy interests.

15 (c) CONTINUING COMPLIANCE.—

16 (1) MONITORING AND REVIEW OF CERTAIN
17 COUNTRIES.—The President shall monitor and re-
18 view the progress of sub-Saharan African countries
19 in order to determine their current or potential eligi-
20 bility under subsection (a). Such determinations
21 shall be based on quantitative factors to the fullest
22 extent possible and shall be included in the annual
23 report required by section 15.

24 (2) INELIGIBILITY OF CERTAIN COUNTRIES.—A
25 sub-Saharan African country described in paragraph

1 (1) that has not made continual progress in meeting
2 the requirements with which it is not in compliance
3 shall be ineligible to participate in programs,
4 projects, or activities, or receive assistance or other
5 benefits, under this Act.

6 **SEC. 5. UNITED STATES-SUB-SAHARAN AFRICA TRADE AND**
7 **ECONOMIC COOPERATION FORUM.**

8 (a) **DECLARATION OF POLICY.**—The President shall
9 convene annual high-level meetings between appropriate
10 officials of the United States Government and officials of
11 the governments of sub-Saharan African countries in
12 order to foster close economic ties between the United
13 States and sub-Saharan Africa.

14 (b) **ESTABLISHMENT.**—Not later than 12 months
15 after the date of the enactment of this Act, the President,
16 after consulting with Congress and the governments con-
17 cerned, shall establish a United States-Sub-Saharan Afri-
18 ca Trade and Economic Cooperation Forum (hereafter in
19 this section referred to as the “Forum”).

20 (c) **REQUIREMENTS.**—In creating the Forum, the
21 President shall meet the following requirements:

22 (1) The President shall direct the Secretary of
23 Commerce, the Secretary of the Treasury, the Sec-
24 retary of State, and the United States Trade Rep-
25 resentative to host the first annual meeting with the

1 counterparts of such Secretaries from the govern-
2 ments of sub-Saharan African countries eligible
3 under section 4, the Secretary General of the Orga-
4 nization of African Unity, and government officials
5 from other appropriate countries in Africa, to dis-
6 cuss expanding trade and investment relations be-
7 tween the United States and sub-Saharan Africa
8 and the implementation of this Act including encour-
9 aging joint ventures between small and large busi-
10 nesses.

11 (2)(A) The President, in consultation with the
12 Congress, shall encourage United States nongovern-
13 mental organizations to host annual meetings with
14 nongovernmental organizations from sub-Saharan
15 Africa in conjunction with the annual meetings of
16 the Forum for the purpose of discussing the issues
17 described in paragraph (1).

18 (B) The President, in consultation with the
19 Congress, shall encourage United States representa-
20 tives of the private sector to host annual meetings
21 with representatives of the private sector from sub-
22 Saharan Africa in conjunction with the annual meet-
23 ings of the Forum for the purpose of discussing the
24 issues described in paragraph (1).

1 (3) The President shall, to the extent prac-
2 ticable, meet with the heads of governments of sub-
3 Saharan African countries eligible under section 4
4 not less than once every 2 years for the purpose of
5 discussing the issues described in paragraph (1).
6 The first such meeting should take place not later
7 than twelve months after the date of the enactment
8 of this Act.

9 (d) DISSEMINATION OF INFORMATION BY USIA.—In
10 order to assist in carrying out the purposes of the Forum,
11 the United States Information Agency shall disseminate
12 regularly, through multiple media, economic information
13 in support of the free market economic reforms described
14 in this Act.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as may be
17 necessary to carry out this section.

18 (f) LIMITATION ON USE OF FUNDS.—None of the
19 funds authorized under this section may be used to create
20 or support any nongovernmental organization for the pur-
21 pose of expanding or facilitating trade between the United
22 States and sub-Saharan Africa.

1 **SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA FREE**
2 **TRADE AREA.**

3 (a) **DECLARATION OF POLICY.**—The Congress de-
4 clares that a United States–Sub-Saharan Africa Free
5 Trade Area should be established, or free trade agree-
6 ments should be entered into, in order to serve as the cata-
7 lyst for increasing trade between the United States and
8 sub-Saharan Africa and increasing private sector develop-
9 ment in sub-Saharan Africa.

10 (b) **PLAN REQUIREMENT.**—

11 (1) **IN GENERAL.**—The President, taking into
12 account the provisions of the treaty establishing the
13 African Economic Community and the willingness of
14 the governments of sub-Saharan African countries to
15 engage in negotiations to enter into free trade agree-
16 ments, shall develop a plan for the purpose of enter-
17 ing into one or more trade agreements with sub-Sa-
18 haran African countries eligible under section 4 in
19 order to establish a United States–Sub-Saharan Af-
20 rica Free Trade Area (hereafter in this section re-
21 ferred to as the “Free Trade Area”).

22 (2) **ELEMENTS OF PLAN.**—The plan shall in-
23 clude the following:

24 (A) The specific objectives of the United
25 States with respect to the establishment of the

1 Free Trade Area and a suggested timetable for
2 achieving those objectives.

3 (B) The benefits to both the United States
4 and sub-Saharan Africa with respect to the
5 Free Trade Area.

6 (C) A mutually agreed-upon timetable for
7 establishing the Free Trade Area.

8 (D) The implications for and the role of
9 regional and sub-regional organizations in sub-
10 Saharan Africa with respect to the Free Trade
11 Area.

12 (E) Subject matter anticipated to be cov-
13 ered by the agreement for establishing the Free
14 Trade Area and United States laws, programs,
15 and policies, as well as the laws of participating
16 eligible African countries and existing bilateral
17 and multilateral and economic cooperation and
18 trade agreements, that may be affected by the
19 agreement or agreements.

20 (F) Procedures to ensure the following:

21 (i) Adequate consultation with the
22 Congress and the private sector during the
23 negotiation of the agreement or agree-
24 ments for establishing the Free Trade
25 Area.

1 (ii) Consultation with the Congress re-
2 garding all matters relating to implementa-
3 tion of the agreement or agreements.

4 (iii) Approval by the Congress of the
5 agreement or agreements.

6 (iv) Adequate consultations with the
7 relevant African governments and African
8 regional and subregional intergovernmental
9 organizations during the negotiations of
10 the agreement or agreements.

11 (c) REPORTING REQUIREMENT.—Not later than 12
12 months after the date of the enactment of this Act, the
13 President shall prepare and transmit to the Congress a
14 report containing the plan developed pursuant to sub-
15 section (b).

16 **SEC. 7. ELIMINATING TRADE BARRIERS AND ENCOUR-**
17 **AGING EXPORTS.**

18 (a) FINDINGS.—The Congress makes the following
19 findings:

20 (1) The lack of competitiveness of sub-Saharan
21 Africa in the global market, especially in the manu-
22 facturing sector, make it a limited threat to market
23 disruption and no threat to United States jobs.

24 (2) Annual textile and apparel exports to the
25 United States from sub-Saharan Africa represent

1 less than 1 percent of all textile and apparel exports
2 to the United States, which totaled \$54,001,863,000
3 in 1997.

4 (3) Sub-Saharan Africa has limited textile man-
5 ufacturing capacity. During 1999 and the suc-
6 ceeding 4 years, this limited capacity to manufacture
7 textiles and apparel is projected to grow at a modest
8 rate. Given this limited capacity to export textiles
9 and apparel, it will be very difficult for these exports
10 from sub-Saharan Africa, during 1999 and the suc-
11 ceeding 9 years, to exceed 3 percent annually of
12 total imports of textile and apparel to the United
13 States. If these exports from sub-Saharan Africa re-
14 main around 3 percent of total imports, they will not
15 represent a threat to United States workers, con-
16 sumers, or manufacturers.

17 (b) SENSE OF THE CONGRESS.—It is the sense of
18 the Congress that—

19 (1) it would be to the mutual benefit of the
20 countries in sub-Saharan Africa and the United
21 States to ensure that the commitments of the World
22 Trade Organization and associated agreements are
23 faithfully implemented in each of the member coun-
24 tries, so as to lay the groundwork for sustained

1 growth in textile and apparel exports and trade
2 under agreed rules and disciplines;

3 (2) reform of trade policies in sub-Saharan Af-
4 rica with the objective of removing structural im-
5 pediments to trade, consistent with obligations under
6 the World Trade Organization, can assist the coun-
7 tries of the region in achieving greater and greater
8 diversification of textile and apparel export commod-
9 ities and products and export markets; and

10 (3) the President should support textile and ap-
11 parel trade reform in sub-Saharan Africa by, among
12 other measures, providing technical assistance, shar-
13 ing of information to expand basic knowledge of how
14 to trade with the United States, and encouraging
15 business-to-business contacts with the region.

16 (c) TREATMENT OF QUOTAS.—

17 (1) KENYA AND MAURITIUS.—Pursuant to the
18 Agreement on Textiles and Clothing, the United
19 States shall eliminate the existing quotas on textile
20 and apparel exports to the United States—

21 (A) from Kenya within 30 days after that
22 country adopts an efficient visa system to guard
23 against unlawful transshipment of textile and
24 apparel goods and the use of counterfeit docu-
25 ments; and

1 (B) from Mauritius within 30 days after
2 that country adopts such a visa system.

3 The Customs Service shall provide the necessary
4 technical assistance to Kenya and Mauritius in the
5 development and implementation of those visa sys-
6 tems.

7 (2) OTHER SUB-SAHARAN COUNTRIES.—The
8 President shall continue the existing no quota policy
9 for countries in sub-Saharan Africa. The President
10 shall submit to the Congress, not later than March
11 31 of each year, a report on the growth in textiles
12 and apparel exports to the United States from coun-
13 tries in sub-Saharan Africa in order to protect
14 United States consumers, workers, and textile manu-
15 facturers from economic injury on account of the no
16 quota policy.

17 (d) CUSTOMS PROCEDURES AND ENFORCEMENT.—

18 (1) ACTIONS BY COUNTRIES AGAINST TRANS-
19 SHIPMENT AND CIRCUMVENTION.—The President
20 should ensure that any country in sub-Saharan Afri-
21 ca that intends to export textile and apparel goods
22 to the United States—

23 (A) has in place a functioning and effective
24 visa system and domestic laws and enforcement
25 procedures to guard against unlawful trans-

1 shipment of textile and apparel goods and the
2 use of counterfeit documents; and

3 (B) will cooperate fully with the United
4 States to address and take action necessary to
5 prevent circumvention, as provided in Article 5
6 of the Agreement on Textiles and Clothing.

7 (2) PENALTIES AGAINST EXPORTERS.—If the
8 President determines, based on sufficient evidence,
9 that an exporter has willfully falsified information
10 regarding the country of origin, manufacture, proc-
11 essing, or assembly of a textile or apparel article for
12 which duty-free treatment under section
13 503(a)(1)(C) of the Trade Act of 1974 is claimed,
14 then the President shall deny to such exporter, and
15 any successors of such exporter, for a period of 2
16 years, duty-free treatment under such section for
17 textile and apparel articles.

18 (3) APPLICABILITY OF UNITED STATES LAWS
19 AND PROCEDURES.—All provisions of the laws, regu-
20 lations, and procedures of the United States relating
21 to the denial of entry of articles or penalties against
22 individuals or entities for engaging in illegal trans-
23 shipment, fraud, or other violations of the customs
24 laws shall apply to imports from Sub-Saharan coun-
25 tries.

1 (4) MONITORING AND REPORTS TO THE CON-
2 GRESS.—The Customs Service shall monitor and the
3 Commissioner of Customs shall submit to the Con-
4 gress, not later than March 31 of each year, a report
5 on the effectiveness of the visa systems described in
6 subsection (c)(1) and paragraph (1) of this sub-
7 section and on measures taken by countries in Sub-
8 Saharan Africa which export textiles or apparel to
9 the United States to prevent circumvention as de-
10 scribed in Article 5 of the Agreement on Textiles
11 and Clothing.

12 (e) DEFINITION.—For purposes of this section, the
13 term “Agreement on Textiles and Clothing” means the
14 Agreement on Textiles and Clothing referred to in section
15 101(d)(4) of the Uruguay Round Agreements Act (19
16 U.S.C. 3511(d)(4)).

17 **SEC. 8. GENERALIZED SYSTEM OF PREFERENCES.**

18 (a) PREFERENTIAL TARIFF TREATMENT FOR CER-
19 TAIN ARTICLES.—Section 503(a)(1) of the Trade Act of
20 1974 (19 U.S.C. 2463(a)(1)) is amended—

21 (1) by redesignating subparagraph (C) as sub-
22 paragraph (D); and

23 (2) by inserting after subparagraph (B) the fol-
24 lowing:

1 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
2 RAN AFRICA.—The President may provide duty-
3 free treatment for any article set forth in para-
4 graph (1) of subsection (b) that is the growth,
5 product, or manufacture of an eligible country
6 in sub-Saharan Africa that is a beneficiary de-
7 veloping country, if, after receiving the advice
8 of the International Trade Commission in ac-
9 cordance with subsection (e), the President de-
10 termines that such article is not import-sen-
11 sitive in the context of imports from eligible
12 countries in sub-Saharan Africa. This subpara-
13 graph shall not affect the designation of eligible
14 articles under subparagraph (B).”.

15 (b) RULES OF ORIGIN.—Section 503(a)(2) of the
16 Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by
17 adding at the end the following:

18 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
19 RAN AFRICA.—For purposes of determining the
20 percentage referred to in subparagraph (A) in
21 the case of an article of an eligible country in
22 sub-Saharan Africa that is a beneficiary devel-
23 oping country—

24 “(i) if the cost or value of materials
25 produced in the customs territory of the

1 United States is included with respect to
2 that article, an amount not to exceed 15
3 percent of the appraised value of the arti-
4 cle at the time it is entered that is attrib-
5 uted to such United States cost or value
6 may be applied toward determining the
7 percentage referred to in subparagraph
8 (A); and

9 “(ii) the cost or value of the materials
10 included with respect to that article that
11 are produced in any beneficiary developing
12 country that is an eligible country in sub-
13 Saharan Africa shall be applied in deter-
14 mining such percentage.”.

15 (c) WAIVER OF COMPETITIVE NEED LIMITATION.—
16 Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C.
17 2463(c)(2)(D)) is amended to read as follows:

18 “(D) LEAST-DEVELOPED BENEFICIARY
19 DEVELOPING COUNTRIES AND ELIGIBLE COUN-
20 TRIES IN SUB-SAHARAN AFRICA.—Subpara-
21 graph (A) shall not apply to any least-developed
22 beneficiary developing country or any eligible
23 country in sub-Saharan Africa.”.

1 (d) EXTENSION OF PROGRAM.—Section 505 of the
2 Trade Act of 1974 (19 U.S.C. 2465) is amended to read
3 as follows:

4 **“SEC. 505. DATE OF TERMINATION.**

5 “(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No
6 duty-free treatment provided under this title shall remain
7 in effect after June 30, 2009, with respect to beneficiary
8 developing countries that are eligible countries in sub-Sa-
9 haran Africa.

10 “(b) OTHER COUNTRIES.—No duty-free treatment
11 provided under this title shall remain in effect after June
12 30, 1999, with respect to beneficiary developing countries
13 other than those provided for in subsection (a).”.

14 (e) DEFINITION.—Section 507 of the Trade Act of
15 1974 (19 U.S.C. 2467) is amended by adding at the end
16 the following:

17 “(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AF-
18 RICA.—The terms ‘eligible country in sub-Saharan
19 Africa’ and ‘eligible countries in sub-Saharan Africa’
20 mean a country or countries that the President has
21 determined to be eligible under section 4 of the Afri-
22 can Growth and Opportunity Act.”.

23 (f) EFFECTIVE DATE.—The amendments made by
24 this section take effect on July 1, 1999.

1 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
2 **DEBT REDUCTION.**

3 (a) **BETTER MECHANISMS TO FURTHER GOALS FOR**
4 **SUB-SAHARAN AFRICA.**—It is the sense of the Congress
5 that the Secretary of the Treasury should instruct the
6 United States Executive Directors of the International
7 Bank for Reconstruction and Development, the Inter-
8 national Monetary Fund, and the African Development
9 Bank to use the voice and votes of the Executive Directors
10 to encourage vigorously their respective institutions to de-
11 velop enhanced mechanisms which further the following
12 goals in eligible countries in sub-Saharan Africa:

13 (1) Strengthening and expanding the private
14 sector, especially among women-owned businesses.

15 (2) Reducing tariffs, nontariff barriers, and
16 other trade obstacles, and increasing economic inte-
17 gration.

18 (3) Supporting countries committed to account-
19 able government, economic reform, the eradication of
20 poverty, and the building of civil societies.

21 (4) Supporting deep debt reduction at the ear-
22 liest possible date with the greatest amount of relief
23 for eligible poorest countries under the “Heavily In-
24 debted Poor Countries” (HIPC) debt initiative.

25 (b) **SENSE OF THE CONGRESS.**—It is the sense of
26 the Congress that relief provided to countries in sub-Saha-

1 ran Africa which qualify for the Heavily Indebted Poor
2 Countries debt initiative should primarily be made through
3 grants rather than through extended-term debt, and that
4 interim relief or interim financing should be provided for
5 eligible countries that establish a strong record of macro-
6 economic reform.

7 **SEC. 10. EXECUTIVE BRANCH INITIATIVES.**

8 (a) STATEMENT OF THE CONGRESS.—The Congress
9 recognizes that the stated policy of the executive branch
10 in 1997, the “Partnership for Growth and Opportunity in
11 Africa” initiative, is a step toward the establishment of
12 a comprehensive trade and development policy for sub-Sa-
13 haran Africa. It is the sense of the Congress that this
14 Partnership is a companion to the policy goals set forth
15 in this Act.

16 (b) TECHNICAL ASSISTANCE TO PROMOTE ECO-
17 NOMIC REFORMS AND DEVELOPMENT.—In addition to
18 continuing bilateral and multilateral economic and devel-
19 opment assistance, the President shall target technical as-
20 sistance toward—

21 (1) developing relationships between United
22 States firms and firms in sub-Saharan Africa
23 through a variety of business associations and net-
24 works;

1 (2) providing assistance to the governments of
2 sub-Saharan African countries to—

3 (A) liberalize trade and promote exports;

4 (B) bring their legal regimes into compli-
5 ance with the standards of the World Trade Or-
6 ganization in conjunction with membership in
7 that Organization;

8 (C) make financial and fiscal reforms; and

9 (D) promote greater agribusiness linkages;

10 (3) addressing such critical agricultural policy
11 issues as market liberalization, agricultural export
12 development, and agribusiness investment in proc-
13 essing and transporting agricultural commodities;

14 (4) increasing the number of reverse trade mis-
15 sions to growth-oriented countries in sub-Saharan
16 Africa;

17 (5) increasing trade in services; and

18 (6) encouraging greater sub-Saharan participa-
19 tion in future negotiations in the World Trade Orga-
20 nization on services and making further commit-
21 ments in their schedules to the General Agreement
22 on Trade in Services in order to encourage the re-
23 moval of tariff and nontariff barriers.

1 **SEC. 11. SUB-SAHARAN AFRICA INFRASTRUCTURE FUND.**

2 (a) INITIATION OF FUNDS.—It is the sense of the
3 Congress that the Overseas Private Investment Corpora-
4 tion should exercise the authorities it has to initiate an
5 equity fund or equity funds in support of projects in the
6 countries in sub-Saharan Africa, in addition to the exist-
7 ing equity fund for sub-Saharan Africa created by the Cor-
8 poration.

9 (b) STRUCTURE AND TYPES OF FUNDS.—

10 (1) STRUCTURE.—Each fund initiated under
11 subsection (a) should be structured as a partnership
12 managed by professional private sector fund man-
13 agers and monitored on a continuing basis by the
14 Corporation.

15 (2) CAPITALIZATION.—Each fund should be
16 capitalized with a combination of private equity cap-
17 ital, which is not guaranteed by the Corporation,
18 and debt for which the Corporation provides guaran-
19 ties.

20 (3) INFRASTRUCTURE FUND.—One or more of
21 the funds, with combined assets of up to
22 \$500,000,000, should be used in support of infra-
23 structure projects in countries of sub-Saharan Afri-
24 ca.

25 (4) EMPHASIS.—The Corporation shall ensure
26 that the funds are used to provide support in par-

1 (2) REPORTS TO THE CONGRESS.—Within 6
2 months after the date of the enactment of this Act,
3 and annually for each of the 4 years thereafter, the
4 Board of Directors of the Overseas Private Invest-
5 ment Corporation shall submit to the Congress a re-
6 port on the steps that the Board has taken to imple-
7 ment section 233(e) of the Foreign Assistance Act
8 of 1961 (as added by paragraph (1)) and any rec-
9 ommendations of the advisory board established pur-
10 suant to such section.

11 (b) EXPORT-IMPORT BANK.—

12 (1) ADVISORY COMMITTEE FOR SUB-SAHARAN
13 AFRICA.—Section 2(b) of the Export-Import Bank
14 Act of 1945 (12 U.S.C. 635(b)) is amended by in-
15 serting after paragraph (12) the following:

16 “(13)(A) The Board of Directors of the Bank shall
17 take prompt measures, consistent with the credit stand-
18 ards otherwise required by law, to promote the expansion
19 of the Bank’s financial commitments in sub-Saharan Afri-
20 ca under the loan, guarantee, and insurance programs of
21 the Bank.

22 “(B)(i) The Board of Directors shall establish and
23 use an advisory committee to advise the Board of Direc-
24 tors on the development and implementation of policies

1 and programs designed to support the expansion described
2 in subparagraph (A).

3 “(ii) The advisory committee shall make rec-
4 ommendations to the Board of Directors on how the Bank
5 can facilitate greater support by United States commercial
6 banks for trade with sub-Saharan Africa.

7 “(iii) The advisory committee shall terminate 4 years
8 after the date of the enactment of this subparagraph.”.

9 (2) REPORTS TO THE CONGRESS.—Within 6
10 months after the date of the enactment of this Act,
11 and annually for each of the 4 years thereafter, the
12 Board of Directors of the Export-Import Bank of
13 the United States shall submit to the Congress a re-
14 port on the steps that the Board has taken to imple-
15 ment section 2(b)(13)(B) of the Export-Import
16 Bank Act of 1945 (as added by paragraph (1)) and
17 any recommendations of the advisory committee es-
18 tablished pursuant to such section.

19 **SEC. 13. ASSISTANT UNITED STATES TRADE REPRESENTA-**
20 **TIVE FOR SUB-SAHARAN AFRICA.**

21 (a) SENSE OF THE CONGRESS.—It is the sense of the
22 Congress that the position of Assistant United States
23 Trade Representative for African Affairs is integral to the
24 United States commitment to increasing United States—
25 sub-Saharan African trade and investment.

1 (b) MAINTENANCE OF POSITION.—The President
2 shall maintain a position of Assistant United States Trade
3 Representative for African Affairs within the Office of the
4 United States Trade Representative to direct and coordi-
5 nate interagency activities on United States-Africa trade
6 policy and investment matters and serve as—

7 (1) a primary point of contact in the executive
8 branch for those persons engaged in trade between
9 the United States and sub-Saharan Africa; and

10 (2) the chief advisor to the United States Trade
11 Representative on issues of trade with Africa.

12 (c) FUNDING AND STAFF.—The President shall en-
13 sure that the Assistant United States Trade Representa-
14 tive for African Affairs has adequate funding and staff
15 to carry out the duties described in subsection (b), subject
16 to the availability of appropriations.

17 **SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN**

18 **COMMERCIAL SERVICE IN SUB-SAHARAN AF-**

19 **RICA.**

20 (a) FINDINGS.—The Congress makes the following
21 findings:

22 (1) The United States and Foreign Commercial
23 Service (hereafter in this section referred to as the
24 “Commercial Service”) plays an important role in
25 helping United States businesses identify export op-

1 portunities and develop reliable sources of informa-
2 tion on commercial prospects in foreign countries.

3 (2) During the 1980s, the presence of the Com-
4 mercial Service in sub-Saharan Africa consisted of
5 14 professionals providing services in eight coun-
6 tries. By early 1997, that presence had been reduced
7 by half to seven, in only four countries.

8 (3) Since 1997, the Department of Commerce
9 has slowly begun to increase the presence of the
10 Commercial Service in sub-Saharan Africa, adding
11 five full-time officers to established posts.

12 (4) Although the Commercial Service Officers
13 in these countries have regional responsibilities, this
14 kind of coverage does not adequately service the
15 needs of United States businesses attempting to do
16 business in sub-Saharan Africa.

17 (5) The Congress has, on several occasions, en-
18 couraged the Commercial Service to focus its re-
19 sources and efforts in countries or regions in Europe
20 or Asia to promote greater United States export ac-
21 tivity in those markets.

22 (6) Because market information is not widely
23 available in many sub-Saharan African countries,
24 the presence of additional Commercial Service Offi-
25 cers and resources can play a significant role in as-

1 sisting United States businesses in markets in those
2 countries.

3 (b) APPOINTMENTS.—Subject to the availability of
4 appropriations, by not later than December 31, 2000, the
5 Secretary of Commerce, acting through the Assistant Sec-
6 retary of Commerce and Director General of the United
7 States and Foreign Commercial Service, shall take steps
8 to ensure that—

9 (1) at least 20 full-time Commercial Service
10 employees are stationed in sub-Saharan Africa; and

11 (2) full-time Commercial Service employees are
12 stationed in not less than ten different sub-Saharan
13 African countries.

14 (c) COMMERCIAL SERVICE INITIATIVE FOR SUB-SA-
15 HARAN AFRICA.—In order to encourage the export of
16 United States goods and services to sub-Saharan African
17 countries, the Commercial Service shall make a special ef-
18 fort to—

19 (1) identify United States goods and services
20 which are not being exported to sub-Saharan African
21 countries but which are being exported to those
22 countries by competitor nations;

23 (2) identify, where appropriate, trade barriers
24 and noncompetitive actions, including violations of
25 intellectual property rights, that are preventing or

1 hindering sales of United States goods and services
2 to, or the operation of United States companies in,
3 sub-Saharan Africa;

4 (3) present, periodically, a list of the goods and
5 services identified under paragraph (1), and any
6 trade barriers or noncompetitive actions identified
7 under paragraph (2), to appropriate authorities in
8 sub-Saharan African countries with a view to secur-
9 ing increased market access for United States ex-
10 porters of goods and services;

11 (4) facilitate the entrance by United States
12 businesses into the markets identified under para-
13 graphs (1) and (2); and

14 (5) monitor and evaluate the results of efforts
15 to increase the sales of goods and services in such
16 markets.

17 (d) REPORTS TO THE CONGRESS.—Not later than 1
18 year after the date of the enactment of this Act, and each
19 year thereafter for 5 years, the Secretary of Commerce,
20 in consultation with the Secretary of State, shall report
21 to the Congress on actions taken to carry out subsections
22 (b) and (c). Each report shall specify—

23 (1) in what countries full-time Commercial
24 Service Officers are stationed, and the number of
25 such officers placed in each such country;

1 (2) the effectiveness of the presence of the addi-
2 tional Commercial Service Officers in increasing
3 United States exports to sub-Saharan African coun-
4 tries; and

5 (3) the specific actions taken by Commercial
6 Service Officers, both in sub-Saharan African coun-
7 tries and in the United States, to carry out sub-
8 section (c), including identifying a list of targeted
9 export sectors and countries.

10 **SEC. 15. REPORTING REQUIREMENT.**

11 The President shall submit to the Congress, not later
12 than 1 year after the date of the enactment of this Act,
13 and not later than the end of each of the next six 1-year
14 periods thereafter, a comprehensive report on the trade
15 and investment policy of the United States for sub-Saha-
16 ran Africa, and on the implementation of this Act. The
17 last report required by section 134(b) of the Uruguay
18 Round Agreements Act (19 U.S.C. 3554(b)) shall be con-
19 solidated and submitted with the first report required by
20 this section.

21 **SEC. 16. DONATION OF AIR TRAFFIC CONTROL EQUIPMENT**
22 **TO ELIGIBLE SUB-SAHARAN AFRICAN COUN-**
23 **TRIES.**

24 It is the sense of the Congress that, to the extent
25 appropriate, the United States Government should make

1 every effort to donate to governments of sub-Saharan Afri-
2 can countries (determined to be eligible under section 4
3 of this Act) air traffic control equipment that is no longer
4 in use, including appropriate related reimbursable tech-
5 nical assistance.

6 **SEC. 17. ADDITIONAL AUTHORITIES AND INCREASED**
7 **FLEXIBILITY TO PROVIDE ASSISTANCE**
8 **UNDER THE DEVELOPMENT FUND FOR AFRI-**
9 **CA.**

10 (a) USE OF SUSTAINABLE DEVELOPMENT ASSIST-
11 ANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is
12 the sense of the Congress that sustained economic growth
13 in sub-Saharan Africa depends in large measure upon the
14 development of a receptive environment for trade and in-
15 vestment, and that to achieve this objective the United
16 States Agency for International Development should con-
17 tinue to support programs which help to create this envi-
18 ronment. Investments in human resources, development,
19 and implementation of free market policies, including poli-
20 cies to liberalize agricultural markets and improve food se-
21 curity, and the support for the rule of law and democratic
22 governance should continue to be encouraged and en-
23 hanced on a bilateral and regional basis.

24 (b) DECLARATIONS OF POLICY.—The Congress
25 makes the following declarations:

1 (1) The Development Fund for Africa estab-
2 lished under chapter 10 of part I of the Foreign As-
3 sistance Act of 1961 (22 U.S.C. 2293 et seq.) has
4 been an effective tool in providing development as-
5 sistance to sub-Saharan Africa since 1988.

6 (2) The Development Fund for Africa will com-
7 plement the other provisions of this Act and lay a
8 foundation for increased trade and investment op-
9 portunities between the United States and sub-Saha-
10 ran Africa.

11 (3) Assistance provided through the Develop-
12 ment Fund for Africa will continue to support pro-
13 grams and activities that promote the long term eco-
14 nomic development of sub-Saharan Africa, such as
15 programs and activities relating to the following:

16 (A) Strengthening primary and vocational
17 education systems, especially the acquisition of
18 middle-level technical skills for operating mod-
19 ern private businesses and the introduction of
20 college level business education, including the
21 study of international business, finance, and
22 stock exchanges.

23 (B) Strengthening health care systems.

1 (C) Supporting democratization, good gov-
2 ernance and civil society and conflict resolution
3 efforts.

4 (D) Increasing food security by promoting
5 the expansion of agricultural and agriculture-
6 based industrial production and productivity
7 and increasing real incomes for poor individ-
8 uals.

9 (E) Promoting an enabling environment
10 for private sector-led growth through sustained
11 economic reform, privatization programs, and
12 market-led economic activities.

13 (F) Promoting decentralization and local
14 participation in the development process, espe-
15 cially linking the rural production sectors and
16 the industrial and market centers throughout
17 Africa.

18 (G) Increasing the technical and manage-
19 rial capacity of sub-Saharan African individuals
20 to manage the economy of sub-Saharan Africa.

21 (H) Ensuring sustainable economic growth
22 through environmental protection.

23 (4) The African Development Foundation has a
24 unique congressional mandate to empower the poor
25 to participate fully in development and to increase

1 opportunities for gainful employment, poverty allevi-
2 ation, and more equitable income distribution in sub-
3 Saharan Africa. The African Development Founda-
4 tion has worked successfully to enhance the role of
5 women as agents of change, strengthen the informal
6 sector with an emphasis on supporting micro and
7 small sized enterprises, indigenous technologies, and
8 mobilizing local financing. The African Development
9 Foundation should develop and implement strategies
10 for promoting participation in the socioeconomic de-
11 velopment process of grassroots and informal sector
12 groups such as nongovernmental organizations, co-
13 operatives, artisans, and traders into the programs
14 and initiatives established under this Act.

15 (c) ADDITIONAL AUTHORITIES.—

16 (1) IN GENERAL.—Section 496(h) of the For-
17 eign Assistance Act of 1961 (22 U.S.C. 2293(h)) is
18 amended—

19 (A) by redesignating paragraph (3) as
20 paragraph (4); and

21 (B) by inserting after paragraph (2) the
22 following:

23 “(3) DEMOCRATIZATION AND CONFLICT RESO-
24 LUTION CAPABILITIES.—Assistance under this sec-
25 tion may also include program assistance—

1 “(A) to promote democratization, good
2 governance, and strong civil societies in sub-Sa-
3 haran Africa; and

4 “(B) to strengthen conflict resolution capa-
5 bilities of governmental, intergovernmental, and
6 nongovernmental entities in sub-Saharan Afri-
7 ca.”.

8 (2) CONFORMING AMENDMENT.—Section
9 496(h)(4) of such Act, as amended by paragraph
10 (1), is further amended by striking “paragraphs (1)
11 and (2)” in the first sentence and inserting “para-
12 graphs (1), (2), and (3)”.

13 **SEC. 18. ASSISTANCE FROM UNITED STATES PRIVATE SEC-**
14 **TOR TO PREVENT AND REDUCE HIV/AIDS IN**
15 **SUB-SAHARAN AFRICA.**

16 It is the sense of the Congress that United States
17 businesses should be encouraged to provide assistance to
18 sub-Saharan African countries to prevent and reduce the
19 incidence of HIV/AIDS in sub-Saharan Africa. In pro-
20 viding such assistance, United States businesses should be
21 encouraged to consider the establishment of an HIV/AIDS
22 Response Fund in order to provide for coordination among
23 such businesses in the collection and distribution of the
24 assistance to sub-Saharan African countries.

1 **SEC. 19. SENSE OF THE CONGRESS RELATING TO HIV/AIDS**
2 **CRISIS IN SUB-SAHARAN AFRICA.**

3 (a) FINDINGS.—The Congress finds the following:

4 (1) Sustained economic development in sub-Sa-
5 haran Africa depends in large measure upon suc-
6 cessful trade with and foreign assistance to the
7 countries of sub-Saharan Africa.

8 (2) The HIV/AIDS crisis has reached epidemic
9 proportions in sub-Saharan Africa, where more than
10 21,000,000 men, women, and children are infected
11 with HIV.

12 (3) 83 percent of the estimated 11,700,000
13 deaths from HIV/AIDS worldwide have been in sub-
14 Saharan Africa.

15 (4) The HIV/AIDS crisis in sub-Saharan Africa
16 is weakening the structure of families and societies.

17 (5)(A) The HIV/AIDS crisis threatens the fu-
18 ture of the workforce in sub-Saharan Africa.

19 (B) Studies show that HIV/AIDS in sub-Saha-
20 ran Africa most severely affects individuals between
21 the ages of 15 and 49—the age group that provides
22 the most support for the economies of sub-Saharan
23 African countries.

24 (6) Clear evidence demonstrates that HIV/
25 AIDS is destructive to the economies of sub-Saharan
26 African countries.

1 (7) Sustained economic development is critical
2 to creating the public and private sector resources in
3 sub-Saharan Africa necessary to fight the HIV/
4 AIDS epidemic.

5 (b) SENSE OF THE CONGRESS.—It is the sense of
6 the Congress that—

7 (1) addressing the HIV/AIDS crisis in sub-Sa-
8 haran Africa should be a central component of
9 United States foreign policy with respect to sub-Sa-
10 haran Africa;

11 (2) significant progress needs to be made in
12 preventing and treating HIV/AIDS in sub-Saharan
13 Africa in order to sustain a mutually beneficial trade
14 relationship between the United States and sub-Sa-
15 haran African countries; and

16 (3) the HIV/AIDS crisis in sub-Saharan Africa
17 is a global threat that merits further attention
18 through greatly expanded public, private, and joint
19 public-private efforts, and through appropriate
20 United States legislation.

21 **SEC. 20. SUB-SAHARAN AFRICA DEFINED.**

22 For purposes of this Act, the terms “sub-Saharan Af-
23 rica”, “sub-Saharan African country”, “country in sub-
24 Saharan Africa”, and “countries in sub-Saharan Africa”
25 refer to the following or any successor political entities:

- 1 Republic of Angola (Angola).
- 2 Republic of Botswana (Botswana).
- 3 Republic of Burundi (Burundi).
- 4 Republic of Cape Verde (Cape Verde).
- 5 Republic of Chad (Chad).
- 6 Democratic Republic of Congo.
- 7 Republic of the Congo (Congo).
- 8 Republic of Djibouti (Djibouti).
- 9 State of Eritrea (Eritrea).
- 10 Gabonese Republic (Gabon).
- 11 Republic of Ghana (Ghana).
- 12 Republic of Guinea-Bissau (Guinea-Bissau).
- 13 Kingdom of Lesotho (Lesotho).
- 14 Republic of Madagascar (Madagascar).
- 15 Republic of Mali (Mali).
- 16 Republic of Mauritius (Mauritius).
- 17 Republic of Namibia (Namibia).
- 18 Federal Republic of Nigeria (Nigeria).
- 19 Democratic Republic of Sao Tomé and Príncipe
- 20 (Sao Tomé and Príncipe).
- 21 Republic of Sierra Leone (Sierra Leone).
- 22 Somalia.
- 23 Kingdom of Swaziland (Swaziland).
- 24 Republic of Togo (Togo).
- 25 Republic of Zimbabwe (Zimbabwe).

- 1 Republic of Benin (Benin).
- 2 Burkina Faso (Burkina).
- 3 Republic of Cameroon (Cameroon).
- 4 Central African Republic.
- 5 Federal Islamic Republic of the Comoros
- 6 (Comoros).
- 7 Republic of Côte d'Ivoire (Côte d'Ivoire).
- 8 Republic of Equatorial Guinea (Equatorial
- 9 Guinea).
- 10 Ethiopia.
- 11 Republic of the Gambia (Gambia).
- 12 Republic of Guinea (Guinea).
- 13 Republic of Kenya (Kenya).
- 14 Republic of Liberia (Liberia).
- 15 Republic of Malawi (Malawi).
- 16 Islamic Republic of Mauritania (Mauritania).
- 17 Republic of Mozambique (Mozambique).
- 18 Republic of Niger (Niger).
- 19 Republic of Rwanda (Rwanda).
- 20 Republic of Senegal (Senegal).
- 21 Republic of Seychelles (Seychelles).
- 22 Republic of South Africa (South Africa).
- 23 Republic of Sudan (Sudan).
- 24 United Republic of Tanzania (Tanzania).
- 25 Republic of Uganda (Uganda).

1 Republic of Zambia (Zambia).

2 **SEC. 21. LIMITATION ON USE OF NON-ACCRUAL EXPERI-**
3 **ENCE METHOD OF ACCOUNTING.**

4 (a) IN GENERAL.—Section 448(d)(5) of the Internal
5 Revenue Code of 1986 (relating to special rule for serv-
6 ices) is amended—

7 (1) by inserting “in fields described in para-
8 graph (2)(A)” after “services by such person”; and

9 (2) by inserting “CERTAIN PERSONAL” before
10 “SERVICES” in the heading.

11 (b) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by
13 this section shall apply to taxable years ending after
14 the date of the enactment of this Act.

15 (2) CHANGE IN METHOD OF ACCOUNTING.—In
16 the case of any taxpayer required by the amend-
17 ments made by this section to change its method of
18 accounting for its first taxable year ending after the
19 date of the enactment of this Act—

20 (A) such change shall be treated as initi-
21 ated by the taxpayer;

22 (B) such change shall be treated as made
23 with the consent of the Secretary of the Treas-
24 ury; and

1 (C) the net amount of the adjustments re-
2 quired to be taken into account by the taxpayer
3 under section 481 of the Internal Revenue Code
4 of 1986 shall be taken into account over a pe-
5 riod (not greater than 4 taxable years) begin-
6 ning with such first taxable year.

7 **SEC. 22. INCLUSION OF CERTAIN VACCINES AGAINST**
8 **STREPTOCOCCUS PNEUMONIAE TO LIST OF**
9 **TAXABLE VACCINES.**

10 (a) IN GENERAL.—Section 4132(a)(1) of the Internal
11 Revenue Code of 1986 (defining taxable vaccine) is
12 amended by adding at the end the following new subpara-
13 graph:

14 “(L) Any conjugate vaccine against strep-
15 tococcus pneumoniae.”

16 (b) EFFECTIVE DATE.—

17 (1) SALES.—The amendment made by this sec-
18 tion shall apply to vaccine sales beginning on the
19 day after the date on which the Centers for Disease
20 Control makes a final recommendation for routine
21 administration to children of any conjugate vaccine
22 against streptococcus pneumoniae.

23 (2) DELIVERIES.—For purposes of paragraph
24 (1), in the case of sales on or before the date de-
25 scribed in such paragraph for which delivery is made

1 after such date, the delivery date shall be considered
2 the sale date.

3 (c) REPORT.—Not later than 1 year after the date
4 of the enactment of this Act, the Comptroller General of
5 the United States shall prepare and submit a report to
6 the Committee on Ways and Means of the House of Rep-
7 resentatives and the Committee on Finance of the Senate
8 on the operation of the Vaccine Injury Compensation
9 Trust Fund and on the adequacy of such Fund to meet
10 future claims made under the Vaccine Injury Compensa-
11 tion Program.

Passed the House of Representatives July 16, 1999.

Attest:

Clerk.