

Union Calendar No. 319

109TH CONGRESS
2^D SESSION

H. R. 4014

[Report No. 109-563]

To reauthorize the Millennium Challenge Act of 2003, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2005

Mr. HYDE (for himself and Mr. LANTOS) introduced the following bill; which was referred to the Committee on International Relations

JULY 13, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 7, 2005]

A BILL

To reauthorize the Millennium Challenge Act of 2003, 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,*

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Mil-*
5 *lennium Challenge Reauthorization Act of 2006”.*

1 **(b) TABLE OF CONTENTS.**—*The table of contents of this*
 2 *Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Purposes.

Sec. 3. Establishment and management of Millennium Challenge Corporation.

Sec. 4. Authorization of assistance.

Sec. 5. Millennium Challenge Compact.

Sec. 6. Congressional and public notification of Compact.

Sec. 7. Annual report.

Sec. 8. Powers of the Corporation; related provisions.

Sec. 9. Assistance to certain candidate countries.

Sec. 10. Authorization of appropriations.

3 **SEC. 2. PURPOSES.**

4 *Section 602(2) of the Millennium Challenge Act of*
 5 *2003 (22 U.S.C. 7701(2)) is amended by striking “economic*
 6 *growth” and all that follows and inserting the following:*
 7 *“the reduction of poverty through sustainable, broad-based*
 8 *economic growth, including by strengthening good govern-*
 9 *ance, promoting economic opportunities, and investing in*
 10 *people, as needed.”.*

11 **SEC. 3. ESTABLISHMENT AND MANAGEMENT OF MILLEN-**
 12 **NIUM CHALLENGE CORPORATION.**

13 *Section 604(b)(2) of the Millennium Challenge Act of*
 14 *2003 (22 U.S.C. 7703(b)(2)) is amended—*

15 (1) *by striking “APPOINTMENT” and all that fol-*
 16 *lows through “the Chief Executive Officer shall be ap-*
 17 *pointed” and inserting the following: “APPOINT-*
 18 *MENT.—The Chief Executive Officer shall be ap-*
 19 *pointed”; and*

20 (2) *by striking subparagraph (B).*

1 **SEC. 4. AUTHORIZATION OF ASSISTANCE.**

2 (a) *ASSISTANCE.*—Section 605(a) of the Millennium
3 Challenge Act of 2003 (22 U.S.C. 7704(a)) is amended by
4 striking “in achieving lasting economic growth and poverty
5 reduction” and inserting “in reducing poverty through sus-
6 tainable, broad-based economic growth, including by
7 strengthening good governance, promoting economic oppor-
8 tunities, and investing in people, as needed,”.

9 (b) *LIMITATIONS.*—Section 605(e)(4) of the Millen-
10 nium Challenge Act of 2003 (22 U.S.C. 7704(e)(4)) is
11 amended in the second sentence—

12 (1) by striking “eleventh and fourteenth pro-
13 visos” and inserting “eighth and twelfth provisos”;

14 (2) by striking “division E of Public Law 108–
15 7 (117 Stat. 162)” and inserting “Public Law 109–
16 102 (119 Stat. 2174–2176)”; and

17 (3) by striking “2004” and inserting “2007”.

18 **SEC. 5. MILLENNIUM CHALLENGE COMPACT.**

19 (a) *ELEMENTS.*—Section 609(b)(1) of the Millennium
20 Challenge Act of 2003 (22 U.S.C. 7708(b)(1)) is amended—

21 (1) in subparagraph (D), by adding at the end
22 before the semicolon the following: “, and an analysis
23 of how the intended beneficiaries will participate in,
24 or be impacted by, each project”;

25 (2) in subparagraph (J), by striking “and” at
26 the end;

1 (3) in subparagraph (K), by striking the period
2 at the end and inserting “; and” ; and

3 (4) by adding at the end the following new sub-
4 paragraph:

5 “(L) an analysis of the extent to which each
6 project carried out under the Compact will con-
7 tribute to reducing poverty through sustainable,
8 broad-based economic growth, including by
9 strengthening good governance, promoting eco-
10 nomic opportunities, and investing in people, as
11 needed.”.

12 (b) *LOCAL INPUT*.—Section 609(d) of the Millennium
13 *Challenge Act of 2003 (22 U.S.C. 7708(d))* is amended—

14 (1) in paragraph (1), by striking “and” at the
15 end;

16 (2) by redesignating paragraph (2) as para-
17 graph (3); and

18 (3) by inserting after paragraph (1) the fol-
19 lowing new paragraph:

20 “(2) consults with the national legislature of the
21 eligible country; and”.

22 (c) *DURATION OF COMPACT*.—Section 609(j) of the
23 *Millennium Challenge Act of 2003 (22 U.S.C. 7708(j))* is
24 amended—

1 (1) by striking “The duration” and inserting the
2 following:

3 “(1) *IN GENERAL.*—*Except as provided in para-*
4 *graph (2), the duration*”; and

5 (2) by adding at the end the following new para-
6 graph:

7 “(2) *EXCEPTION.*—

8 “(A) *IN GENERAL.*—*A Compact shall not*
9 *include a project with a duration of more than*
10 *5 years unless the Board—*

11 *“(i) determines that the project cannot*
12 *be completed in 5 years or less; and*

13 *“(ii) approves a duration for the*
14 *project of not more than 10 years.*

15 “(B) *CONGRESSIONAL NOTIFICATION.*—*Not*
16 *later than 15 days after the Board approves a*
17 *duration for a project pursuant to subparagraph*
18 *(A)(ii), the Board, acting through the Chief Ex-*
19 *ecutive Officer, shall submit to the appropriate*
20 *congressional committees a notification of such*
21 *approval, including a detailed explanation for*
22 *the determination and approval.”.*

23 (d) *CONCURRENT AND SUBSEQUENT COMPACTS.*—*Sec-*
24 *tion 609 of the Millennium Challenge Act of 2003 (22*
25 *U.S.C. 7708) is amended—*

1 (1) *by striking subsection (k); and*

2 (2) *by inserting at the end the following new*
3 *subsection:*

4 “(k) *CONCURRENT AND SUBSEQUENT COMPACTS.—*

5 “(1) *IN GENERAL.—Subject to the requirements*
6 *of paragraph (2), and in accordance with the require-*
7 *ments of this title, an eligible country and the United*
8 *States—*

9 “(A) *may enter into and have in effect not*
10 *more than two Compacts at any given time*
11 *under this section; and*

12 “(B) *may enter into subsequent Compacts*
13 *after the expiration of the existing Compact or*
14 *Compacts.*

15 “(2) *REQUIREMENTS.—*

16 “(A) *CONCURRENT COMPACTS.—An eligible*
17 *country and the United States may enter into a*
18 *concurrent Compact only if the Board deter-*
19 *mines that the country is making considerable*
20 *and demonstrable progress in implementing the*
21 *terms of its existing Compact and supplementary*
22 *agreements thereto.*

23 “(B) *SUBSEQUENT COMPACTS.—An eligible*
24 *country and the United States may enter into*
25 *subsequent Compacts if the Board determines*

1 *that the country substantially met the objectives*
2 *of prior Compacts between the country and the*
3 *United States and supplementary agreements*
4 *thereto.”.*

5 *(e) EFFECTIVE DATES.—*

6 *(1) AMENDMENTS RELATING TO ENTRY INTO*
7 *COMPACT.—The amendments made by subsections (a)*
8 *and (b) apply with respect to Compacts entered into*
9 *between the United States and an eligible country*
10 *under the Millennium Challenge Act of 2003 (22*
11 *U.S.C. 7701 et seq.) on or after October 1, 2006, or*
12 *the date of the enactment of this Act, whichever occurs*
13 *later.*

14 *(2) AMENDMENTS RELATING TO DURATION AND*
15 *TYPE OF COMPACT.—The amendments made by sub-*
16 *sections (c) and (d) apply with respect to Compacts*
17 *entered into between the United States and an eligible*
18 *country under the Millennium Challenge Act of 2003*
19 *(22 U.S.C. 7701 et seq.) before, on, or after the date*
20 *of the enactment of this Act.*

21 **SEC. 6. CONGRESSIONAL AND PUBLIC NOTIFICATION OF**
22 **COMPACT.**

23 *(a) CONGRESSIONAL NOTIFICATION PRIOR TO SIGNING*
24 *A COMPACT.—Section 610 of the Millennium Challenge Act*
25 *of 2003 (22 U.S.C. 7709(a)) is amended—*

1 (1) *by redesignating subsection (b) as subsection*
2 *(c); and*

3 (2) *by inserting after subsection (a) the following*
4 *new subsection:*

5 “(b) *CONGRESSIONAL NOTIFICATION PRIOR TO SIGN-*
6 *ING A COMPACT.—Not later than 15 days prior to signing*
7 *a Compact with an eligible country, the Board, acting*
8 *through the Chief Executive Officer, shall provide notifica-*
9 *tion of the proposed Compact, including a detailed sum-*
10 *mary of the Compact and a copy of the text of the Compact,*
11 *to the appropriate congressional committees in accordance*
12 *with the procedures applicable to reprogramming notifica-*
13 *tions under section 634A of the Foreign Assistance Act of*
14 *1961.”.*

15 (b) *PUBLIC NOTIFICATION AFTER ENTERING INTO A*
16 *COMPACT.—Section 610(c) of the Millennium Challenge Act*
17 *of 2003 (as redesignated by subsection (a)(1) of this section)*
18 *is amended by striking “Chief Executive Officer” and all*
19 *that follows and inserting “Chief Executive Officer shall*
20 *publish such detailed summary of the Compact in the Fed-*
21 *eral Register and shall publish such detailed summary and*
22 *the text of the Compact (including a copy of any annexes*
23 *or supplementary agreements thereto) on the Internet*
24 *website of the Corporation.”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by sub-*
2 *sections (a) and (b) apply with respect to Compacts ap-*
3 *proved pursuant to section 609(h) of the Millennium Chal-*
4 *lenge Act of 2003 (22 U.S.C. 7708(h)) on or after the date*
5 *of the enactment of this Act.*

6 **SEC. 7. ANNUAL REPORT.**

7 (a) *AMENDMENT.*—*Section 613(b) of the Millennium*
8 *Challenge Act of 2003 (22 U.S.C. 7712(b)) is amended by*
9 *adding at the end the following new paragraphs:*

10 “(6) *A description of recruitment and employ-*
11 *ment of members of minority groups at the Corpora-*
12 *tion, including, to the maximum extent practicable,*
13 *the numbers and percentages of members of all minor-*
14 *ity groups who have been recruited by and employed*
15 *at the Corporation during the prior fiscal year.*

16 “(7) *A description of the extent to which the re-*
17 *quirement of section 614(h) has been met for the prior*
18 *fiscal year, including, to the maximum extent prac-*
19 *ticable, information on—*

20 “(A) *the numbers and percentages of small,*
21 *minority-owned, or disadvantaged business en-*
22 *terprises that provide goods and services that are*
23 *financed with funds made available under sec-*
24 *tion 609(g), section 614(g), and section 616 dur-*
25 *ing such prior fiscal year;*

1 “(B) the total number of contracts with
2 such business enterprises for such purposes dur-
3 ing such prior fiscal year;

4 “(C) the total dollar value of such contracts;
5 and

6 “(D) the percentage value represented by
7 such contracts proportionate to the total value of
8 all contracts held by the Corporation that are fi-
9 nanced with funds made available under section
10 609(g), section 614(g), and section 616 during
11 such prior fiscal year.”.

12 (b) *EFFECTIVE DATE.*—The amendment made by sub-
13 section (a) applies with respect to the report required to
14 be submitted to Congress under section 613 of the Millen-
15 nium Challenge Act of 2003 (22 U.S.C. 7712) for fiscal year
16 2007 and each subsequent fiscal year.

17 **SEC. 8. POWERS OF THE CORPORATION; RELATED PROVI-**
18 **SIONS.**

19 (a) *AMENDMENT.*—Section 614 of the Millennium
20 Challenge Act of 2003 (22 U.S.C. 7713) is amended by add-
21 ing at the end the following new subsection:

22 “(h) *PARTICIPATION OF CERTAIN UNITED STATES*
23 *BUSINESSES.*—To the maximum extent practicable, the
24 President, acting through the Chief Executive Officer, shall
25 ensure that United States small, minority-owned, and dis-

1 *advantaged business enterprises fully participate in the*
2 *provision of goods and services that are financed with funds*
3 *made available under section 609(g), subsection (g) of this*
4 *section, and section 616.”.*

5 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
6 *section (a) applies with respect to funds made available*
7 *under the Millennium Challenge Act of 2003 (22 U.S.C.*
8 *7701 et seq.) for fiscal year 2007 and each subsequent fiscal*
9 *year.*

10 **SEC. 9. ASSISTANCE TO CERTAIN CANDIDATE COUNTRIES.**

11 *Section 616(d) of the Millennium Challenge Act of*
12 *2003 (22 U.S.C. 7715(d)) is amended by striking “for fiscal*
13 *year 2004” and inserting “for a fiscal year”.*

14 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

15 (a) *AMENDMENT.*—*Section 619(a) of the Millennium*
16 *Challenge Act of 2003 (22 U.S.C. 7718(a)) is amended by*
17 *striking “fiscal years 2004 and 2005” and inserting “fiscal*
18 *years 2007 through 2009”.*

19 (b) *RULE OF CONSTRUCTION.*—*The amendment made*
20 *by subsection (a) shall not be construed to affect the avail-*
21 *ability of funds appropriated pursuant to the authorization*
22 *of appropriations under section 619 of the Millennium*
23 *Challenge Act of 2003 (22 U.S.C. 7718(a)) before the date*
24 *of the enactment of this Act.*

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