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106TH CONGRESS
1ST Session

H. R. 434

AN ACT

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

JULY 19, 1999

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IN THE SENATE OF THE UNITED STATES

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AN ACT

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “African Growth and
5 Opportunity Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that it is in the mutual economic
8 interest of the United States and sub-Saharan Africa to
9 promote stable and sustainable economic growth and de-
10 velopment in sub-Saharan Africa and that sustained eco-
11 nomic growth in sub-Saharan Africa depends in large

1 measure upon the development of a receptive environment
2 for trade and investment. To that end, the United States
3 seeks to facilitate market-led economic growth in, and
4 thereby the social and economic development of, the coun-
5 tries of sub-Saharan Africa. In particular, the United
6 States seeks to assist sub-Saharan African countries, and
7 the private sector in those countries, to achieve economic
8 self-reliance by—

9 (1) strengthening and expanding the private
10 sector in sub-Saharan Africa, especially women-
11 owned businesses;

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

14 (3) reducing tariff and nontariff barriers and
15 other trade obstacles;

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

18 (5) negotiating free trade areas;

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

21 (7) focusing on countries committed to account-
22 able government, economic reform, and the eradi-
23 cation of poverty;

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

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

4 (10) encouraging the establishment and devel-
5 opment of small businesses in sub-Saharan Africa
6 and encouraging trade between United States small
7 businesses and these newly-established small busi-
8 nesses in sub-Saharan Africa.

9 **SEC. 3. STATEMENT OF POLICY.**

10 The Congress supports economic self-reliance for sub-
11 Saharan African countries, particularly those committed
12 to—

13 (1) economic and political reform;

14 (2) market incentives and private sector growth;

15 (3) the eradication of poverty; and

16 (4) the importance of women to economic
17 growth and development.

18 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

19 (a) IN GENERAL.—A sub-Saharan African country
20 shall be eligible to participate in programs, projects, or
21 activities, or receive assistance or other benefits under this
22 Act if the President determines that the country does not
23 engage in gross violations of internationally recognized
24 human rights and has established, or is making continual
25 progress toward establishing, a market-based economy,

1 such as the establishment and enforcement of appropriate
2 policies relating to—

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

6 (2) promoting the expansion of the production
7 base and the transformation of commodities and
8 nontraditional products for exports through joint
9 venture projects between African and foreign inves-
10 tors;

11 (3) trade issues, such as protection of intellec-
12 tual property rights, improvements in standards,
13 testing, labeling and certification, and government
14 procurement;

15 (4) the protection of property rights, such as
16 protection against expropriation and a functioning
17 and fair judicial system;

18 (5) the protection of internationally recognized
19 worker rights, including the right of association, the
20 right to organize and bargain collectively, a prohibi-
21 tion on the use of any form of forced or compulsory
22 labor, a minimum age for the employment of chil-
23 dren, and acceptable conditions of work with respect
24 to minimum wages, hours of work, and occupational
25 safety and health;

1 (6) appropriate fiscal systems, such as reducing
2 high import and corporate taxes, controlling govern-
3 ment consumption, participation in bilateral invest-
4 ment treaties, and the harmonization of such trea-
5 ties to avoid double taxation;

6 (7) foreign investment issues, such as the provi-
7 sion of national treatment for foreign investors, re-
8 moving restrictions on investment, and other meas-
9 ures to create an environment conducive to domestic
10 and foreign investment;

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

13 (9) governance issues, such as eliminating gov-
14 ernment corruption, minimizing government inter-
15 vention in the market such as price controls and
16 subsidies, and streamlining the business license proc-
17 ess;

18 (10) supporting the growth of the private sec-
19 tor, in particular by promoting the emergence of a
20 new generation of African entrepreneurs;

21 (11) encouraging the private ownership of gov-
22 ernment-controlled economic enterprises through di-
23 vestiture programs; and

1 (12) observing the rule of law, including equal
2 protection under the law and the right to due pro-
3 cess and a fair trial.

4 (b) **ADDITIONAL FACTORS.**—In determining whether
5 a sub-Saharan African country is eligible under subsection
6 (a), the President shall take into account the following fac-
7 tors:

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

10 (2) The extent to which such country has made
11 substantial progress toward—

12 (A) reducing tariff levels;

13 (B) binding its tariffs in the World Trade
14 Organization and assuming meaningful binding
15 obligations in other sectors of trade; and

16 (C) eliminating nontariff barriers to trade.

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

20 (4) The extent to which such country has a rec-
21 ognizable commitment to reducing poverty, increas-
22 ing the availability of health care and educational
23 opportunities, the expansion of physical infrastruc-
24 ture in a manner designed to maximize accessibility,
25 increased access to market and credit facilities for

1 small farmers and producers, and improved eco-
2 nomic opportunities for women as entrepreneurs and
3 employees, and promoting and enabling the forma-
4 tion of capital to support the establishment and op-
5 eration of micro-enterprises.

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

9 (c) CONTINUING COMPLIANCE.—

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

18 (2) INELIGIBILITY OF CERTAIN COUNTRIES.—A
19 sub-Saharan African country described in paragraph
20 (1) that has not made continual progress in meeting
21 the requirements with which it is not in compliance
22 shall be ineligible to participate in programs,
23 projects, or activities, or receive assistance or other
24 benefits, under this Act.

1 **SEC. 5. UNITED STATES-SUB-SAHARAN AFRICA TRADE AND**
2 **ECONOMIC COOPERATION FORUM.**

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

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

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

17 (1) The President shall direct the Secretary of
18 Commerce, the Secretary of the Treasury, the Sec-
19 retary of State, and the United States Trade Rep-
20 resentative to host the first annual meeting with the
21 counterparts of such Secretaries from the govern-
22 ments of sub-Saharan African countries eligible
23 under section 4, the Secretary General of the Orga-
24 nization of African Unity, and government officials
25 from other appropriate countries in Africa, to dis-
26 cuss expanding trade and investment relations be-

1 tween the United States and sub-Saharan Africa
2 and the implementation of this Act including encour-
3 aging joint ventures between small and large busi-
4 nesses.

5 (2)(A) The President, in consultation with the
6 Congress, shall encourage United States nongovern-
7 mental organizations to host annual meetings with
8 nongovernmental organizations from sub-Saharan
9 Africa in conjunction with the annual meetings of
10 the Forum for the purpose of discussing the issues
11 described in paragraph (1).

12 (B) The President, in consultation with the
13 Congress, shall encourage United States representa-
14 tives of the private sector to host annual meetings
15 with representatives of the private sector from sub-
16 Saharan Africa in conjunction with the annual meet-
17 ings of the Forum for the purpose of discussing the
18 issues described in paragraph (1).

19 (3) The President shall, to the extent prac-
20 ticable, meet with the heads of governments of sub-
21 Saharan African countries eligible under section 4
22 not less than once every 2 years for the purpose of
23 discussing the issues described in paragraph (1).
24 The first such meeting should take place not later

1 than twelve months after the date of the enactment
2 of this Act.

3 (d) DISSEMINATION OF INFORMATION BY USIA.—In
4 order to assist in carrying out the purposes of the Forum,
5 the United States Information Agency shall disseminate
6 regularly, through multiple media, economic information
7 in support of the free market economic reforms described
8 in this Act.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated such sums as may be
11 necessary to carry out this section.

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

17 **SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA FREE**
18 **TRADE AREA.**

19 (a) DECLARATION OF POLICY.—The Congress de-
20 clares that a United States–Sub-Saharan Africa Free
21 Trade Area should be established, or free trade agree-
22 ments should be entered into, in order to serve as the cata-
23 lyst for increasing trade between the United States and
24 sub-Saharan Africa and increasing private sector develop-
25 ment in sub-Saharan Africa.

1 (b) PLAN REQUIREMENT.—

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

13 (2) ELEMENTS OF PLAN.—The plan shall in-
14 clude the following:

15 (A) The specific objectives of the United
16 States with respect to the establishment of the
17 Free Trade Area and a suggested timetable for
18 achieving those objectives.

19 (B) The benefits to both the United States
20 and sub-Saharan Africa with respect to the
21 Free Trade Area.

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

24 (D) The implications for and the role of
25 regional and sub-regional organizations in sub-

1 Saharan Africa with respect to the Free Trade
2 Area.

3 (E) Subject matter anticipated to be cov-
4 ered by the agreement for establishing the Free
5 Trade Area and United States laws, programs,
6 and policies, as well as the laws of participating
7 eligible African countries and existing bilateral
8 and multilateral and economic cooperation and
9 trade agreements, that may be affected by the
10 agreement or agreements.

11 (F) Procedures to ensure the following:

12 (i) Adequate consultation with the
13 Congress and the private sector during the
14 negotiation of the agreement or agree-
15 ments for establishing the Free Trade
16 Area.

17 (ii) Consultation with the Congress re-
18 garding all matters relating to implementa-
19 tion of the agreement or agreements.

20 (iii) Approval by the Congress of the
21 agreement or agreements.

22 (iv) Adequate consultations with the
23 relevant African governments and African
24 regional and subregional intergovernmental

1 organizations during the negotiations of
2 the agreement or agreements.

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

8 **SEC. 7. ELIMINATING TRADE BARRIERS AND ENCOUR-**
9 **AGING EXPORTS.**

10 (a) FINDINGS.—The Congress makes the following
11 findings:

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

16 (2) Annual textile and apparel exports to the
17 United States from sub-Saharan Africa represent
18 less than 1 percent of all textile and apparel exports
19 to the United States, which totaled \$54,001,863,000
20 in 1997.

21 (3) Sub-Saharan Africa has limited textile man-
22 ufacturing capacity. During 1999 and the suc-
23 ceeding 4 years, this limited capacity to manufacture
24 textiles and apparel is projected to grow at a modest
25 rate. Given this limited capacity to export textiles

1 and apparel, it will be very difficult for these exports
2 from sub-Saharan Africa, during 1999 and the suc-
3 ceeding 9 years, to exceed 3 percent annually of
4 total imports of textile and apparel to the United
5 States. If these exports from sub-Saharan Africa re-
6 main around 3 percent of total imports, they will not
7 represent a threat to United States workers, con-
8 sumers, or manufacturers.

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

11 (1) it would be to the mutual benefit of the
12 countries in sub-Saharan Africa and the United
13 States to ensure that the commitments of the World
14 Trade Organization and associated agreements are
15 faithfully implemented in each of the member coun-
16 tries, so as to lay the groundwork for sustained
17 growth in textile and apparel exports and trade
18 under agreed rules and disciplines;

19 (2) reform of trade policies in sub-Saharan Af-
20 rica with the objective of removing structural im-
21 pediments to trade, consistent with obligations under
22 the World Trade Organization, can assist the coun-
23 tries of the region in achieving greater and greater
24 diversification of textile and apparel export commod-
25 ities and products and export markets; and

1 (3) the President should support textile and ap-
2 parel trade reform in sub-Saharan Africa by, among
3 other measures, providing technical assistance, shar-
4 ing of information to expand basic knowledge of how
5 to trade with the United States, and encouraging
6 business-to-business contacts with the region.

7 (c) TREATMENT OF QUOTAS.—

8 (1) KENYA AND MAURITIUS.—Pursuant to the
9 Agreement on Textiles and Clothing, the United
10 States shall eliminate the existing quotas on textile
11 and apparel exports to the United States—

12 (A) from Kenya within 30 days after that
13 country adopts an efficient visa system to guard
14 against unlawful transshipment of textile and
15 apparel goods and the use of counterfeit docu-
16 ments; and

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

19 The Customs Service shall provide the necessary
20 technical assistance to Kenya and Mauritius in the
21 development and implementation of those visa sys-
22 tems.

23 (2) OTHER SUB-SAHARAN COUNTRIES.—The
24 President shall continue the existing no quota policy
25 for countries in sub-Saharan Africa. The President

1 shall submit to the Congress, not later than March
2 31 of each year, a report on the growth in textiles
3 and apparel exports to the United States from coun-
4 tries in sub-Saharan Africa in order to protect
5 United States consumers, workers, and textile manu-
6 facturers from economic injury on account of the no
7 quota policy.

8 (d) CUSTOMS PROCEDURES AND ENFORCEMENT.—

9 (1) ACTIONS BY COUNTRIES AGAINST TRANS-
10 SHIPMENT AND CIRCUMVENTION.—The President
11 should ensure that any country in sub-Saharan Afri-
12 ca that intends to export textile and apparel goods
13 to the United States—

14 (A) has in place a functioning and effective
15 visa system and domestic laws and enforcement
16 procedures to guard against unlawful trans-
17 shipment of textile and apparel goods and the
18 use of counterfeit documents; and

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

23 (2) PENALTIES AGAINST EXPORTERS.—If the
24 President determines, based on sufficient evidence,
25 that an exporter has willfully falsified information

1 regarding the country of origin, manufacture, proc-
2 essing, or assembly of a textile or apparel article for
3 which duty-free treatment under section
4 503(a)(1)(C) of the Trade Act of 1974 is claimed,
5 then the President shall deny to such exporter, and
6 any successors of such exporter, for a period of 2
7 years, duty-free treatment under such section for
8 textile and apparel articles.

9 (3) APPLICABILITY OF UNITED STATES LAWS
10 AND PROCEDURES.—All provisions of the laws, regu-
11 lations, and procedures of the United States relating
12 to the denial of entry of articles or penalties against
13 individuals or entities for engaging in illegal trans-
14 shipment, fraud, or other violations of the customs
15 laws shall apply to imports from Sub-Saharan coun-
16 tries.

17 (4) MONITORING AND REPORTS TO THE CON-
18 GRESS.—The Customs Service shall monitor and the
19 Commissioner of Customs shall submit to the Con-
20 gress, not later than March 31 of each year, a report
21 on the effectiveness of the visa systems described in
22 subsection (c)(1) and paragraph (1) of this sub-
23 section and on measures taken by countries in Sub-
24 Saharan Africa which export textiles or apparel to
25 the United States to prevent circumvention as de-

1 scribed in Article 5 of the Agreement on Textiles
2 and Clothing.

3 (e) DEFINITION.—For purposes of this section, the
4 term “Agreement on Textiles and Clothing” means the
5 Agreement on Textiles and Clothing referred to in section
6 101(d)(4) of the Uruguay Round Agreements Act (19
7 U.S.C. 3511(d)(4)).

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

9 (a) PREFERENTIAL TARIFF TREATMENT FOR CER-
10 TAIN ARTICLES.—Section 503(a)(1) of the Trade Act of
11 1974 (19 U.S.C. 2463(a)(1)) is amended—

12 (1) by redesignating subparagraph (C) as sub-
13 paragraph (D); and

14 (2) by inserting after subparagraph (B) the fol-
15 lowing:

16 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
17 RAN AFRICA.—The President may provide duty-
18 free treatment for any article set forth in para-
19 graph (1) of subsection (b) that is the growth,
20 product, or manufacture of an eligible country
21 in sub-Saharan Africa that is a beneficiary de-
22 veloping country, if, after receiving the advice
23 of the International Trade Commission in ac-
24 cordance with subsection (e), the President de-
25 termines that such article is not import-sen-

1 sitive in the context of imports from eligible
2 countries in sub-Saharan Africa. This subpara-
3 graph shall not affect the designation of eligible
4 articles under subparagraph (B).”.

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

8 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
9 RAN AFRICA.—For purposes of determining the
10 percentage referred to in subparagraph (A) in
11 the case of an article of an eligible country in
12 sub-Saharan Africa that is a beneficiary devel-
13 oping country—

14 “(i) if the cost or value of materials
15 produced in the customs territory of the
16 United States is included with respect to
17 that article, an amount not to exceed 15
18 percent of the appraised value of the arti-
19 cle at the time it is entered that is attrib-
20 uted to such United States cost or value
21 may be applied toward determining the
22 percentage referred to in subparagraph
23 (A); and

24 “(ii) the cost or value of the materials
25 included with respect to that article that

1 are produced in any beneficiary developing
2 country that is an eligible country in sub-
3 Saharan Africa shall be applied in deter-
4 mining such percentage.”.

5 (c) **WAIVER OF COMPETITIVE NEED LIMITATION.**—
6 Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C.
7 2463(c)(2)(D)) is amended to read as follows:

8 “(D) LEAST-DEVELOPED BENEFICIARY
9 DEVELOPING COUNTRIES AND ELIGIBLE COUN-
10 TRIES IN SUB-SAHARAN AFRICA.—Subpara-
11 graph (A) shall not apply to any least-developed
12 beneficiary developing country or any eligible
13 country in sub-Saharan Africa.”.

14 (d) **EXTENSION OF PROGRAM.**—Section 505 of the
15 Trade Act of 1974 (19 U.S.C. 2465) is amended to read
16 as follows:

17 **“SEC. 505. DATE OF TERMINATION.**

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

23 “(b) OTHER COUNTRIES.—No duty-free treatment
24 provided under this title shall remain in effect after June

1 30, 1999, with respect to beneficiary developing countries
2 other than those provided for in subsection (a).”.

3 (e) DEFINITION.—Section 507 of the Trade Act of
4 1974 (19 U.S.C. 2467) is amended by adding at the end
5 the following:

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

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

14 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
15 **DEBT REDUCTION.**

16 (a) BETTER MECHANISMS TO FURTHER GOALS FOR
17 SUB-SAHARAN AFRICA.—It is the sense of the Congress
18 that the Secretary of the Treasury should instruct the
19 United States Executive Directors of the International
20 Bank for Reconstruction and Development, the Inter-
21 national Monetary Fund, and the African Development
22 Bank to use the voice and votes of the Executive Directors
23 to encourage vigorously their respective institutions to de-
24 velop enhanced mechanisms which further the following
25 goals in eligible countries in sub-Saharan Africa:

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

3 (2) Reducing tariffs, nontariff barriers, and
4 other trade obstacles, and increasing economic inte-
5 gration.

6 (3) Supporting countries committed to account-
7 able government, economic reform, the eradication of
8 poverty, and the building of civil societies.

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

13 (b) SENSE OF THE CONGRESS.—It is the sense of
14 the Congress that relief provided to countries in sub-Saha-
15 ran Africa which qualify for the Heavily Indebted Poor
16 Countries debt initiative should primarily be made through
17 grants rather than through extended-term debt, and that
18 interim relief or interim financing should be provided for
19 eligible countries that establish a strong record of macro-
20 economic reform.

21 **SEC. 10. EXECUTIVE BRANCH INITIATIVES.**

22 (a) STATEMENT OF THE CONGRESS.—The Congress
23 recognizes that the stated policy of the executive branch
24 in 1997, the “Partnership for Growth and Opportunity in
25 Africa” initiative, is a step toward the establishment of

1 a comprehensive trade and development policy for sub-Sa-
2 haran Africa. It is the sense of the Congress that this
3 Partnership is a companion to the policy goals set forth
4 in this Act.

5 (b) TECHNICAL ASSISTANCE TO PROMOTE ECO-
6 NOMIC REFORMS AND DEVELOPMENT.—In addition to
7 continuing bilateral and multilateral economic and devel-
8 opment assistance, the President shall target technical as-
9 sistance toward—

10 (1) developing relationships between United
11 States firms and firms in sub-Saharan Africa
12 through a variety of business associations and net-
13 works;

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

16 (A) liberalize trade and promote exports;

17 (B) bring their legal regimes into compli-
18 ance with the standards of the World Trade Or-
19 ganization in conjunction with membership in
20 that Organization;

21 (C) make financial and fiscal reforms; and

22 (D) promote greater agribusiness linkages;

23 (3) addressing such critical agricultural policy
24 issues as market liberalization, agricultural export

1 development, and agribusiness investment in pro-
2 cessing and transporting agricultural commodities;

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

6 (5) increasing trade in services; and

7 (6) encouraging greater sub-Saharan participa-
8 tion in future negotiations in the World Trade Orga-
9 nization on services and making further commit-
10 ments in their schedules to the General Agreement
11 on Trade in Services in order to encourage the re-
12 moval of tariff and nontariff barriers.

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

14 (a) INITIATION OF FUNDS.—It is the sense of the
15 Congress that the Overseas Private Investment Corpora-
16 tion should exercise the authorities it has to initiate an
17 equity fund or equity funds in support of projects in the
18 countries in sub-Saharan Africa, in addition to the exist-
19 ing equity fund for sub-Saharan Africa created by the Cor-
20 poration.

21 (b) STRUCTURE AND TYPES OF FUNDS.—

22 (1) STRUCTURE.—Each fund initiated under
23 subsection (a) should be structured as a partnership
24 managed by professional private sector fund man-

1 agers and monitored on a continuing basis by the
2 Corporation.

3 (2) CAPITALIZATION.—Each fund should be
4 capitalized with a combination of private equity cap-
5 ital, which is not guaranteed by the Corporation,
6 and debt for which the Corporation provides guaran-
7 ties.

8 (3) INFRASTRUCTURE FUND.—One or more of
9 the funds, with combined assets of up to
10 \$500,000,000, should be used in support of infra-
11 structure projects in countries of sub-Saharan Afri-
12 ca.

13 (4) EMPHASIS.—The Corporation shall ensure
14 that the funds are used to provide support in par-
15 ticular to women entrepreneurs and to innovative in-
16 vestments that expand opportunities for women and
17 maximize employment opportunities for poor individ-
18 uals.

19 **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION**
20 **AND EXPORT-IMPORT BANK INITIATIVES.**

21 (a) OVERSEAS PRIVATE INVESTMENT CORPORA-
22 TION.—

23 (1) ADVISORY COMMITTEE.—Section 233 of the
24 Foreign Assistance Act of 1961 is amended by add-
25 ing at the end the following:

1 “(e) ADVISORY COMMITTEE.—The Board shall take
2 prompt measures to increase the loan, guarantee, and in-
3 surance programs, and financial commitments, of the Cor-
4 poration in sub-Saharan Africa, including through the use
5 of an advisory committee to assist the Board in developing
6 and implementing policies, programs, and financial instru-
7 ments with respect to sub-Saharan Africa. In addition, the
8 advisory committee shall make recommendations to the
9 Board on how the Corporation can facilitate greater sup-
10 port by the United States for trade and investment with
11 and in sub-Saharan Africa. The advisory committee shall
12 terminate 4 years after the date of the enactment of this
13 subsection.”.

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

24 (b) EXPORT-IMPORT BANK.—

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

5 “(13)(A) The Board of Directors of the Bank shall
6 take prompt measures, consistent with the credit stand-
7 ards otherwise required by law, to promote the expansion
8 of the Bank’s financial commitments in sub-Saharan Afri-
9 ca under the loan, guarantee, and insurance programs of
10 the Bank.

11 “(B)(i) The Board of Directors shall establish and
12 use an advisory committee to advise the Board of Direc-
13 tors on the development and implementation of policies
14 and programs designed to support the expansion described
15 in subparagraph (A).

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

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

22 (2) REPORTS TO THE CONGRESS.—Within 6
23 months after the date of the enactment of this Act,
24 and annually for each of the 4 years thereafter, the
25 Board of Directors of the Export-Import Bank of

1 the United States shall submit to the Congress a re-
2 port on the steps that the Board has taken to imple-
3 ment section 2(b)(13)(B) of the Export-Import
4 Bank Act of 1945 (as added by paragraph (1)) and
5 any recommendations of the advisory committee es-
6 tablished pursuant to such section.

7 **SEC. 13. ASSISTANT UNITED STATES TRADE REPRESENTA-**
8 **TIVE FOR SUB-SAHARAN AFRICA.**

9 (a) SENSE OF THE CONGRESS.—It is the sense of the
10 Congress that the position of Assistant United States
11 Trade Representative for African Affairs is integral to the
12 United States commitment to increasing United States—
13 sub-Saharan African trade and investment.

14 (b) MAINTENANCE OF POSITION.—The President
15 shall maintain a position of Assistant United States Trade
16 Representative for African Affairs within the Office of the
17 United States Trade Representative to direct and coordi-
18 nate interagency activities on United States-Africa trade
19 policy and investment matters and serve as—

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

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

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

6 **SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN**
7 **COMMERCIAL SERVICE IN SUB-SAHARAN AF-**
8 **RICA.**

9 (a) FINDINGS.—The Congress makes the following
10 findings:

11 (1) The United States and Foreign Commercial
12 Service (hereafter in this section referred to as the
13 “Commercial Service”) plays an important role in
14 helping United States businesses identify export op-
15 portunities and develop reliable sources of informa-
16 tion on commercial prospects in foreign countries.

17 (2) During the 1980s, the presence of the Com-
18 mercial Service in sub-Saharan Africa consisted of
19 14 professionals providing services in eight coun-
20 tries. By early 1997, that presence had been reduced
21 by half to seven, in only four countries.

22 (3) Since 1997, the Department of Commerce
23 has slowly begun to increase the presence of the
24 Commercial Service in sub-Saharan Africa, adding
25 five full-time officers to established posts.

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

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

11 (6) Because market information is not widely
12 available in many sub-Saharan African countries,
13 the presence of additional Commercial Service Offi-
14 cers and resources can play a significant role in as-
15 sisting United States businesses in markets in those
16 countries.

17 (b) APPOINTMENTS.—Subject to the availability of
18 appropriations, by not later than December 31, 2000, the
19 Secretary of Commerce, acting through the Assistant Sec-
20 retary of Commerce and Director General of the United
21 States and Foreign Commercial Service, shall take steps
22 to ensure that—

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

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

4 (c) COMMERCIAL SERVICE INITIATIVE FOR SUB-SA-
5 HARAN AFRICA.—In order to encourage the export of
6 United States goods and services to sub-Saharan African
7 countries, the Commercial Service shall make a special ef-
8 fort to—

9 (1) identify United States goods and services
10 which are not being exported to sub-Saharan African
11 countries but which are being exported to those
12 countries by competitor nations;

13 (2) identify, where appropriate, trade barriers
14 and noncompetitive actions, including violations of
15 intellectual property rights, that are preventing or
16 hindering sales of United States goods and services
17 to, or the operation of United States companies in,
18 sub-Saharan Africa;

19 (3) present, periodically, a list of the goods and
20 services identified under paragraph (1), and any
21 trade barriers or noncompetitive actions identified
22 under paragraph (2), to appropriate authorities in
23 sub-Saharan African countries with a view to secur-
24 ing increased market access for United States ex-
25 porters of goods and services;

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

4 (5) monitor and evaluate the results of efforts
5 to increase the sales of goods and services in such
6 markets.

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

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

16 (2) the effectiveness of the presence of the addi-
17 tional Commercial Service Officers in increasing
18 United States exports to sub-Saharan African coun-
19 tries; and

20 (3) the specific actions taken by Commercial
21 Service Officers, both in sub-Saharan African coun-
22 tries and in the United States, to carry out sub-
23 section (c), including identifying a list of targeted
24 export sectors and countries.

1 **SEC. 15. REPORTING REQUIREMENT.**

2 The President shall submit to the Congress, not later
3 than 1 year after the date of the enactment of this Act,
4 and not later than the end of each of the next six 1-year
5 periods thereafter, a comprehensive report on the trade
6 and investment policy of the United States for sub-Saha-
7 ran Africa, and on the implementation of this Act. The
8 last report required by section 134(b) of the Uruguay
9 Round Agreements Act (19 U.S.C. 3554(b)) shall be con-
10 solidated and submitted with the first report required by
11 this section.

12 **SEC. 16. DONATION OF AIR TRAFFIC CONTROL EQUIPMENT**
13 **TO ELIGIBLE SUB-SAHARAN AFRICAN COUN-**
14 **TRIES.**

15 It is the sense of the Congress that, to the extent
16 appropriate, the United States Government should make
17 every effort to donate to governments of sub-Saharan Afri-
18 can countries (determined to be eligible under section 4
19 of this Act) air traffic control equipment that is no longer
20 in use, including appropriate related reimbursable tech-
21 nical assistance.

1 **SEC. 17. ADDITIONAL AUTHORITIES AND INCREASED**
2 **FLEXIBILITY TO PROVIDE ASSISTANCE**
3 **UNDER THE DEVELOPMENT FUND FOR AFRI-**
4 **CA.**

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

19 (b) DECLARATIONS OF POLICY.—The Congress
20 makes the following declarations:

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

1 (2) The Development Fund for Africa will com-
2 plement the other provisions of this Act and lay a
3 foundation for increased trade and investment op-
4 portunities between the United States and sub-Saha-
5 ran Africa.

6 (3) Assistance provided through the Develop-
7 ment Fund for Africa will continue to support pro-
8 grams and activities that promote the long term eco-
9 nomic development of sub-Saharan Africa, such as
10 programs and activities relating to the following:

11 (A) Strengthening primary and vocational
12 education systems, especially the acquisition of
13 middle-level technical skills for operating mod-
14 ern private businesses and the introduction of
15 college level business education, including the
16 study of international business, finance, and
17 stock exchanges.

18 (B) Strengthening health care systems.

19 (C) Supporting democratization, good gov-
20 ernance and civil society and conflict resolution
21 efforts.

22 (D) Increasing food security by promoting
23 the expansion of agricultural and agriculture-
24 based industrial production and productivity

1 and increasing real incomes for poor individ-
2 uals.

3 (E) Promoting an enabling environment
4 for private sector-led growth through sustained
5 economic reform, privatization programs, and
6 market-led economic activities.

7 (F) Promoting decentralization and local
8 participation in the development process, espe-
9 cially linking the rural production sectors and
10 the industrial and market centers throughout
11 Africa.

12 (G) Increasing the technical and manage-
13 rial capacity of sub-Saharan African individuals
14 to manage the economy of sub-Saharan Africa.

15 (H) Ensuring sustainable economic growth
16 through environmental protection.

17 (4) The African Development Foundation has a
18 unique congressional mandate to empower the poor
19 to participate fully in development and to increase
20 opportunities for gainful employment, poverty allevi-
21 ation, and more equitable income distribution in sub-
22 Saharan Africa. The African Development Founda-
23 tion has worked successfully to enhance the role of
24 women as agents of change, strengthen the informal
25 sector with an emphasis on supporting micro and

1 small sized enterprises, indigenous technologies, and
2 mobilizing local financing. The African Development
3 Foundation should develop and implement strategies
4 for promoting participation in the socioeconomic de-
5 velopment process of grassroots and informal sector
6 groups such as nongovernmental organizations, co-
7 operatives, artisans, and traders into the programs
8 and initiatives established under this Act.

9 (c) ADDITIONAL AUTHORITIES.—

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

13 (A) by redesignating paragraph (3) as
14 paragraph (4); and

15 (B) by inserting after paragraph (2) the
16 following:

17 “(3) DEMOCRATIZATION AND CONFLICT RESO-
18 LUTION CAPABILITIES.—Assistance under this sec-
19 tion may also include program assistance—

20 “(A) to promote democratization, good
21 governance, and strong civil societies in sub-Sa-
22 haran Africa; and

23 “(B) to strengthen conflict resolution capa-
24 bilities of governmental, intergovernmental, and

1 nongovernmental entities in sub-Saharan Afri-
2 ca.”.

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

8 **SEC. 18. ASSISTANCE FROM UNITED STATES PRIVATE SEC-**
9 **TOR TO PREVENT AND REDUCE HIV/AIDS IN**
10 **SUB-SAHARAN AFRICA.**

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

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

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

23 (1) Sustained economic development in sub-Sa-
24 haran Africa depends in large measure upon suc-

1 cessful trade with and foreign assistance to the
2 countries of sub-Saharan Africa.

3 (2) The HIV/AIDS crisis has reached epidemic
4 proportions in sub-Saharan Africa, where more than
5 21,000,000 men, women, and children are infected
6 with HIV.

7 (3) 83 percent of the estimated 11,700,000
8 deaths from HIV/AIDS worldwide have been in sub-
9 Saharan Africa.

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

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

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

19 (6) Clear evidence demonstrates that HIV/
20 AIDS is destructive to the economies of sub-Saharan
21 African countries.

22 (7) Sustained economic development is critical
23 to creating the public and private sector resources in
24 sub-Saharan Africa necessary to fight the HIV/
25 AIDS epidemic.

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

3 (1) addressing the HIV/AIDS crisis in sub-Sa-
4 haran Africa should be a central component of
5 United States foreign policy with respect to sub-Sa-
6 haran Africa;

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

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

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

18 For purposes of this Act, the terms “sub-Saharan Af-
19 rica”, “sub-Saharan African country”, “country in sub-
20 Saharan Africa”, and “countries in sub-Saharan Africa”
21 refer to the following or any successor political entities:

22 Republic of Angola (Angola).

23 Republic of Botswana (Botswana).

24 Republic of Burundi (Burundi).

25 Republic of Cape Verde (Cape Verde).

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

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

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

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

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

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

10 (b) **EFFECTIVE DATE.**—

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

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

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

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

24 (C) the net amount of the adjustments re-
25 quired to be taken into account by the taxpayer
26 under section 481 of the Internal Revenue Code

1 of 1986 shall be taken into account over a pe-
2 riod (not greater than 4 taxable years) begin-
3 ning with such first taxable year.

4 **SEC. 22. INCLUSION OF CERTAIN VACCINES AGAINST**
5 **STREPTOCOCCUS PNEUMONIAE TO LIST OF**
6 **TAXABLE VACCINES.**

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

11 “(L) Any conjugate vaccine against strep-
12 tococcus pneumoniae.”

13 (b) EFFECTIVE DATE.—

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

20 (2) DELIVERIES.—For purposes of paragraph
21 (1), in the case of sales on or before the date de-
22 scribed in such paragraph for which delivery is made
23 after such date, the delivery date shall be considered
24 the sale date.

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

Passed the House of Representatives July 16, 1999.

Attest:

JEFF TRANDAHL,

Clerk.