

106TH CONGRESS  
1ST SESSION

**H. R. 434**

---

---

**AN ACT**

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

106TH CONGRESS  
1ST SESSION

# H. R. 434

---

## AN ACT

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

1       *Be it enacted by the Senate and House of Representatives 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;

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

(12) observing the rule of law, including equal protection under the law and the right to due process 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).

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

(4) The extent to which such country has a recognizable commitment to reducing poverty, increasing the availability of health care and educational opportunities, the expansion of physical infrastructure in a manner designed to maximize accessibility, increased access to market and credit facilities for small farmers and producers, and improved economic opportunities for women as entrepreneurs and employees, and promoting and enabling the formation of capital to support the establishment and operation 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.—

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).

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       ties 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

(B) from Mauritius within 30 days after 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.

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.

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-SAHARA-  
2                    FRICA.—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-SAHARA-  
19                    FRICA.—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 article  
4                   at the time it is entered that is attributed  
5                   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;

3 (A) liberalize trade and promote exports;

4 (B) bring their legal regimes into compliance  
5 with the standards of the World Trade Organization  
6 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

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 tories.

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 ticular to women entrepreneurs and to innovative in-  
2 vestments that expand opportunities for women and  
3 maximize employment opportunities for poor individ-  
4 uals.

5 SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION  
6 AND EXPORT-IMPORT BANK INITIATIVES.

7 (a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—  
8

12       “(e) ADVISORY COMMITTEE.—The Board shall take  
13 prompt measures to increase the loan, guarantee, and in-  
14 surance programs, and financial commitments, of the Cor-  
15 poration in sub-Saharan Africa, including through the use  
16 of an advisory committee to assist the Board in developing  
17 and implementing policies, programs, and financial instru-  
18 ments with respect to sub-Saharan Africa. In addition, the  
19 advisory committee shall make recommendations to the  
20 Board on how the Corporation can facilitate greater sup-  
21 port by the United States for trade and investment with  
22 and in sub-Saharan Africa. The advisory committee shall  
23 terminate 4 years after the date of the enactment of this  
24 subsection.”.

(2) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Overseas Private Investment Corporation shall submit to the Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 (as added by paragraph (1)) and any recommendations of the advisory board established pursuant 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 REPRESEN-  
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—

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;

## 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-Saharan  
16 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:

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.

(C) Supporting democratization, good governance and civil society and conflict resolution 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.

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

13       14 (c) ADDITIONAL AUTHORITIES.—

15       16       17       18 (1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

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

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

23       24       25       “(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section 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.

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;

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 Principe
- 20     (Sao Tomé and Principe).
- 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-ACCRAUL 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

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.

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

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.—

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.*