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109TH CONGRESS
1ST SESSION

H. R. 3175

To implement measures to help alleviate the poor living conditions in Africa.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2005

Mr. MCDERMOTT (for himself, Mr. RANGEL, Mr. PAYNE, Ms. MCCOLLUM of Minnesota, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. MCNULTY, Mrs. CHRISTENSEN, Mr. MEEKS of New York, and Ms. MILLENDER-MCDONALD) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial 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 implement measures to help alleviate the poor living conditions in Africa.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Answer Africa’s Call Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) African poverty and stagnation are the greatest tragedy of our time and demand a forceful response by the United States.

(2) The world, especially the United States, is awash with wealth on a scale that has never been seen in human history.

(3) We live in a world where new medicines and medical techniques have eradicated many of the diseases and ailments that plagued the rich world.

(4) In Africa, some 4,000,000 children under the age of five die each year, two-thirds of them from illnesses that cost very little to treat; malaria is the biggest single killer of African children, and half of those deaths could be avoided if the parents of these children had access to diagnosis and drugs that cost little more than $1 per dose.

(5) We live in a world where scientists can map the human genome and have the technology to clone a human being.

(6) In Africa, we allow more than 250,000 women die each year from complications in pregnancy or childbirth.

(7) We live in a world where the Internet in the blink of an eye can transfer more information than any human brain could hold.

(8) In Africa each day, some 40,000,000 children are not able to go to school.

(9) We live in a world which, faced by one of the most devastating diseases ever seen, AIDS, has developed the antiretroviral drugs to control its advance.

(10) In Africa, where 25,000,000 people are infected with AIDS, antiretroviral drugs are not made generally available; as a result, 2,000,000 people will die of AIDS in 2005.

(11) We live in a world where rich nations spend as much as the entire income of all the people in Africa subsidizing the unnecessary production of unwanted food, in an amount of almost $1,000,000,000 each day.

(12) In Africa, hunger is a key factor in more deaths than those caused by all of the continent's infectious diseases combined.

(13) We live in a world where every cow in Europe receives almost $2 each day in government subsidies.

(14) In Africa the average daily income is approximately $1.

(15) The contrast between the lives led by those who live in rich countries and those of poor people in Africa is the greatest scandal of our age.

(16) One in six children in Africa dies before reaching the age of 5.

(17) Two-thirds of all the African children who die under the age of 5 could be saved by low-cost treatments such as vitamin A, and a tenth of all the diseases suffered by African children are caused by intestinal worms that infect 200,000,000 people and could be treated for just 25 cents per child.

(18) More than 300,000,000 Africans—42 percent of Africa's population—still do not have access to safe water, and 60 percent do not have access to basic sanitation.

(19) 62 percent of all people aged 15–24 years who live with HIV are found in Africa.

(20) Africa had 43,000,000 orphans in 2003, of which AIDS was responsible for 12,000,000.

(21) In Zambia, 71 percent of child prostitutes are orphans.

SEC. 3. STATEMENT OF POLICY.

The Congress supports implementing the recommendations of the Commission for Africa, which call for rich nations to increase foreign assistance to Africa, provide debt relief, eliminate trade distorting agricultural subsidies, and remove insidious trade barriers that impede economic opportunity in sub-Saharan Africa.

SEC. 4. IMPOSITION OF INDIVIDUAL INCOME TAX SURCHARGE TO FUND INTERNATIONAL FINANCE FACILITY.

(a) IMPOSITION OF TAX.—Section 1 of the Internal Revenue Code of 1986 (relating to imposition of tax on individuals) is amended by adding at the end the following new subsection:

"(j) ADDITIONAL INCOME TAX.—

"(1) IN GENERAL.—If the adjusted gross income of an individual exceeds the threshold amount, the tax imposed by this section (determined without regard to this subsection) shall be increased by an amount equal to 0.8 percent of so much of the adjusted gross income as exceeds the threshold amount.

"(2) THRESHOLD AMOUNTS.—For purposes of this subsection, the term 'threshold amount' means—

"(A) $1,000,000 in the case of a joint return, and

"(B) $500,000 in the case of any other return.

"(3) TAX NOT TO APPLY TO ESTATES AND TRUSTS.—This subsection shall not apply to an estate or trust.

"(4) TERMINATION.—This subsection shall not apply to taxable years beginning after December 31, 2010.".

(b) ESTABLISHMENT OF UNITED STATES INTERNATIONAL FINANCE FACILITY TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of such Code (relating to trust fund code) is amended by adding at the end the following:

"SEC. 9511. UNITED STATES INTERNATIONAL FINANCE FACILITY TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'United States International Finance Facility Trust Fund' (referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There is hereby appropriated to the Trust Fund an amount equivalent to the increase in revenues received in the Treasury as the result of the surtax imposed under section 1(j).

"(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available without further appropriation to make expenditures in connection with United States commitments to the International Finance Facility.".

(2) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following:

"Sec. 9511. United States International Finance Facility Trust Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(d) SECTION 15 NOT TO APPLY.—The amendment made by subsection (a) shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 5. MODIFICATIONS TO PREFERENTIAL TRADE TREATMENT FOR PRODUCTS OF SUB-SAHARAN AFRICAN COUNTRIES.

(a) REMOVAL OF AGRICULTURE TARIFF-RATE QUOTA LIMITATION; AGRICULTURAL SAFEGUARD.—Section 503(b) of the Trade Act of 1974 (19 U.S.C. 2463(b)) is amended by striking paragraph (3) and inserting the following:

"(3) AGRICULTURAL PRODUCTS.—

"(A) IN GENERAL.—No quantity of an agricultural product subject to a tariff-rate quota that exceeds the in-quota amount shall be eligible for duty-free treatment under this title, except as provided in subparagraph (B).

"(B) IMPORTS FROM COUNTRIES DESIGNATED UNDER SECTION 506A.—Subparagraph (A) shall not apply to over-quota imports of agricultural products subject to a tariff-rate quota that are the growth, product, or manufacture of a country designated as a beneficiary sub-Saharan African country under section 506A(a)(1).

"(4) SAFEGUARD FOR AGRICULTURAL PRODUCTS.—

"(A) IN GENERAL.—The President shall assess a duty, in the amount prescribed under subparagraph (B), on over-quota imports of any agricultural product described in paragraph (3)(B) for which preferential treatment is claimed, if the President determines that the unit import price of the product when it enters the United States, determined on an F.O.B. basis, is less than the annual trigger price determined in accordance with subparagraph (D).

"(B) CALCULATION OF ADDITIONAL DUTIES.—The amount of the additional duty assessed under this subsection shall be determined as follows:

"(i) If the difference between the unit import price and the trigger price is less than, or equal to, 10 percent of the trigger price, no additional duty shall be imposed.

"(ii) If the difference between the unit import price and the trigger price is greater than 10 percent, but less than or equal to 40 percent, of the trigger price, the additional duty shall be equal to 30 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

"(iii) If the difference between the unit import price and the trigger price is greater than 40 percent, but less than or equal to 60 percent, of the trigger price, the additional duty shall be equal to 50 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

"(iv) If the difference between the unit import price and the trigger price is greater than 60 percent, but less than or equal to 75 percent, of the trigger price, the additional duty shall be equal to 70 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

"(v) If the difference between the unit import price and the trigger price is greater than 75 percent of the trigger price, the additional duty shall be equal to 100 percent of the difference between the preferential tariff rate and the column 1 general rate of duty imposed under the HTS on like articles at the time the additional duty is imposed.

"(C) EXCEPTIONS.—No additional duty under this paragraph shall be assessed on an agricultural product if, at the time of entry into the customs territory of the United States, the product is subject to import relief under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

"(D) CALCULATION OF TRIGGER PRICE.—(i) Not later than 60 days after the date of the enactment of the Answer Africa's Call Act, and annually thereafter, the President shall, in consultation with the Secretary of Agriculture, establish the annual trigger price for each over-quota agricultural product described in paragraph (3)(B), and shall publish such prices in the Federal Register. The President shall establish the trigger price for a product at a level not below the 3-year average import price for that product.

"(ii) Not later than 30 days before publishing the trigger prices in the Federal Register under clause (i), the President shall notify and consult with the Committees on Ways and Means and Agriculture of the House of Representatives and the Committees on Finance and Agriculture of the Senate on the proposed trigger prices.

"(E) NOTICE TO COUNTRY CONCERNED.—Not later than 60 days after the President first assesses additional duties under this paragraph on over-quota imports of agricultural products described in paragraph (3)(B), the President shall notify the beneficiary sub-Saharan African country where the product was grown, manufactured, or produced, in writing of such action and shall provide to the country data supporting the assessment of the additional duties.

"(F) DEFINITIONS.—In this paragraph:

"(i) F.O.B.—The term 'F.O.B.' means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer.

"(ii) HTS.—The term 'HTS' means the Harmonized Tariff Schedule of the United States.

"(iii) UNIT IMPORT PRICE.—The term 'unit import price' means the price expressed in dollars per kilogram.".

(b) SHORT SUPPLY PROVISIONS.—Section 112(b)(5) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)(5)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) IN GENERAL.—Articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries—

"(i) from fabric or yarn which need not be originating under General Note 12(t) of the Harmonized Tariff Schedule of the United States for the apparel article to qualify as originating under that Note; or

"(ii) from fabric or yarn which—

"(I) is the component that determines the classification of the articles under the Harmonized Tariff Schedule of the United States;

"(II) is not commercially available; and

"(III) which the President proclaims as eligible for use under this paragraph without regard to where the fabric or yarn is formed pursuant to the procedures set forth in subparagraph (B)."; and

(2) in subparagraph (B), in the matter preceding clause (i), by striking ‘‘not described in subparagraph (A)’’ and inserting ‘‘and thus eligible for use in the production of cut components or knit-to-shape components described in subparagraph (A)(ii)’’.

(c) USER DEVELOPED BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Section 112(b)(3)(B) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)(3)(B)) is amended—

(1) in clause (ii)—

(A) in subclause (II), by inserting ‘‘and’’ after the semicolon; and

(B) by striking subclauses (III) and (IV) and inserting the following:

‘‘(III) 2.9285 percent for the 1-year period beginning October 2, 2005, and for each 1-year period thereafter through September 30, 2015.’’;

(2) in clause (iii)—

(A) in subclause (II), by striking ‘‘and’’;

(B) in subclause (III), by striking the period and inserting ‘‘; and’’; and

(C) by adding after subclause (III) the following:

"(IV) Mauritius, except that the applicable percentage with respect to Mauritius shall be 5 percent of the applicable percentage described in clause (ii)(III)."; and

(3) by striking clause (iv).

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