

106TH CONGRESS  
1ST SESSION

# H. R. 984

To provide additional trade benefits to certain beneficiary countries in the Caribbean, to provide assistance to the countries in Central America and the Caribbean affected by Hurricane Mitch and Hurricane Georges, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 1999

Mr. CRANE (for himself, Mr. KOLBE, Mr. RANGEL, and Mr. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on International Relations, Banking and Financial Services, the Judiciary, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide additional trade benefits to certain beneficiary countries in the Caribbean, to provide assistance to the countries in Central America and the Caribbean affected by Hurricane Mitch and Hurricane Georges, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
 3 “Caribbean and Central America Relief and Economic  
 4 Stabilization Act”.

5 (b) TABLE OF CONTENTS.—The table of contents for  
 6 this Act is as follows:

Sec. 1. Short title; table of contents.  
 Sec. 2. Findings.  
 Sec. 3. Definitions.

**TITLE I—UNITED STATES-CARIBBEAN TRADE PARTNERSHIP**

Sec. 101. Short title.  
 Sec. 102. Policy.  
 Sec. 103. Definitions.  
 Sec. 104. Temporary provisions to provide NAFTA parity to partnership coun-  
       tries.  
 Sec. 105. Effect of NAFTA on sugar imports from beneficiary countries.  
 Sec. 106. Duty-free treatment for certain beverages made with Caribbean rum.  
 Sec. 107. Meetings of trade ministers and USTR.  
 Sec. 108. Report on economic development and market oriented reforms in the  
       Caribbean.

**TITLE II—FOREIGN ASSISTANCE FOR CENTRAL AMERICA AND  
 THE CARIBBEAN**

**Subtitle A—Microcredit and Agricultural Assistance**

Sec. 201. Declaration of policy.  
 Sec. 202. Microenterprise assistance.  
 Sec. 203. Support for producer-owned cooperative marketing associations.  
 Sec. 204. Agricultural research and extension activities.  
 Sec. 205. Nonemergency food assistance programs.

**Subtitle B—Overseas Private Investment Corporation**

Sec. 211. Private sector development activities of OPIC.

**Subtitle C—Economic Support Fund Assistance**

Sec. 221. Economic support fund assistance.  
 Sec. 222. Reimbursement of international disaster account.  
 Sec. 223. Rule of construction; availability of amounts.

**TITLE III—DEPARTMENT OF DEFENSE**

Sec. 301. Replacement of funds used for disaster relief and reconstruction.

**TITLE IV—IMMIGRATION AND NATURALIZATION SERVICE**

Sec. 401. Detention facilities.

TITLE V—DEBT RESCHEDULING AND REDUCTION FOR HONDURAS AND NICARAGUA; FUNDING FOR THE CENTRAL AMERICAN EMERGENCY TRUST FUND OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Subtitle A—Debt Rescheduling and Reduction for Honduras and Nicaragua

Sec. 501. Rescheduling of interest payments owed by Honduras and Nicaragua.

Sec. 502. Reduction of debt owed by Honduras.

Subtitle B—Authorization of Funding for the Central American Emergency Trust Fund of the International Bank for Reconstruction and Development

Sec. 511. Authorization of funding.

**1 SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) In October of 1998, Hurricane Mitch devast-  
 4 ated areas of the Caribbean and Central America.  
 5 The National Hurricane Center has called this storm  
 6 “the most deadly hurricane in the Atlantic in over  
 7 200 years”. Hurricane Mitch killed 9,860 people and  
 8 left approximately 3,000,000 people homeless in the  
 9 region.

10 (2) Hurricane Georges hit the Florida Keys, the  
 11 islands of the Caribbean, and the Gulf coast of the  
 12 United States in September of 1998, causing more  
 13 than \$1,000,000,000 in damage. The storm killed  
 14 250 people.

15 (3) The total direct economic impact of Hurri-  
 16 cane Mitch and Hurricane Georges on Honduras,  
 17 Nicaragua, the Dominican Republic, El Salvador  
 18 and Guatemala amounts to \$4,200,000,000. Hon-  
 19 duras’ losses represent more than 50 percent of its

1 gross domestic product and Nicaragua lost a quarter  
2 of its gross domestic product.

3 (4) The United States must continue to play a  
4 leading role in responding to the disaster and en-  
5 courage others to contribute to the recovery effort.  
6 For example, Taiwan has contributed \$50,800,000  
7 in assistance for the construction of roads and hous-  
8 ing, the rehabilitation of agricultural production,  
9 and the distribution of supplies. Sweden, Spain, and  
10 France have sent engineering teams to the region to  
11 assess damage to roads, and Japan and the Euro-  
12 pean Union have pledged millions of dollars in as-  
13 sistance. The United States praises the efforts of  
14 these and other nations in assisting with the reha-  
15 bilitation of the region.

16 (5) Approximately 356 bridges were destroyed  
17 in the region, and 57 percent of the region's roads  
18 were impacted. The United States equivalent of this  
19 would be the destruction of 3,900,000 miles of high-  
20 way. These roads must be reconstructed quickly so  
21 that farmers can transport their goods to market  
22 and much-needed medical supplies can reach rural  
23 areas.

24 (6) Hurricane Mitch devastated the agricultural  
25 sector in the affected areas of Central America and

1 the Caribbean, particularly the countries of Hon-  
2 duras and Guatemala. An estimated 70 percent of  
3 Honduras' crops were destroyed by Hurricane  
4 Mitch, including 90 percent of the country's banana  
5 and grain crops. In Guatemala, an estimated 95 per-  
6 cent of the nation's banana crop was damaged, 25-  
7 60 percent of the corn, bean, coffee, and sugar crops  
8 were destroyed, and 30 percent of the cattle was  
9 lost.

10 (7) Approximately 50 percent of Central Amer-  
11 ica and the Caribbean's workforce is employed in ag-  
12 riculture. The devastation to the agriculture sector  
13 by Hurricane Mitch has resulted in a widespread  
14 shortage of food which is likely to continue in the  
15 long term unless the region's agricultural sector is  
16 rehabilitated.

17 (8) Significant numbers of displaced Central  
18 Americans are moving north to the United States in  
19 the wake of Hurricane Mitch's devastation. Border  
20 Patrol agents in Brownsville, Texas, report that ap-  
21 prehensions of Hondurans alone increased by 61  
22 percent in the last three months of 1998. The mas-  
23 sive influx of immigrants places severe pressures  
24 upon the ability of the Immigration and Naturaliza-  
25 tion Service (INS) to detain and remove non-crimi-

1       nal illegal immigrants. At current funding levels, the  
2       INS does not have the resources to detain illegal  
3       non-criminal border crossers from Central America.  
4       If this situation continues, the INS is concerned that  
5       many more people will attempt to illegally cross the  
6       border.

7           (9) Partially in an effort to alleviate these pres-  
8       sures, the Attorney General provided temporary pro-  
9       tected status to aliens from Honduras and Nica-  
10      ragua on December 30, 1998 for a period of 18  
11      months. No such status was provided to immigrants  
12      from El Salvador and Guatemala.

13          (10) Agricultural assistance and training and  
14      microcredit assistance will provide much needed aid  
15      to the affected areas of Central America and the  
16      Caribbean as the areas rebuild their agriculture sec-  
17      tors. The immediate distribution of food aid is im-  
18      portant in the short term, but it is essential that the  
19      region be able to return to self-sufficiency in food  
20      production so the citizens of Central America and  
21      the Caribbean will be able to feed themselves once  
22      again.

23          (11) The goal of United States assistance to  
24      the region should focus on, in addition to the short-  
25      term disaster assistance, long-term solutions for a

1       successful economic recovery of Central America and  
2       the Caribbean. Successful economic recovery lies in  
3       the region's ability to expand its international trade  
4       with important trading partners such as the United  
5       States.

6               (12) Since 1983, the Caribbean Basin Eco-  
7       nomic Recovery Act has represented a permanent  
8       and successful commitment by the United States to  
9       encourage the development of strong democratic gov-  
10      ernments and revitalized economies in neighboring  
11      countries in the Caribbean Basin.

12             (13) Thirty-four democratically elected leaders  
13      agreed at the 1994 Summit of the Americas to con-  
14      clude negotiation of a Free Trade Area of the Amer-  
15      icas (referred to in this Act as "FTAA") by the year  
16      2005.

17             (14) The economic security of the countries in  
18      the Caribbean Basin will be enhanced by the comple-  
19      tion of the FTAA.

20             (15) Offering temporary benefits to Caribbean  
21      Basin countries on the 30 percent of imports from  
22      the region that are not currently duty-free under the  
23      Caribbean Basin Economic Recovery Act and other  
24      trade programs, will promote the growth of free en-  
25      terprise and economic opportunity in these neighbor-

1       ing countries and thereby enhance the national secu-  
2       rity interests of the United States.

3           (16) Given the greater propensity of countries  
4       located in the Western Hemisphere to use United  
5       States components and to purchase United States  
6       products compared to other countries, increased  
7       trade and economic activity between the United  
8       States and countries in the Western Hemisphere will  
9       create new jobs in the United States as a result of  
10      expanding export opportunities.

11 **SEC. 3. DEFINITIONS.**

12      In this Act:

13           (1) ADMINISTRATOR.—The term “Adminis-  
14      trator” means the Administrator of the United  
15      States Agency for International Development.

16           (2) AFFECTED AREAS OF CENTRAL AMERICA  
17      AND THE CARIBBEAN.—The term “affected areas of  
18      Central America and the Caribbean” means areas in  
19      the Central American countries and the Caribbean  
20      countries that incurred damage from Hurricane  
21      Georges in September of 1998 and Hurricane Mitch  
22      in October of 1998.

23           (3) CARIBBEAN COUNTRIES.—The term “Carib-  
24      bean countries” means any country listed in section  
25      212(b) of the Caribbean Basin Economic Recovery



1 Act (19 U.S.C. 2702(b)) (other than Central Amer-  
2 ican countries).

3 (4) CENTRAL AMERICAN COUNTRIES.—The  
4 term “Central American countries” means Belize,  
5 Costa Rica, El Salvador, Guatemala, Honduras,  
6 Nicaragua, and Panama.

7 (5) OPIC.—The term “OPIC” means the Over-  
8 seas Private Investment Corporation.

## 9 **TITLE I—UNITED STATES-CARIB-** 10 **BEAN TRADE PARTNERSHIP**

### 11 **SEC. 101. SHORT TITLE.**

12 This title may be cited as the “United States-Carib-  
13 bean Trade Partnership Act”.

### 14 **SEC. 102. POLICY.**

15 It is the policy of the United States to offer to the  
16 products of Caribbean Basin partnership countries tariffs  
17 and quota treatment equivalent to that accorded to certain  
18 products of countries that are parties to the NAFTA, and  
19 to seek the accession of these partnership countries to the  
20 NAFTA or a free trade agreement comparable to the  
21 NAFTA at the earliest possible date, with the goal of  
22 achieving full participation in the NAFTA or in a free  
23 trade agreement comparable to the NAFTA by all part-  
24 nership countries by not later than January 1, 2005.

1 **SEC. 103. DEFINITIONS.**

2 As used in this title:

3 (1) **PARTNERSHIP COUNTRY.**—The term “part-  
4 nership country” means a beneficiary country as de-  
5 fined in section 212(a)(1)(A) of the Caribbean Basin  
6 Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

7 (2) **NAFTA.**—The term “NAFTA” means the  
8 North American Free Trade Agreement entered into  
9 between the United States, Mexico, and Canada on  
10 December 17, 1992.

11 (3) **TRADE REPRESENTATIVE.**—The term  
12 “Trade Representative” means the United States  
13 Trade Representative.

14 (4) **WTO AND WTO MEMBER.**—The terms  
15 “WTO” and “WTO member” have the meanings  
16 given those terms in section 2 of the Uruguay  
17 Round Agreements Act (19 U.S.C. 3501).

18 **SEC. 104. TEMPORARY PROVISIONS TO PROVIDE NAFTA**  
19 **PARITY TO PARTNERSHIP COUNTRIES.**

20 (a) **TEMPORARY PROVISIONS.**—Section 213(b) of the  
21 Caribbean Basin Economic Recovery Act (19 U.S.C.  
22 2703(b)) is amended to read as follows:

23 “(b) **IMPORT-SENSITIVE ARTICLES.**—

24 “(1) **IN GENERAL.**—Subject to paragraphs (2)  
25 through (5), the duty-free treatment provided under  
26 this title does not apply to—

1           “(A) textile and apparel articles which  
2           were not eligible articles for purposes of this  
3           title on January 1, 1994, as this title was in ef-  
4           fect on that date;

5           “(B) footwear not designated at the time  
6           of the effective date of this title as eligible arti-  
7           cles for the purpose of the generalized system  
8           of preferences under title V of the Trade Act of  
9           1974;

10          “(C) tuna, prepared or preserved in any  
11          manner, in airtight containers;

12          “(D) petroleum, or any product derived  
13          from petroleum, provided for in headings 2709  
14          and 2710 of the HTS;

15          “(E) watches and watch parts (including  
16          cases, bracelets and straps), of whatever type  
17          including, but not limited to, mechanical, quartz  
18          digital, or quartz analog, if such watches or  
19          watch parts contain any material which is the  
20          product of any country with respect to which  
21          HTS column 2 rates of duty apply; or

22          “(F) articles to which reduced rates of  
23          duty apply under subsection (h).

24          “(2) TRANSITION PERIOD TREATMENT OF CER-  
25          TAIN TEXTILE AND APPAREL ARTICLES.—

1           “(A) EQUIVALENT TARIFF AND QUOTA  
2           TREATMENT.—During the transition period—

3                   “(i) the tariff treatment accorded at  
4                   any time to any textile or apparel article  
5                   that originates in the territory of a part-  
6                   nership country shall be identical to the  
7                   tariff treatment that is accorded at such  
8                   time under section 2 of the Annex to an  
9                   article described in the same 8-digit sub-  
10                  heading of the HTS that is a good of Mex-  
11                  ico and is imported into the United States;

12                  “(ii) duty-free treatment under this  
13                  title shall apply to any textile or apparel  
14                  article that is imported into the United  
15                  States from a partnership country and  
16                  that—

17                   “(I) is assembled in a partner-  
18                   ship country, from fabrics wholly  
19                   formed and cut in the United States  
20                   from yarns formed in the United  
21                   States, and is entered—

22                           “(aa) under subheading  
23                           9802.00.80 of the HTS; or

24                           “(bb) under chapter 61, 62,  
25                           or 63 of the HTS if, after such

1 assembly, the article would have  
2 qualified for treatment under  
3 subheading 9802.00.80 of the  
4 HTS, but for the fact the article  
5 was subjected to bleaching, gar-  
6 ments dyeing, stone-washing, en-  
7 zyme-washing, acid-washing,  
8 perma-pressing, oven-baking, or  
9 embroidery;

10 “(II) is knit-to-shape in a part-  
11 nership country from yarns wholly  
12 formed in the United States;

13 “(III) is made in a partnership  
14 country from fabric knit in a partner-  
15 ship country from yarns wholly  
16 formed in the United States;

17 “(IV) is cut and assembled in a  
18 partnership country from fabrics  
19 wholly formed in the United States  
20 from yarns wholly formed in the  
21 United States; or

22 “(V) is identified under subpara-  
23 graph (C) as a handloomed, hand-  
24 made, or folklore article of a partner-  
25 ship country and is certified as such

1 by the competent authority of such  
2 country; and

3 “(iii) no quantitative restriction or  
4 consultation level may be applied to the  
5 importation into the United States of any  
6 textile or apparel article that—

7 “(I) originates in the territory of  
8 a partnership country, or

9 “(II) qualifies for duty-free treat-  
10 ment under subclause (I), (II), (III),  
11 (IV), or (V) of clause (ii).

12 “(B) TRANSITION PERIOD TREATMENT OF  
13 OTHER NONORIGINATING TEXTILE AND AP-  
14 PAREL ARTICLES.—

15 “(i) PREFERENTIAL TARIFF TREAT-  
16 MENT.—Subject to clause (ii), the Presi-  
17 dent may place in effect at any time dur-  
18 ing the transition period with respect to  
19 any textile or apparel article that—

20 “(I) is a product of a partnership  
21 country, but

22 “(II) does not qualify as a good  
23 that originates in the territory of a  
24 partnership country or is eligible for  
25 benefits under subparagraph (A)(ii),

1 tariff treatment that is identical to the in-  
2 preference-level tariff treatment accorded  
3 at such time under Appendix 6.B of the  
4 Annex to an article described in the same  
5 8-digit subheading of the HTS that is a  
6 product of Mexico and is imported into the  
7 United States. For purposes of this clause,  
8 the ‘in-preference-level tariff treatment’ ac-  
9 corded to an article that is a product of  
10 Mexico is the rate of duty applied to that  
11 article when imported in quantities less  
12 than or equal to the quantities specified in  
13 Schedule 6.B.1, 6.B.2., or 6.B.3. of the  
14 Annex for imports of that article from  
15 Mexico into the United States.

16 “(ii) LIMITATIONS ON ALL ARTI-  
17 CLES.—(I) Tariff treatment under clause  
18 (i) may be extended, during any calendar  
19 year, to not more than 45,000,000 square  
20 meter equivalents of cotton or man-made  
21 fiber apparel, to not more than 1,500,000  
22 square meter equivalents of wool apparel,  
23 and to not more than 25,000,000 square  
24 meter equivalents of goods entered under  
25 subheading 9802.00.80 of the HTS.

1           “(II) Except as provided in subclause  
2           (III), the amounts set forth in subclause  
3           (I) shall be allocated among the 7 partner-  
4           ship countries with the largest volume of  
5           exports to the United States of textile and  
6           apparel goods in calendar year 1997, based  
7           upon a pro rata share of the volume of tex-  
8           tile and apparel goods of each of those 7  
9           countries that entered the United States  
10          under subheading 9802.00.80 of the HTS  
11          during the first 12 months of the 14-  
12          month period ending on the date of the en-  
13          actment of the United States-Caribbean  
14          Trade Partnership Act.

15          “(III) Five percent of the amounts set  
16          forth in subclause (I) shall be allocated  
17          among the partnership countries, other  
18          than those to which subclause (II) applies,  
19          based upon a pro rata share of the exports  
20          to the United States of textile and apparel  
21          goods of each of those countries during the  
22          first 12 months of the 14-month period  
23          ending on the date of the enactment of the  
24          United States-Caribbean Trade Partner-  
25          ship Act.



1                   “(iii) PRIOR CONSULTATION.—The  
2                   President may implement the preferential  
3                   tariff treatment described in clause (i) only  
4                   after consultation with representatives of  
5                   the United States textile and apparel in-  
6                   dustry and other interested parties  
7                   regarding—

8                   “(I) the specific articles to which  
9                   such treatment will be extended,

10                  “(II) the annual quantities of  
11                  such articles that may be imported at  
12                  the preferential duty rates described  
13                  in clause (i), and

14                  “(III) the allocation of such an-  
15                  nual quantities among partnership  
16                  countries.

17                  “(C) HANDLOOMED, HANDMADE, AND  
18                  FOLKLORE ARTICLES.—For purposes of sub-  
19                  paragraph (A)(ii)(V), the Trade Representative  
20                  shall consult with representatives of a partner-  
21                  ship country for the purpose of identifying par-  
22                  ticular textile and apparel goods that are mutu-  
23                  ally agreed upon as being handloomed, hand-  
24                  made, or folklore goods of a kind described in

1 section 2.3 (a), (b), or (c) or Appendix 3.1.B.11  
2 of the Annex.

3 “(D) BILATERAL EMERGENCY ACTIONS.—

4 (i) The President may take—

5 “(I) bilateral emergency tariff actions  
6 of a kind described in section 4 of the  
7 Annex with respect to any textile or ap-  
8 parel article imported from a partnership  
9 country if the application of tariff treat-  
10 ment under subparagraph (A) to such arti-  
11 cle results in conditions that would be  
12 cause for the taking of such actions under  
13 such section 4 with respect to an article  
14 described in the same 8-digit subheading  
15 of the HTS that is imported from Mexico;  
16 or

17 “(II) bilateral emergency quantitative  
18 restriction actions of a kind described in  
19 section 5 of the Annex with respect to im-  
20 ports of any textile or apparel article de-  
21 scribed in subparagraphs (B)(i) (I) and  
22 (II) if the importation of such article into  
23 the United States results in conditions that  
24 would be cause for the taking of such ac-

1           tions under such section 5 with respect to  
2           a like article that is a product of Mexico.

3           “(ii) The requirement in paragraph (5) of  
4           section 4 of the Annex (relating to providing  
5           compensation) shall not be deemed to apply to  
6           a bilateral emergency action taken under this  
7           subparagraph.

8           “(iii) For purposes of applying bilateral  
9           emergency action under this subparagraph—

10           “(I) the term ‘transition period’ in  
11           sections 4 and 5 of the Annex shall be  
12           deemed to be the period defined in para-  
13           graph (5)(E); and

14           “(II) any requirements to consult  
15           specified in section 4 or 5 of the Annex are  
16           deemed to be satisfied if the President re-  
17           quests consultations with the partnership  
18           country in question and the country does  
19           not agree to consult within the time period  
20           specified under such section 4 or 5, which-  
21           ever is applicable.

22           “(3) NAFTA TRANSITION PERIOD TREATMENT  
23           OF CERTAIN OTHER ARTICLES ORIGINATING IN BEN-  
24           EFICIARY COUNTRIES.—

25           “(A) EQUIVALENT TARIFF TREATMENT.—

1                   “(i) IN GENERAL.—Subject to clause  
2                   (ii), the tariff treatment accorded at any  
3                   time during the transition period to any  
4                   article referred to in any of subparagraphs  
5                   (B) through (F) of paragraph (1) that  
6                   originates in the territory of a partnership  
7                   country shall be identical to the tariff  
8                   treatment that is accorded at such time  
9                   under Annex 302.2 of the NAFTA to an  
10                  article described in the same 8-digit sub-  
11                  heading of the HTS that is a good of Mex-  
12                  ico and is imported into the United States.

13                  “(ii) EXCEPTION.—Clause (i) does not  
14                  apply to any article accorded duty-free  
15                  treatment under U.S. Note 2(b) to sub-  
16                  chapter II of chapter 98 of the HTS.

17                  “(B) RELATIONSHIP TO SUBSECTION (h)  
18                  DUTY REDUCTIONS.—If at any time during the  
19                  transition period the rate of duty that would  
20                  (but for action taken under subparagraph (A)(i)  
21                  in regard to such period) apply with respect to  
22                  any article under subsection (h) is a rate of  
23                  duty that is lower than the rate of duty result-  
24                  ing from such action, then such lower rate of

1 duty shall be applied for the purposes of imple-  
2 menting such action.

3 “(4) CUSTOMS PROCEDURES.—

4 “(A) IN GENERAL.—

5 “(i) REGULATIONS.—Any importer  
6 that claims preferential tariff treatment  
7 under paragraph (2) or (3) shall comply  
8 with customs procedures similar in all ma-  
9 terial respects to the requirements of Arti-  
10 cle 502(1) of the NAFTA as implemented  
11 pursuant to United States law, in accord-  
12 ance with regulations promulgated by the  
13 Secretary of the Treasury.

14 “(ii) DETERMINATION.—In order to  
15 qualify for such preferential tariff treat-  
16 ment and for a Certificate of Origin to be  
17 valid with respect to any article for which  
18 such treatment is claimed, there shall be in  
19 effect a determination by the President  
20 that—

21 “(I) the partnership country  
22 from which the article is exported,  
23 and

24 “(II) each partnership country in  
25 which materials used in the produc-

1                   tion of the article originate or undergo  
2                   production that contributes to a claim  
3                   that the article qualifies for such pref-  
4                   erential tariff treatment,  
5                   has implemented and follows, or is making  
6                   substantial progress toward implementing  
7                   and following, procedures and require-  
8                   ments similar in all material respects to  
9                   the relevant procedures and requirements  
10                  under chapter 5 of the NAFTA.

11               “(B) CERTIFICATE OF ORIGIN.—The Cer-  
12               tificate of Origin that otherwise would be re-  
13               quired pursuant to the provisions of subpara-  
14               graph (A) shall not be required in the case of  
15               an article imported under paragraph (2) or (3)  
16               if such Certificate of Origin would not be re-  
17               quired under Article 503 of the NAFTA (as im-  
18               plemented pursuant to United States law), if  
19               the article were imported from Mexico.

20               “(C) PENALTIES FOR TRANSSHIPMENTS.—  
21               If the President determines, based on sufficient  
22               evidence, that an exporter has engaged in will-  
23               ful illegal transshipment or willful customs  
24               fraud with respect to textile or apparel articles  
25               for which preferential tariff treatment under

1           subparagraph (A) or (B) of paragraph (2) is  
2           claimed, then the President shall deny all bene-  
3           fits under this title to such exporter, and any  
4           successors of such exporter, for a period of 2  
5           years.

6           “(D) REPORT BY USTR ON COOPERATION  
7           OF OTHER COUNTRIES CONCERNING CIR-  
8           CUMVENTION.—The United States Commis-  
9           sioner of Customs shall conduct a study analyz-  
10          ing the extent to which each partnership  
11          country—

12                 “(i) has cooperated fully with the  
13                 United States, consistent with its domestic  
14                 laws and procedures, in instances of cir-  
15                 cumvention or alleged circumvention of ex-  
16                 isting quotas on imports of textile and ap-  
17                 parel goods, to establish necessary relevant  
18                 facts in the places of import, export, and,  
19                 where applicable, transshipment, including  
20                 investigation of circumvention practices,  
21                 exchanges of documents, correspondence,  
22                 reports, and other relevant information, to  
23                 the extent such information is available;

24                 “(ii) has taken appropriate measures,  
25                 consistent with its domestic laws and pro-

cedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

“(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to the Congress, not later than October 1, 1999, a report on the study conducted under this subparagraph.

“(5) DEFINITIONS.—For purposes of this subsection—

“(A) The term ‘the Annex’ means Annex 300–B of the NAFTA.

“(B) The term ‘NAFTA’ means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.



1           “(C) The term ‘partnership country’  
2 means a beneficiary country.

3           “(D) The term ‘textile or apparel article’  
4 means any article referred to in paragraph  
5 (1)(A) that is a good listed in Appendix 1.1 of  
6 the Annex.

7           “(E) The term ‘transition period’ means,  
8 with respect to a partnership country, the pe-  
9 riod that begins on the date of the enactment  
10 of the United States-Caribbean Trade Partner-  
11 ship Act and ends on the earlier of—

12                   “(i) the date that is 5 years after such  
13 date of enactment; or

14                   “(ii) the date on which—

15                           “(I) the United States first ap-  
16 plies the NAFTA to the partnership  
17 country upon its accession to the  
18 NAFTA, or

19                           “(II) there enters into force with  
20 respect to the United States and the  
21 partnership country a free trade  
22 agreement comparable to the NAFTA  
23 that makes substantial progress in  
24 achieving the negotiating objectives  
25 set forth in section 108(b)(5) of the

1 North American Free Trade Agree-  
2 ment Implementation Act (19 U.S.C.  
3 3317(b)(5)).

4 “(F) An article shall be deemed as origi-  
5 nating in the territory of a partnership country  
6 if the article meets the rules of origin for a  
7 good set forth in chapter 4 of the NAFTA, and,  
8 in the case of an article described in Appendix  
9 6.A of the Annex, the requirements stated in  
10 such Appendix 6.A for such article to be treated  
11 as if it were an originating good. In applying  
12 such chapter 4 or Appendix 6.A with respect to  
13 a partnership country for purposes of this  
14 subsection—

15 “(i) no countries other than the  
16 United States and partnership countries  
17 may be treated as being Parties to the  
18 NAFTA,

19 “(ii) references to trade between the  
20 United States and Mexico shall be deemed  
21 to refer to trade between the United States  
22 and partnership countries, and

23 “(iii) references to a Party shall be  
24 deemed to refer to the United States or a  
25 partnership country, and references to the

1                   Parties shall be deemed to refer to any  
2                   combination of partnership countries and  
3                   the United States.”.

4           (b) DETERMINATION REGARDING RETENTION OF  
5 DESIGNATION.—Section 212(e)(1) of the Caribbean Basin  
6 Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

7                   (1) by inserting “(A)” after “(1)”;

8                   (2) by redesignating subparagraphs (A) and  
9           (B) as clauses (i) and (ii), respectively;

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

11                  “(B)(i) Based on the President’s review and  
12                  analysis described in subsection (f), the President  
13                  may determine if the preferential treatment under  
14                  section 213(b)(2) and (3) should be withdrawn, sus-  
15                  pended, or limited with respect to any article of a  
16                  partnership country. Such determination shall be in-  
17                  cluded in the report required by subsection (f).

18                  “(ii) Withdrawal, suspension, or limitation of  
19                  the preferential treatment under section 213(b)(2)  
20                  and (3) with respect to a partnership country shall  
21                  be taken only after the requirements of subsection  
22                  (a)(2) and paragraph (2) of this subsection have  
23                  been met.”.

1       (c) REPORTING REQUIREMENTS.—Section 212(f) of  
2 the Caribbean Basin Economic Recovery Act (19 U.S.C.  
3 2702(f)) is amended to read as follows:

4       “(f) REPORTING REQUIREMENTS.—Not later than 1  
5 year after the date of the enactment of the United States-  
6 Caribbean Trade Partnership Act and at the close of each  
7 3-year period thereafter, the President shall submit to the  
8 Congress a complete report regarding the operation of this  
9 title, including—

10           “(1) with respect to subsections (b) and (c) of  
11 this section, the results of a general review of bene-  
12 ficiary countries based on the considerations de-  
13 scribed in such subsections;

14           “(2) with respect to subsection (c)(4), the de-  
15 gree to which a country follows accepted rules of  
16 international trade provided for under the WTO  
17 Agreement and the multilateral trade agreements  
18 (as such terms are defined in paragraphs (9) and  
19 (4), respectively, of section 2 of the Uruguay Round  
20 Agreements Act);

21           “(3) with respect to subsection (c)(9), the ex-  
22 tent to which beneficiary countries are providing or  
23 taking steps to provide protection of intellectual  
24 property rights comparable to the protection pro-

1 vided to the United States in bilateral intellectual  
2 property rights agreements;

3 “(4) with respect to subsection (b)(2) and sub-  
4 section (c)(5), the extent that beneficiary countries  
5 are providing or taking steps to provide protection of  
6 investment and investors comparable to the protec-  
7 tion provided to the United States in bilateral in-  
8 vestment treaties;

9 “(5) with respect to subsection (c)(3), the ex-  
10 tent that beneficiary countries are providing the  
11 United States and other WTO members (as such  
12 term is defined in section 2(10) of the Uruguay  
13 Round Agreements Act (19 U.S.C. 3501(10)) with  
14 equitable and reasonable market access in the prod-  
15 uct sectors for which benefits are provided under  
16 this title;

17 “(6) with respect to subsection (c)(11), the ex-  
18 tent that beneficiary countries are cooperating with  
19 the United States in administering the provisions of  
20 section 213(b); and

21 “(7) with respect to subsection (c)(8), the ex-  
22 tent that beneficiary countries are meeting the inter-  
23 nationally recognized worker rights criteria under  
24 such subsection.

1 In the first report under this subsection, the President  
 2 shall include a review of the implementation of section  
 3 213(b), and his analysis of whether the benefits under  
 4 paragraphs (2) and (3) of such section further the objec-  
 5 tives of this title.”.

6 (d) CONFORMING AMENDMENT.—Section 213(a)(1)  
 7 of the Caribbean Basin Economic Recovery Act is amend-  
 8 ed by inserting “and except as provided in section  
 9 213(b)(2) and (3),” after “Tax Reform Act of 1986,”.

10 **SEC. 105. EFFECT OF NAFTA ON SUGAR IMPORTS FROM**  
 11 **BENEFICIARY COUNTRIES.**

12 The President shall monitor the effects, if any, that  
 13 the implementation of the NAFTA has on the access of  
 14 beneficiary countries under the Caribbean Basin Economic  
 15 Recovery Act to the United States market for sugars, syr-  
 16 ups, and molasses. If the President considers that the im-  
 17 plementation of the NAFTA is affecting, or will likely af-  
 18 fect, in an adverse manner the access of such countries  
 19 to the United States market, the President shall  
 20 promptly—

- 21 (1) take such actions, after consulting with in-  
 22 terested parties and with the appropriate committees  
 23 of the House of Representatives and the Senate, or
- 24 (2) propose to the Congress such legislative ac-  
 25 tions,

1 as may be necessary or appropriate to ameliorate such ad-  
2 verse effect.

3 **SEC. 106. DUTY-FREE TREATMENT FOR CERTAIN BEV-**  
4 **ERAGES MADE WITH CARIBBEAN RUM.**

5 Section 213(a) of the Caribbean Basin Economic Re-  
6 covery Act (19 U.S.C. 2703(a)) is amended—

7 (1) in paragraph (5), by striking “chapter” and  
8 inserting “title”; and

9 (2) by adding at the end the following new  
10 paragraph:

11 “(6) Notwithstanding paragraph (1), the duty-free  
12 treatment provided under this title shall apply to liqueurs  
13 and spirituous beverages produced in the territory of Can-  
14 ada from rum if—

15 “(A) such rum is the growth, product, or manu-  
16 facture of a beneficiary country or of the Virgin Is-  
17 lands of the United States;

18 “(B) such rum is imported directly from a ben-  
19 eficiary country or the Virgin Islands of the United  
20 States into the territory of Canada, and such li-  
21 queurs and spirituous beverages are imported di-  
22 rectly from the territory of Canada into the customs  
23 territory of the United States;

24 “(C) when imported into the customs territory  
25 of the United States, such liqueurs and spirituous

1       beverages are classified in subheading 2208.90 or  
2       2208.40 of the HTS; and

3               “(D) such rum accounts for at least 90 percent  
4       by volume of the alcoholic content of such liqueurs  
5       and spiritous beverages.”.

6   **SEC. 107. MEETINGS OF TRADE MINISTERS AND USTR.**

7       (a) SCHEDULE OF MEETINGS.—The President shall  
8       take the necessary steps to convene a meeting with the  
9       trade ministers of the partnership countries in order to  
10      establish a schedule of regular meetings, to commence as  
11      soon as is practicable, of the trade ministers and the  
12      Trade Representative, for the purpose set forth in sub-  
13      section (b).

14      (b) PURPOSE.—The purpose of the meetings sched-  
15      uled under subsection (a) is to reach agreement between  
16      the United States and partnership countries on the likely  
17      timing and procedures for initiating negotiations for part-  
18      nership countries to accede to the NAFTA, or to enter  
19      into mutually advantageous free trade agreements with  
20      the United States that contain provisions comparable to  
21      those in the NAFTA and would make substantial progress  
22      in achieving the negotiating objectives set forth in section  
23      108(b)(5) of the North American Free Trade Agreement  
24      Implementation Act (19 U.S.C. 3317(b)(5)).



1 **SEC. 108. REPORT ON ECONOMIC DEVELOPMENT AND MAR-**  
2 **KET ORIENTED REFORMS IN THE CARIB-**  
3 **BEAN.**

4 (a) IN GENERAL.—The Trade Representative shall  
5 make an assessment of the economic development efforts  
6 and market oriented reforms in each partnership country  
7 and the ability of each such country, on the basis of such  
8 efforts and reforms, to undertake the obligations of the  
9 NAFTA. The Trade Representative shall, not later than  
10 2 years after the date of the enactment of this Act, submit  
11 to the President and to the Committee on Finance of the  
12 Senate and the Committee on Ways and Means of the  
13 House of Representatives a report on that assessment.

14 (b) ACCESSION TO NAFTA.—

15 (1) ABILITY OF COUNTRIES TO IMPLEMENT  
16 NAFTA.—The Trade Representative shall include in  
17 the report under subsection (a) a discussion of pos-  
18 sible timetables and procedures pursuant to which  
19 partnership countries can complete the economic re-  
20 forms necessary to enable them to negotiate acces-  
21 sion to the NAFTA. The Trade Representative shall  
22 also include an assessment of the potential phase-in  
23 periods that may be necessary for those partnership  
24 countries with less developed economies to imple-  
25 ment the obligations of the NAFTA.

1           (2) FACTORS IN ASSESSING ABILITY TO IMPLE-  
2           MENT NAFTA.—In assessing the ability of each part-  
3           nership country to undertake the obligations of the  
4           NAFTA, the Trade Representative should consider,  
5           among other factors—

6                   (A) whether the country has joined the  
7           WTO;

8                   (B) the extent to which the country pro-  
9           vides equitable access to the markets of that  
10          country;

11                  (C) the degree to which the country uses  
12          export subsidies or imposes export performance  
13          requirements or local content requirements;

14                  (D) macroeconomic reforms in the country  
15          such as the abolition of price controls on traded  
16          goods and fiscal discipline;

17                  (E) progress the country has made in the  
18          protection of intellectual property rights;

19                  (F) progress the country has made in the  
20          elimination of barriers to trade in services;

21                  (G) whether the country provides national  
22          treatment to foreign direct investment;

23                  (H) the level of tariffs bound by the coun-  
24          try under the WTO (if the country is a WTO  
25          member);

1 (I) the extent to which the country has  
2 taken other trade liberalization measures; and

3 (J) the extent which the country works to  
4 accommodate market access objectives of the  
5 United States.

6 (c) PARITY REVIEW IN THE EVENT A NEW COUNTRY  
7 ACCEDES TO NAFTA.—If—

8 (1) a country or group of countries accedes to  
9 the NAFTA, or

10 (2) the United States negotiates a comparable  
11 free trade agreement with another country or group  
12 of countries,

13 the Trade Representative shall provide to the committees  
14 referred to in subsection (a) a separate report on the eco-  
15 nomic impact of the new trade relationship on partnership  
16 countries. The report shall include any measures the  
17 Trade Representative proposes to minimize the potential  
18 for the diversion of investment from partnership countries  
19 to the new NAFTA member or free trade agreement part-  
20 ner.

1 **TITLE II—FOREIGN ASSISTANCE**  
2 **FOR CENTRAL AMERICA AND**  
3 **THE CARIBBEAN**

4 **Subtitle A—Microcredit and**  
5 **Agricultural Assistance**

6 **SEC. 201. DECLARATION OF POLICY.**

7 It is the policy of the United States, consistent with  
8 title XII of chapter 2 of part I of the Foreign Assistance  
9 Act of 1961 (22 U.S.C. 2220a), to support the govern-  
10 ments of Central American countries and Caribbean coun-  
11 tries, United States and nongovernmental organizations,  
12 universities, businesses, and international organizations,  
13 to help ensure the availability of basic nutrition and eco-  
14 nomic opportunities for individuals in the affected areas  
15 of Central America and the Caribbean, through sustain-  
16 able agriculture and rural development.

17 **SEC. 202. MICROENTERPRISE ASSISTANCE.**

18 (a) BILATERAL ASSISTANCE.—In providing disaster  
19 assistance in the aftermath of Hurricane Georges and  
20 Hurricane Mitch, the Administrator of the United States  
21 Agency for International Development shall, to the extent  
22 practicable, use credit and microcredit assistance to reha-  
23 bilitate agriculture production in the affected areas of  
24 Central America and the Caribbean. In providing such as-  
25 sistance, the Administrator should use the applied re-

1 search and technical assistance capabilities of United  
2 States land-grant universities.

3 (b) MULTILATERAL ASSISTANCE.—The Adminis-  
4 trator shall continue to work with other countries, inter-  
5 national organizations (including multilateral development  
6 institutions), and entities assisting microenterprises and  
7 shall develop a comprehensive and coordinated strategy for  
8 providing microenterprise assistance for Central America  
9 and the Caribbean.

10 **SEC. 203. SUPPORT FOR PRODUCER-OWNED COOPERATIVE**  
11 **MARKETING ASSOCIATIONS.**

12 (a) PURPOSES.—The purposes of this section are—

13 (1) to support producer-owned cooperative pur-  
14 chasing and marketing associations in Central  
15 America and the Caribbean;

16 (2) to strengthen the capacity of farmers in  
17 Central America and the Caribbean to participate in  
18 national and international private markets and to  
19 promote rural development in the region;

20 (3) to encourage the efforts of farmers in Cen-  
21 tral America and the Caribbean to increase their  
22 productivity and income through improved access to  
23 farm supplies, seasonal credit, technical expertise;  
24 and

1           (4) to support small businesses in Central  
2       America and the Caribbean as such businesses grow  
3       beyond microenterprises.

4       (b) SUPPORT FOR PRODUCER-OWNED COOPERATIVE  
5       MARKETING ASSOCIATIONS.—

6           (1) ACTIVITIES.—The Administrator of the  
7       United States Agency for International Development  
8       is authorized to utilize relevant foreign assistance  
9       programs and initiatives for the Central America  
10      and the Caribbean region to support private pro-  
11      ducer-owned cooperative marketing associations in  
12      the region, including rural business associations that  
13      are owned and controlled by farmer shareholders.

14          (2) OTHER ACTIVITIES.—In addition to carry-  
15      ing out paragraph (1), the Administrator is  
16      encouraged—

17           (A) to cooperate with governments of for-  
18      eign countries, including governments of politi-  
19      cal subdivisions of such countries, their agricul-  
20      tural research universities, and particularly with  
21      United States nongovernmental organizations  
22      and United States land-grant universities, that  
23      have demonstrated expertise in the development  
24      and promotion of successful private producer-  
25      owned cooperative marketing associations; and

1 (B) to facilitate partnerships between  
2 United States and Central America and the  
3 Caribbean cooperatives and private businesses  
4 to enhance the capacity and technical and mar-  
5 keting expertise of business associations in the  
6 Central America and the Caribbean region.

7 **SEC. 204. AGRICULTURAL RESEARCH AND EXTENSION AC-**  
8 **TIVITIES.**

9 (a) DEVELOPMENT OF PLAN.—The Administrator of  
10 the United States Agency for International Development,  
11 in consultation with the Secretary of Agriculture and ap-  
12 propriate other officials in the Department of Agriculture,  
13 especially the head of the Cooperative State, Research,  
14 Education and Extension Service (CSREES), shall de-  
15 velop a comprehensive plan to coordinate and build on the  
16 research and extension activities of United States land-  
17 grant universities, international agricultural research cen-  
18 ters, and national agricultural research and extension cen-  
19 ters in Central America and the Caribbean.

20 (b) ADDITIONAL REQUIREMENTS.—The plan de-  
21 scribed in subsection (a) shall seek to ensure that—

22 (1) research and extension activities respond to  
23 the needs of the agriculture sectors devastated by  
24 Hurricane Georges and Hurricane Mitch while devel-  
25 oping the potential and skills of researchers, exten-

1        sion agents, farmers, and agribusiness persons in  
2        the region; and

3            (2) sustainable agricultural methods of farming  
4        will be considered together with new technologies in  
5        rehabilitating agricultural production in the region.

6   **SEC. 205. NONEMERGENCY FOOD ASSISTANCE PROGRAMS.**

7        (a) IN GENERAL.—In providing nonemergency assist-  
8        ance under title II of the Agricultural Trade Development  
9        and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), the  
10       Administrator of the United States Agency for Inter-  
11       national Development shall ensure that—

12            (1) in planning, decisionmaking, and providing  
13        assistance, the Administrator takes into consider-  
14        ation local input and participation directly and  
15        through United States and indigenous private and  
16        voluntary organizations;

17            (2) each of the nonemergency activities de-  
18        scribed in paragraphs (2) through (6) of section 201  
19        of such Act (7 U.S.C. 1721), including programs  
20        that provide assistance to people of any age group  
21        who are otherwise unable to meet their basic food  
22        needs (including feeding programs for the disabled,  
23        orphaned, elderly, sick and dying), are carried out;  
24        and



1           (3) greater flexibility is provided for program  
2           and evaluation plans so that such assistance may be  
3           developed to meet local needs, as provided for in sec-  
4           tion 202(f) of such Act (7 U.S.C. 1722(f)).

5           (b) OTHER REQUIREMENTS.—In providing assist-  
6           ance under the Agriculture Trade Development and As-  
7           sistance Act of 1954, the Secretary of Agriculture and the  
8           Administrator shall ensure that commodities are provided  
9           in a manner that is consistent with subsections (a) and  
10          (b) of section 403 of such Act (7 U.S.C. 1733(a) and (b)).

11           **Subtitle B—Overseas Private**  
12           **Investment Corporation**

13          **SEC. 211. PRIVATE SECTOR DEVELOPMENT ACTIVITIES OF**  
14                  **OPIC.**

15          (a) PURPOSE.—The purpose of this section is to com-  
16          mend OPIC for its recent initiative to provide financing  
17          and insurance to an investment facility in partnership with  
18          Citibank and to encourage OPIC to continue to work with  
19          United States businesses and other United States entities  
20          to invest in the affected areas of Central America and the  
21          Caribbean, particularly in ways that will help promote sus-  
22          tainable development.

23          (b) SENSE OF CONGRESS.—It is the sense of the  
24          Congress that OPIC should, in accordance with its man-  
25          date to foster private investment and enhance the ability

1 of private enterprise to make its full contribution to the  
2 development process, exercise the authorities it has to fur-  
3 ther increase efforts to promote and support United States  
4 sponsored private investment in the affected areas of Cen-  
5 tral America and the Caribbean, including—

6 (1) issuing loans, guaranties, and insurance, to  
7 support infrastructure, agriculture, small business,  
8 tourism, and other projects as appropriate; and

9 (2) undertaking a special initiative that  
10 includes—

11 (A) sending a needs assessment team to  
12 the affected areas of Central America and the  
13 Caribbean to determine ways in which OPIC  
14 can best support the essential investment re-  
15 quired to restore infrastructure and other criti-  
16 cal services in those affected areas;

17 (B) engaging in an exhaustive outreach  
18 program to involve United States companies in  
19 the recovery process and exploring potential  
20 new projects which will assist those affected  
21 areas;

22 (C) consulting and coordinating with host  
23 country governments to promote private invest-  
24 ment in priority sectors; and

1 (D) utilizing existing equity funds to sup-  
 2 port developmental private sector projects.

3 (c) TECHNICAL AMENDMENTS.—Section 234 of the  
 4 Foreign Assistance Act of 1961 (22 U.S.C. 2194) is  
 5 amended—

6 (1) by redesignating subsection (c) (the second  
 7 place it appears) as paragraph (5);

8 (2) by amending the heading of paragraph (5),  
 9 as redesignated by paragraph (1) of this subsection,  
 10 to read as follows:

11 “(5) CREATION OF FUND FOR ACQUISITION OF  
 12 EQUITY.—”; and

13 (3) by indenting paragraph (5), as redesignated  
 14 by paragraph (1) of this subsection, one full meas-  
 15 ure.

## 16 **Subtitle C—Economic Support** 17 **Fund Assistance**

### 18 **SEC. 221. ECONOMIC SUPPORT FUND ASSISTANCE.**

19 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
 20 authorized to be appropriated to the President for fiscal  
 21 year 1999 \$611,000,000 to carry out chapter 4 of part  
 22 II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346  
 23 et seq.) for reconstruction and disaster mitigation assist-  
 24 ance for affected areas of Central America and the Carib-  
 25 bean.

1 (b) USE OF AMOUNTS.—Of the amount appropriated  
2 under subsection (a), the President shall reserve the fol-  
3 lowing amounts for the following purposes:

4 (1) AGRICULTURE AND RURAL RECONSTRUC-  
5 TION.—\$283,000,000 for the construction and re-  
6 pair of rural roads, the provision of micro-enterprise  
7 loans, the provision of tools, seed, and fertilizer, and  
8 for assistance for rural farmers to adopt sustainable  
9 production techniques.

10 (2) DISEASE CONTROL, SURVEILLANCE, AND  
11 PREVENTION.—\$136,000,000 for the reconstruction  
12 and rehabilitation of health posts and clinics, the  
13 provision of water and sanitation services, and dis-  
14 ease control, surveillance, and prevention.

15 (3) EDUCATION AND HOUSING.—\$55,000,000  
16 for construction, repair, and re-equipment of edu-  
17 cational facilities, including the provision of school  
18 supplies, and the re-equipment of new housing units.

19 (4) ENVIRONMENTAL MANAGEMENT AND DISAS-  
20 TER MITIGATION.—\$64,000,000 for environmental  
21 management and disaster mitigation, including land  
22 use planning and resources management.

23 (5) ANTI-CORRUPTION ACTIVITIES.—  
24 \$22,000,000 for the efficient management of local  
25 reconstruction assistance, including anti-corruption

1 training for municipal governments, nongovern-  
2 mental organizations, and law enforcement.

3 (6) ASSISTANCE FOR THE DOMINICAN REPUB-  
4 LIC AND OTHER CARIBBEAN COUNTRIES AFFECTED  
5 BY HURRICANE GEORGES.—\$42,000,000 for recon-  
6 struction assistance related to health, economic revi-  
7 talization, and housing for the Dominican Republic  
8 and other Caribbean countries affected by Hurricane  
9 Georges.

10 (c) ADMINISTRATIVE EXPENSES.—Of the amount  
11 authorized to be appropriated under subsection (a), the  
12 President shall reserve \$6,000,000 for the operating ex-  
13 penses of the United States Agency for International De-  
14 velopment incurred in connection with assistance provided  
15 under this Act.

16 **SEC. 222. REIMBURSEMENT OF INTERNATIONAL DISASTER**  
17 **ACCOUNT.**

18 There is authorized to be appropriated to the Presi-  
19 dent for fiscal year 1999 \$25,000,000 to reimburse the  
20 international disaster assistance account for expenses in-  
21 curred with respect to international disaster assistance  
22 provided for affected areas of Central America and the  
23 Caribbean under chapter 9 of part I of the Foreign Assist-  
24 ance Act of 1961 (22 U.S.C. 2292 et seq.) for recovery  
25 from Hurricane Georges and Hurricane Mitch.

1 **SEC. 223. RULE OF CONSTRUCTION; AVAILABILITY OF**  
2 **AMOUNTS.**

3 (a) RULE OF CONSTRUCTION.—Amounts authorized  
4 to be appropriated under this subtitle are in addition to  
5 amounts otherwise available for the purposes described in  
6 the section of this subtitle involved.

7 (b) AVAILABILITY OF AMOUNTS.—Amounts author-  
8 ized to be appropriated under this subtitle are authorized  
9 to remain available until expended.

10 **TITLE III—DEPARTMENT OF**  
11 **DEFENSE**

12 **SEC. 301. REPLACEMENT OF FUNDS USED FOR DISASTER**  
13 **RELIEF AND RECONSTRUCTION.**

14 In addition to amounts authorized to be appropriated  
15 under any other law for the Department of Defense for  
16 fiscal year 1999, funds are hereby authorized to be appro-  
17 priated for the use of the Armed Forces and other activi-  
18 ties and agencies of the Department of Defense for ex-  
19 penses, not otherwise provided for, for operation and  
20 maintenance, in amounts as follows:

21 (1) For replenishment of Department of De-  
22 fense accounts used in providing disaster relief and  
23 reconstruction to affected areas of Central America  
24 and the Caribbean, \$135,200,000, of which—

1 (A) \$75,000,000 may be used for replenishment of operation and maintenance and military personal accounts;

2  
3  
4 (B) \$37,500,000 may be used for replenishment of the Overseas Humanitarian Disaster and Civic Aid account (including demining initiatives); and

5  
6  
7  
8 (C) \$20,000,000 may be used for replenishment of the Commanders in Chief (CINC) Initiative Fund.

9  
10  
11 (2) For the New Horizons Program, \$56,000,000 for expanded National Guard and Reserve exercises in Central American countries and the Dominican Republic.

12  
13  
14  
15 **TITLE IV—IMMIGRATION AND**  
16 **NATURALIZATION SERVICE**

17 **SEC. 401. DETENTION FACILITIES.**

18 There is authorized to be appropriated to the President \$80,000,000 to be used for Enforcement and Border Affairs within the Immigration and Naturalization Service (INS) to support increased detention requirements for Central American criminal aliens held in detention by the Immigration and Naturalization Service and to address an expected influx of illegal immigrants from Central America.

1 **TITLE V—DEBT RESCHEDULING**  
2 **AND REDUCTION FOR HON-**  
3 **DURAS AND NICARAGUA;**  
4 **FUNDING FOR THE CENTRAL**  
5 **AMERICAN EMERGENCY**  
6 **TRUST FUND OF THE INTER-**  
7 **NATIONAL BANK FOR RECON-**  
8 **STRUCTION AND DEVELOP-**  
9 **MENT**

10 **Subtitle A—Debt Rescheduling and**  
11 **Reduction for Honduras and**  
12 **Nicaragua**

13 **SEC. 501. RESCHEDULING OF INTEREST PAYMENTS OWED**  
14 **BY HONDURAS AND NICARAGUA.**

15       The President is authorized to reschedule the repay-  
16 ment of interest owed to the United States (or any agency  
17 of the United States) in fiscal years 1999 and 2000 by  
18 the Governments of Honduras and Nicaragua on debt  
19 owed by such Governments to the United States that is  
20 outstanding as of October 1, 1998.

21 **SEC. 502. REDUCTION OF DEBT OWED BY HONDURAS.**

22       (a) **AUTHORITY.—**

23               (1) **IN GENERAL.—**The President shall reduce  
24 the amount owed to the United States (or any agen-  
25 cy of the United States) by the Government of Hon-



1       duras that is outstanding as of October 1, 1998, as  
2       a result of concessional loans made to Honduras by  
3       the United States under part I or chapter 4 of part  
4       II of the Foreign Assistance Act of 1961, or prede-  
5       cessor foreign economic assistance legislation.

6           (2) APPROPRIATIONS REQUIREMENT.—The au-  
7       thority provided by this section may be exercised  
8       only in such amounts or to such extent as is pro-  
9       vided in advance by appropriations Acts.

10          (3) CERTAIN PROHIBITIONS INAPPLICABLE.—  
11       (A) A reduction of debt pursuant to this section  
12       shall not be considered assistance for purposes of  
13       any provision of law limiting assistance to a country.

14       (B) The authority of this section may be exer-  
15       cised notwithstanding section 620(r) of the Foreign  
16       Assistance Act of 1961 or section 321 of the Inter-  
17       national Development and Food Assistance Act of  
18       1975.

19       (b) IMPLEMENTATION OF DEBT REDUCTION.—

20           (1) IN GENERAL.—The debt reduction pursuant  
21       to subsection (a) shall be accomplished by the ex-  
22       change of a new obligation for obligations outstand-  
23       ing as of the date specified in subsection (a)(1).

24           (2) EXCHANGE OF OBLIGATIONS.—The Presi-  
25       dent shall notify the agency primarily responsible for

1 administering part I of the Foreign Assistance Act  
2 of 1961 of the agreement with Honduras to ex-  
3 change a new obligation for outstanding obligations  
4 pursuant to this subsection. At the direction of the  
5 President, the old obligations shall be canceled and  
6 a new debt obligation for the country shall be estab-  
7 lished, and such agency shall make an adjustment in  
8 its accounts to reflect the debt reduction.

9 (c) CURRENCY OF PAYMENT.—The principal amount  
10 of each new obligation issued pursuant to subsection (b)  
11 shall be repaid in United States dollars.

12 (d) DEPOSIT OF PAYMENTS.—Principal repayments  
13 of new obligations shall be deposited in the United States  
14 Government account established for principal repayments  
15 of the obligations for which those obligations were ex-  
16 changed.

17 (e) RATE OF INTEREST.—New obligations issued by  
18 a beneficiary country pursuant to subsection (b) shall bear  
19 interest at concessional rates.

20 (f) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There is authorized to be  
22 appropriated for fiscal year 2000 \$16,000,000 to  
23 carry out this section.

1           (2) AVAILABILITY.—Amounts authorized to be  
 2           appropriated under paragraph (1) are authorized to  
 3           remain available until expended.

4   **Subtitle B—Authorization of Fund-**  
 5       **ing for the Central American**  
 6       **Emergency Trust Fund of the**  
 7       **International Bank for Recon-**  
 8       **struction and Development**

9   **SEC. 511. AUTHORIZATION OF FUNDING.**

10       The Bretton Woods Agreements Act (22 U.S.C. 286–  
 11   286nn) is amended by adding at the end the following:

12   **“SEC. 62. SUPPLEMENTAL FUNDING FOR THE CENTRAL**  
 13               **AMERICAN EMERGENCY TRUST FUND OF THE**  
 14               **INTERNATIONAL BANK FOR RECONSTRUC-**  
 15               **TION AND DEVELOPMENT.**

16       “(a) CONTRIBUTION AUTHORITY.—

17           “(1) IN GENERAL.—The United States Gov-  
 18       ernor of the Bank may, on behalf of the United  
 19       States, contribute \$25,000,000 to the Central Amer-  
 20       ican Emergency Trust Fund of the Bank.

21           “(2) SUBJECT TO APPROPRIATIONS.—The au-  
 22       thority provided by paragraph (1) shall be effective  
 23       only to such extent or in such amounts as are pro-  
 24       vided in advance in appropriations Acts.

1       “(b) LIMITATIONS ON AUTHORIZATION OF APPRO-  
2 PRIATIONS.—

3           “(1) IN GENERAL.—For the contribution pro-  
4 vided for in subsection (a), there are authorized to  
5 be appropriated not more than \$25,000,000 for fis-  
6 cal year 1999, for payment by the President of the  
7 United States.

8           “(2) RULE OF CONSTRUCTION.—The authority  
9 provided by paragraph (1) is in addition to any ap-  
10 propriations authority otherwise provided by law.

11       “(c) AVAILABILITY.—Amounts appropriated under  
12 subsection (b) are authorized to remain available until ex-  
13 pended.”.

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