

109TH CONGRESS
2^D SESSION

H. R. 5070

To extend certain trade preference programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2006

Mr. RANGEL (for himself, Mr. McDERMOTT, and Mr. JEFFERSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on International Relations and 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

A BILL

To extend certain trade preference programs, 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
5 “Trade Preference Extension and Expansion Act of
6 2006”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERALIZED SYSTEM OF PREFERENCES (GSP)
PROGRAM

- Sec. 101. Findings.
Sec. 102. Extension of GSP program.

TITLE II—ANDEAN TRADE PREFERENCE ACT

- Sec. 201. Findings.
Sec. 202. Extension of Andean Trade Preference Act.

TITLE III—AFRICAN GROWTH AND OPPORTUNITY ACT

- Sec. 301. Findings.
Sec. 302. Designation of eligible countries.
Sec. 303. United States–Sub-Saharan Africa Trade and Economic Cooperation
Forum.
Sec. 304. Treatment of certain textiles and apparel.
Sec. 305. Executive branch initiative on agriculture.
Sec. 306. Other agriculture provisions.
Sec. 307. Use of resources of the Export-Import Bank of the United States and
the Overseas Private Investment Corporation.
Sec. 308. Tax policy with respect to sub-Saharan African countries.
Sec. 309. Bilateral investment treaties.
Sec. 310. Development and trade capacity for sub-Saharan Africa.
Sec. 311. Sense of Congress regarding Liberia.

1 **TITLE I—GENERALIZED SYSTEM**
2 **OF PREFERENCES (GSP) PRO-**
3 **GRAM**

4 **SEC. 101. FINDINGS.**

5 Congress finds that—

6 (1) for more than 30 years, the Generalized
7 System of Preferences (GSP) program under title V
8 of the Trade Act of 1974 (19 U.S.C. 2461 et seq.)
9 has provided a framework of benefits that has
10 helped to promote economic growth and improve
11 standards of living in developing countries, while
12 making United States businesses more competitive
13 and lowering prices for United States consumers;

1 (2) the eligibility requirements of the GSP pro-
2 gram have provided important leverage to the
3 United States to promote improvements in bene-
4 ficiary countries' trade policies, protection of intel-
5 lectual property rights, and protection of inter-
6 nationally recognized worker rights;

7 (3) the GSP program currently is scheduled to
8 expire on December 31, 2006;

9 (4) it is important that the GSP program be
10 extended as soon as possible to ensure the continu-
11 ation of benefits that are critical to many developing
12 countries and to provide United States trading part-
13 ners, as well as United States manufacturers and re-
14 tailers, the predictability necessary to make business
15 and investment decisions for the near and longer-
16 term future;

17 (5) a one-year extension of the GSP program is
18 appropriate, in light of the fact that the United
19 States and its trading partners currently are negoti-
20 ating new agreements as part of the Doha Develop-
21 ment Round of World Trade Organization (WTO)
22 negotiations, which are scheduled to be concluded in
23 2007, and the Doha Development Round agreements
24 are expected to include a new duty-free/quota-free
25 initiative for least developed countries; and

1 (6) the implementation of the duty-free/quota-
2 free initiative will provide an opportunity for Con-
3 gress to evaluate the operation of the GSP program
4 and make any necessary changes to United States
5 preference programs to ensure that the programs
6 continue to promote the interests of both United
7 States workers, farmers, and businesses and devel-
8 oping countries, particularly least developed and low-
9 income developing countries, seeking to expand and
10 improve their economies through increased trade.

11 **SEC. 102. EXTENSION OF GSP PROGRAM.**

12 Section 505 of the Trade Act of 1974 (19 U.S.C.
13 2465) is amended by striking “December 31, 2006” and
14 inserting “December 31, 2007”.

15 **TITLE II—ANDEAN TRADE**
16 **PREFERENCE ACT**

17 **SEC. 201. FINDINGS.**

18 Congress finds that—

19 (1) since 1991, the United States has extended
20 special trade preferences to imports from Bolivia,
21 Colombia, Ecuador and Peru under the Andean
22 Trade Preference Act (19 U.S.C. 3201 et seq.), in-
23 cluding as amended by the Andean Trade Promotion
24 and Drug Eradication Act;

1 (2) the Andean Trade Preference Act has
2 helped to promote economic growth in the Andean
3 region, where per capita gross domestic product
4 (GDP) averages less than \$5,000, while making
5 United States businesses more competitive and low-
6 ering prices for United States consumers;

7 (4) the Andean Trade Preference Act currently
8 is scheduled to expire on December 31, 2006;

9 (5) the United States has negotiated bilateral
10 free trade agreements with Colombia and Peru, and
11 is currently engaged in free trade agreement nego-
12 tiations with Ecuador;

13 (6) it is not clear whether the free trade agree-
14 ments with Colombia and Peru, or a future agree-
15 ment with Ecuador, can be implemented before Jan-
16 uary 1, 2007, and no such agreement is expected to
17 be concluded with Bolivia in 2006;

18 (7) it therefore is important that Congress ex-
19 tend the Andean Trade Preference Act as soon as
20 possible to ensure the continuation of benefits that
21 are critical to the economies of Bolivia, Colombia,
22 Ecuador and Peru, and to provide United States
23 trading partners, as well as United States manufac-
24 turers and retailers, the predictability necessary to

1 make business and investment decisions for the fu-
2 ture; and

3 (8) a one-year extension of the Andean Trade
4 Preference Act is appropriate, in light of the fact
5 that the United States has concluded free trade
6 agreements with Colombia and Peru, and may con-
7 clude negotiations with Ecuador in the near future,
8 and the United States and its trading partners cur-
9 rently are negotiating new agreements as part of the
10 Doha Development Round of World Trade Organiza-
11 tion (WTO) negotiations, which will affect United
12 States trade obligations with respect to the Andean
13 countries.

14 **SEC. 202. EXTENSION OF ANDEAN TRADE PREFERENCE**
15 **ACT.**

16 Section 208 of the Andean Trade Preference Act (19
17 U.S.C. 3206) is amended by striking “December 31,
18 2006” and inserting “December 31, 2007”.

19 **TITLE III—AFRICAN GROWTH**
20 **AND OPPORTUNITY ACT**

21 **SEC. 301. FINDINGS.**

22 Congress finds that—

23 (1) the African Growth and Opportunity Act
24 (19 U.S.C. 3701 et seq.) has helped to spur eco-
25 nomic growth and bolster economic reforms in the

1 countries in sub-Saharan Africa and fostered strong-
2 er economic ties between the countries in sub-Saha-
3 ran Africa and the United States;

4 (2) the African Growth and Opportunity Act
5 has helped to promote investment in sub-Saharan
6 Africa, especially in the textile and apparel sectors;

7 (3) the major challenges facing the often nas-
8 cent textile and apparel sector in sub-Saharan Africa
9 are—

10 (A) unrestrained competition from well-es-
11 tablished, and in some cases, subsidized, pro-
12 ducers, particularly following the January 1,
13 2005, elimination of quotas previously main-
14 tained by members of the World Trade Organi-
15 zation (WTO); and

16 (B) inadequate infrastructure and access
17 to capital and other supply-side constraints;

18 (4) during the first year since the elimination of
19 quotas, United States imports of apparel from sub-
20 Saharan Africa declined by 16 percent, contributing
21 to the closing of dozens of factories and the loss of
22 an estimated 100,000 jobs in the region;

23 (5) the rules of origin under the African
24 Growth and Opportunity Act do not reflect the cur-
25 rent market reality, which is that African textile

1 mills cannot in general produce yarns or fabric in
2 sufficient variety and quantity to meet the needs of
3 African apparel producers or market demand in the
4 United States and other countries;

5 (6) to increase the ability of African apparel
6 manufacturers to meet market demands, the rules of
7 origin under the African Growth and Opportunity
8 Act should be replaced by a simple value-added rule
9 of origin, as advocated by the Commission for Africa
10 and recognized by the World Bank;

11 (7) sustainable development and economic
12 growth in sub-Saharan Africa require the diversifica-
13 tion of the economies of countries in sub-Saharan
14 Africa, utilizing the countries' vast agricultural, nat-
15 ural, and human resources in a just and sustainable
16 manner; and

17 (8) to assist countries in sub-Saharan Africa in
18 developing and diversifying their economies, the
19 United States should continue to pursue trade liber-
20 alization bilaterally and multilaterally, and in addi-
21 tion, the United States should provide the technical
22 assistance needed and identified in the AGOA Com-
23 petitiveness Report, published by the United States
24 Trade Representative in 2005, and establish pro-

1 grams to provide sustainable technical assistance to
2 small- and medium-sized African enterprises.

3 **SEC. 302. DESIGNATION OF ELIGIBLE COUNTRIES.**

4 Section 104 of the African Growth and Opportunity
5 Act (19 U.S.C. 3703) is amended by striking subsection
6 (b) and inserting the following:

7 “(b) CONTINUING COMPLIANCE.—If the President
8 determines that an eligible sub-Saharan African country
9 no longer meets the criteria set forth in subsection (a),
10 including by failing to maintain the institutions described
11 in subparagraphs (A) through (F) of subsection (a)(1),
12 the President may terminate the designation of the coun-
13 try made pursuant to subsection (a) if—

14 “(1) the President transmits to the Congress
15 notice of the proposed designation; and

16 “(2) the Congress, within 90 days after receiv-
17 ing such notice, does not enact a law prohibiting
18 such termination.”.

19 **SEC. 303. UNITED STATES-SUB-SAHARAN AFRICA TRADE**
20 **AND ECONOMIC COOPERATION FORUM.**

21 (a) GRANTS.— In order to ensure that nongovern-
22 mental organizations and the private sector continue to
23 host the annual meetings described in section 105(c)(2)
24 of the African Growth and Opportunity Act (19 U.S.C.
25 3704(c)(2)), the United States Trade Representative, in

1 coordination with the heads of other appropriate Federal
2 departments and agencies, is authorized to provide grants
3 to United States nongovernmental organizations referred
4 to in section 105(c)(2) of that Act and to United States
5 representatives of the private sector referred to in section
6 105(c)(2)(B) of that Act, for the purpose of hosting such
7 meetings.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to the United States Trade
10 Representative to carry out this section such sums as may
11 be necessary.

12 **SEC. 304. TREATMENT OF CERTAIN TEXTILES AND AP-**
13 **PAREL.**

14 (a) CERTAIN OTHER APPAREL ARTICLES THAT ARE
15 BOTH CUT (OR KNIT-TO-SHAPE) AND SEWN OR OTHER-
16 WISE ASSEMBLED IN ONE OR MORE BENEFICIARY SUB-
17 SAHARAN AFRICAN COUNTRIES.—

18 (1) AMENDMENTS.—Section 112(b)(3) of the
19 African Growth and Opportunity Act (19 U.S.C.
20 3721(b)(3)) is amended—

21 (A) in the heading, to read as follows:

22 “CERTAIN OTHER APPAREL ARTICLES THAT
23 ARE BOTH CUT (OR KNIT-TO-SHAPE) AND SEWN
24 OR OTHERWISE ASSEMBLED IN ONE OR MORE

1 BENEFICIARY SUB-SAHARAN AFRICAN COUN-
2 TRIES.—”;

3 (B) by redesignating subparagraphs (A)
4 through (C) as subparagraphs (B) through (D),
5 respectively; and

6 (C) by striking the matter preceding sub-
7 paragraph (B) (as redesignated) and inserting
8 the following new subparagraph:

9 “(A) CERTAIN OTHER APPAREL ARTI-
10 CLES.—

11 “(i) IN GENERAL.—Apparel articles
12 that are both cut (or knit-to-shape) and
13 sewn or otherwise assembled in one or
14 more beneficiary sub-Saharan African
15 countries if—

16 “(I) the articles are imported di-
17 rectly from a beneficiary sub-Saharan
18 African country into the customs ter-
19 ritory of the United States; and

20 “(II) the sum of—

21 “(aa) the cost or value of
22 the materials of the articles pro-
23 duced in the beneficiary sub-Sa-
24 haran African country or any two
25 or more of such beneficiary sub-

1 Saharan African countries or the
2 United States, plus

3 “(bb) the direct costs of
4 processing operations performed
5 in such beneficiary country or
6 such beneficiary countries or the
7 United States,

8 is not less than the applicable percent-
9 age of the appraised value of the arti-
10 cles at the time the articles are im-
11 ported into the customs territory of
12 the United States.

13 “(ii) APPLICABLE PERCENTAGE.—For
14 purposes of clause (i), the term ‘applicable
15 percentage’ means—

16 “(I) 20 percent for the 10-year
17 period beginning October 1, 2006, or
18 the date of the enactment of the
19 Trade Preference Extension and Ex-
20 pansion Act of 2006, whichever occurs
21 later; and

22 “(II) 35 percent thereafter.”.

23 (2) EFFECTIVE DATE; APPLICABILITY.—The
24 amendments made by paragraph (1) shall take effect
25 on October 1, 2006, or the date of the enactment of

1 this Act, whichever occurs later. The preferential
2 treatment described in subsection (a) of section 112
3 of the African Growth and Opportunity Act shall
4 apply to apparel articles described in subparagraph
5 (A) of section 112(b)(3) of such Act (as added by
6 paragraph (1)) that are imported directly into the
7 customs territory of the United States on or after
8 such date.

9 (3) TRANSITION RULE.—The preferential treat-
10 ment described in subsection (a) of section 112 of
11 the African Growth and Opportunity Act shall con-
12 tinue to apply to apparel articles described in the
13 matter preceding subparagraph (A) of section
14 112(b)(3) of such Act (as such section is in effect
15 on the day before the date of the enactment of this
16 Act) that are imported directly into the customs ter-
17 ritory of the United States for—

18 (A) the period beginning on the date of the
19 enactment of this Act and ending March 31,
20 2007, or

21 (B) the 180-day period beginning on the
22 date of the enactment of this Act,

23 whichever occurs later.

24 (b) SPECIAL RULE FOR LESSER DEVELOPED COUN-

25 TRIES.—

1 (1) APPLICABLE PERCENTAGE.—Clause (ii) of
2 section 112(b)(3)(C) of the African Growth and Op-
3 portunity Act (as redesignated by subsection
4 (a)(1)(B) of this section) is amended—

5 (A) in subclause (II), by adding “and” at
6 the end;

7 (B) in subclause (III)—

8 (i) by striking “1-year period” and in-
9 serting “2-year period”; and

10 (ii) by striking “; and” and inserting
11 a period; and

12 (C) by striking subclause (IV).

13 (2) SEPARATE LIMITATION FOR MAURITIUS.—

14 (A) AMENDMENT.—Clause (iv) of section
15 112(b)(3)(C) of the African Growth and Oppor-
16 tunity Act (as redesignated by subsection
17 (a)(1)(B) of this section) is amended to read as
18 follows:

19 “(iv) SEPARATE LIMITATION FOR
20 MAURITIUS.—For the 1-year period begin-
21 ning October 1, 2005, and the 1-year pe-
22 riod beginning October 1, 2006, the term
23 ‘lesser developed beneficiary sub-Saharan
24 African country’ includes Mauritius.”.

1 (B) RETROACTIVE APPLICATION FOR CER-
2 TAIN LIQUIDATIONS AND RELIQUIDATIONS.—

3 (i) IN GENERAL.—Notwithstanding
4 section 514 of the Tariff Act of 1930 (19
5 U.S.C. 1514) or any other provision of
6 law, and subject to clause (ii), the entry of
7 any article—

8 (I) that was made on or after Oc-
9 tober 1, 2005, and before the date of
10 the enactment of this Act, and

11 (II) with respect to which pref-
12 erential treatment under section
13 112(b)(3) of the African Growth and
14 Opportunity Act would have applied if
15 the amendment made by subpara-
16 graph (A) applied with respect to the
17 entry of such article,

18 shall be liquidated or reliquidated as if
19 such amendment applied to the entry of
20 such article.

21 (ii) REQUESTS.—Liquidation or re-
22 liquidation may be made under clause (i)
23 with respect to the entry of an article only
24 if request therefor is filed upon proper re-
25 quest filed with the Bureau of Customs

1 and Border Protection of the Department
2 of Homeland Security within 90 days after
3 the date of the enactment of this Act.

4 (iii) PAYMENT OF AMOUNTS OWED.—

5 Any amounts owed by the United States
6 pursuant to the liquidation or reliquidation
7 made under clause (i) with respect to the
8 entry of an article shall be paid not later
9 180 days after the date of such liquidation
10 or reliquidation.

11 (iv) DEFINITION.—As used in this

12 subparagraph, the term “entry” includes a
13 withdrawal from warehouse for consump-
14 tion.

15 (c) CERTAIN TEXTILE FABRICS AND OTHER MADE

16 UP TEXTILE ARTICLES.—

17 (1) AMENDMENT.—Section 112(b) of the Afri-
18 can Growth and Opportunity Act (19 U.S.C.
19 3721(b)) is amended by adding at the end the fol-
20 lowing new paragraph:

21 “(8) CERTAIN TEXTILE FABRICS AND OTHER
22 MADE UP TEXTILE ARTICLES.—

23 “(A) IN GENERAL.—Notwithstanding sec-
24 tion 503 of the Trade Act of 1974 (19 U.S.C.
25 2463) or any other provision of law, textile fab-

1 rics and other made up textile articles classifi-
2 able under any heading of chapters 50 through
3 60 and chapter 63 of the Harmonized Tariff
4 Schedule of the United States (other than head-
5 ings 5101 through 5105 and headings 5201
6 through 5203 of such Schedule) that are wholly
7 the product of one or more beneficiary sub-Sa-
8 haran African countries.

9 “(B) SURGE MECHANISM.—The require-
10 ments of subparagraph (D) of paragraph (3)
11 shall apply with respect to imports of textile
12 fabrics and other made up textile articles de-
13 scribed in this paragraph to the same extent
14 and in the same manner as such requirements
15 apply with respect to imports of articles de-
16 scribed in paragraph (3).”.

17 (2) EFFECTIVE DATE; APPLICABILITY.—The
18 amendment made by paragraph (1) shall take effect
19 on October 1, 2006, or the date of the enactment of
20 this Act, whichever occurs later. The preferential
21 treatment described in subsection (a) of section 112
22 of the African Growth and Opportunity Act shall
23 apply to textile fabrics and other made up textile ar-
24 ticles described in paragraph (8) of section 112(b) of
25 such Act (as added by paragraph (1)) that are im-

1 ported directly into the customs territory of the
2 United States on or after such date.

3 **SEC. 305. EXECUTIVE BRANCH INITIATIVE ON AGRICULTURE.**
4

5 Section 122(b)(3) of the African Growth and Oppor-
6 tunity Act (19 U.S.C. 3732(b)(3)) is amended to read as
7 follows:

8 “(3) addressing critical agricultural policy
9 issues, in part, by developing a comprehensive plan,
10 which shall be submitted to Congress, and shall take
11 into consideration the October 2005 report of the
12 International Trade Commission on Export Oppor-
13 tunities and Barriers in African Growth and Oppor-
14 tunity Act Eligible Countries and the July 2005 Af-
15 rican Growth and Opportunity Act Competitiveness
16 Report prepared by the Office of the United States
17 Trade Representative, to—

18 “(A) increase market liberalization;

19 “(B) develop agricultural exports;

20 “(C) remove barriers and constraints to
21 United States-Africa agricultural trade;

22 “(D) increase investment in processing and
23 transporting commodities;

24 “(E) develop and increase capacity by
25 working with farmers and farmer groups, espe-

1 cially small farmers, in order to improve pro-
2 ductivity and ability to access local and inter-
3 national markets, as well as address other sup-
4 ply-side constraints;

5 “(F) increase access to vital market infor-
6 mation, including prices, product quality and
7 demand, inputs quality and costs, and customs
8 rules and regulations, for farmers and farmer
9 groups and cooperatives and for relevant gov-
10 ernment ministries; and

11 “(G) enable public-private partnerships in
12 eligible sub-Saharan African countries to pro-
13 mote trade in agricultural products between the
14 United States and eligible sub-Saharan African
15 countries;”.

16 **SEC. 306. OTHER AGRICULTURE PROVISIONS.**

17 (a) ENHANCED TRADE IN AGRICULTURE.—

18 (1) DUTY-FREE ACCESS.—In order to enhance
19 the opportunities for increased agricultural trade,
20 the President shall establish additional duty-free ac-
21 cess for countries designated as beneficiary sub-Sa-
22 haran African countries under section 506A(a)(1) of
23 the Trade Act of 1974 (19 U.S.C. 2466a(a)(1)) for
24 agricultural products governed by tariff-rate quotas
25 as of the date of the enactment of this Act. The ex-

1 panded access for countries described in the pre-
2 ceding sentence shall be subject to a safeguard
3 mechanism to prevent market disruption or the
4 threat of market disruption.

5 (2) AMOUNT.—The amount of additional duty-
6 free access for agricultural products restrained by
7 tariff rate quotas that is established pursuant to
8 paragraph (1) shall be set at a level equal to actual
9 imports of such products from beneficiary sub-Saha-
10 ran African countries during the 12-month period
11 ending September 30, 2005. If an agricultural prod-
12 uct that is restrained by tariff rate quotas was not
13 imported from any beneficiary sub-Saharan African
14 country during the 12-month period ending Sep-
15 tember 30, 2005, the amount of additional duty-free
16 access shall be set at a level equal to that portion
17 of the applicable tariff rate quota that was reserved
18 for “all other countries” for the quota period ending
19 September 30, 2005.

20 (3) ADDITIONAL DUTY-FREE ACCESS.—The
21 President shall annually allocate such additional
22 duty-free access among beneficiary sub-Saharan Af-
23 rican countries—

1 (A) that were net surplus producers of the
2 agricultural product in question during the pre-
3 ceding year; and

4 (B) on the basis of traditional market
5 shares and such other criteria as the President
6 shall consider appropriate, such as the level of
7 economic development of the beneficiary coun-
8 tries, and that are consistent with United
9 States obligations under Article XIII of GATT
10 1994, provided that reasonable access is allo-
11 cated to new entrants.

12 (4) DEFINITION.—As used in paragraph (3),
13 the term “GATT 1994” means the General Agree-
14 ment on Tariffs and Trade annexed to the Agree-
15 ment Establishing the World Trade Organization en-
16 tered into on April 15, 1994.

17 (b) ASSISTANCE TO AGRIBUSINESS.— The Adminis-
18 trator of the United States Agency for International De-
19 velopment is authorized to provide grants in each of fiscal
20 years 2007 through 2020 to governmental and nongovern-
21 mental entities that are located in countries designated as
22 beneficiary sub-Saharan African countries under section
23 506A(a)(1) of the Trade Act of 1974 (19 U.S.C.
24 2466a(a)(1)) and can provide assistance, consultation,
25 and equipment to agribusinesses, particularly small- and

1 medium-sized, locally-owned enterprises, located in those
2 countries in order to enable agricultural products of those
3 businesses to meet the requirements under United States
4 law when imported into the United States. Such funds
5 may be used for grants to national plant protection organi-
6 zations for the purpose of obtaining equipment to achieve
7 the purposes of this subsection.

8 (c) FOREIGN AGRICULTURE SERVICE.— The Sec-
9 retary of Agriculture shall direct the Foreign Agriculture
10 Service (FAS) to work with national African agricultural
11 organizations to identify agricultural equipment and sup-
12 ply needs and implement programs that strengthen the
13 ability of members of African agricultural organizations
14 to fulfill these needs in conjunction with export credit
15 guarantee programs.

16 **SEC. 307. USE OF RESOURCES OF THE EXPORT-IMPORT**
17 **BANK OF THE UNITED STATES AND THE**
18 **OVERSEAS PRIVATE INVESTMENT CORPORA-**
19 **TION.**

20 (a) EXPORT-IMPORT BANK OF THE UNITED
21 STATES.— Section 2(b)(1)(B) of the Export-Import Bank
22 Act of 1945 (12 U.S.C. 635(b)(1)(B) is amended—

- 23 (1) by inserting “(i)” after “(B)”; and
24 (2) by adding at the end the following:

1 “(ii) The Bank shall implement such regulations and
2 procedures as may be appropriate to ensure that full con-
3 sideration is given to the extent to which any loan, guar-
4 antee, insurance, extension of credit, or participation in
5 an extension of credit is likely to have a positive effect
6 on industries, including the textile and apparel industry
7 and agricultural production, in countries designated as
8 beneficiary sub-Saharan African countries under section
9 506A(a)(1) of the Trade Act of 1974 (19 U.S.C.
10 2466a(a)(1)). To carry out the purposes of this clause,
11 the Bank shall work with the Administrator of the United
12 States Agency for International Development, the United
13 States Trade Representative, and the Secretary of Com-
14 merce in identifying opportunities to use the resources of
15 the Bank to encourage industrial and agricultural develop-
16 ment in such beneficiary sub-Saharan African countries.”.

17 (b) EXPORT-IMPORT BANK OF THE UNITED STATES
18 AND THE OVERSEAS PRIVATE INVESTMENT CORPORA-
19 TION.—In order to promote long-term, sustainable growth
20 in the agriculture and textile sectors in countries des-
21 ignated as beneficiary sub-Saharan African countries
22 under section 506A(a)(1) of the Trade Act of 1974 (19
23 U.S.C. 2466a(a)(1)), the President shall direct the head
24 of the Export-Import Bank of the United States and the
25 Overseas Private Investment Corporation to—

1 (1) analyze and report annually on the potential
2 of their operations to contribute to economic devel-
3 opment and job creation in such beneficiary coun-
4 tries with a particular emphasis on the agricultural
5 and textiles sectors; and

6 (2) convene a working group with participation
7 from United States Agency for International Devel-
8 opment, the Department of Commerce, the Depart-
9 ment of Agriculture, as well as representatives from
10 the private sector and civil society, to identify and
11 evaluate specific opportunities for loans, guarantees,
12 insurance, extension of credit or other benefits pro-
13 vided by the Export-Import Bank of the United
14 States and Overseas Private Investment Corporation
15 to be used to promote economic development and job
16 creation in such beneficiary countries with a par-
17 ticular emphasis on the agricultural and textiles sec-
18 tors.

19 **SEC. 308. TAX POLICY WITH RESPECT TO SUB-SAHARAN AF-**
20 **RICAN COUNTRIES.**

21 (a) DEVELOPMENT OF DOMESTIC TAX POLICIES TO
22 REPLACE LOST TRADE TAX REVENUES.—

23 (1) FINDINGS.—Congress finds that—

24 (A) trade tax revenues remain important
25 in many countries designated as beneficiary

1 sub-Saharan African countries under section
2 506A(a)(1) of the Trade Act of 1974 (19
3 U.S.C. 2466a(a)(1));

4 (B) studies conducted by the International
5 Monetary Fund show that the revenue losses a
6 developing country experiences due to trade lib-
7 eralization can be recovered by improving the
8 domestic tax system in the affected country;
9 and

10 (C) technical assistance provided by the
11 United States to such beneficiary countries in
12 fiscal or economic policy programs has focused
13 on tax system enhancement or development that
14 has been helpful in moving tax regimes away
15 from trade-related tax revenue toward other tax
16 revenue sources.

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

19 (A) the United States Agency for Inter-
20 national Development, in cooperation with the
21 Department of the Treasury, the International
22 Monetary Fund, the International Bank for Re-
23 construction and Development, and the African
24 Development Bank, should exercise the authori-
25 ties it has to continue to provide technical as-

1 sistance to countries designated as beneficiary
2 sub-Saharan African countries under section
3 506A(a)(1) of the Trade Act of 1974 (19
4 U.S.C. 2466a(a)(1)) in tax policy, revenue ad-
5 ministration, and anti-corruption efforts; and

6 (B) particular focus should be given to
7 projects that assist such beneficiary countries in
8 developing domestic policies and measures to
9 replace lost trade tax revenues resulting from
10 trade liberalization.

11 (b) **DOUBLE TAXATION TREATIES WITH ELIGIBLE**
12 **SUB-SAHARAN AFRICAN COUNTRIES.**—In order to en-
13 courage investment in and certainty in the movement of
14 capital, the Secretary of the Treasury shall seek negotia-
15 tions with those countries designated as beneficiary sub-
16 Saharan African countries under section 506A(a)(1) of
17 the Trade Act of 1974 (19 U.S.C. 2466a(a)(1)) which the
18 Secretary determines will benefit most from an income tax
19 treaty with the United States.

20 **SEC. 309. BILATERAL INVESTMENT TREATIES.**

21 In order to encourage investment in countries des-
22 ignated as beneficiary sub-Saharan African countries
23 under section 506A(a)(1) of the Trade Act of 1974 (19
24 U.S.C. 2466a(a)(1)) and reduce the uncertainties that
25 arise from investing in developing countries, the United

1 States Trade Representative shall seek to negotiate, with
2 interested eligible sub-Saharan African countries, bilateral
3 investment agreements. Any such agreement shall comply
4 with section 2102(b)(3) of the Trade Act of 2002 (19
5 U.S.C. 3802(b)(3)).

6 **SEC. 310. DEVELOPMENT AND TRADE CAPACITY FOR SUB-**
7 **SAHARAN AFRICA.**

8 (a) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that—

10 (1) sub-Saharan Africa faces critical challenges
11 to economic growth and progress toward the United
12 Nations Millennium Development Goals (as con-
13 tained United Nations General Assembly Resolution
14 55/2 (September 2000));

15 (2) the January 1, 2005, elimination of textile
16 and apparel quotas previously maintained by mem-
17 bers of the World Trade Organization (WTO) and
18 competition from subsidized producers in countries
19 such as the People’s Republic of China continue to
20 reverse the economic gains in sub-Saharan Africa
21 that resulted from implementation of the African
22 Growth and Opportunity Act (19 U.S.C. 3701 et
23 seq.); and

24 (3) the United States should play a leadership
25 role in expanding trade benefits to sub-Saharan Af-

1 rica and providing a substantial increase in develop-
2 ment and trade capacity assistance for sub-Saharan
3 Africa.

4 (b) ASSISTANCE.—In order to give sub-Saharan Afri-
5 ca the necessary infrastructure and industry-building as-
6 sistance needed for sustainable economic development, the
7 President shall—

8 (1) provide targeted capacity building assist-
9 ance through bilateral assistance and seek to estab-
10 lish a multilateral capacity-building fund or facility
11 for Africa, potentially within the World Bank, in a
12 gender-sensitive manner, aimed at—

13 (A) diversifying the economies of sub-Sa-
14 haran Africa, in part by promoting the growth
15 of sub-Saharan Africa’s agricultural sector;

16 (B) increasing the production of value-
17 added agriculture and food products;

18 (C) lowering costs and increasing effi-
19 ciencies relating to the transport of food and
20 agriculture;

21 (D) increasing food storage capacity;

22 (E) improving dissemination of market in-
23 formation for farmers and farmer groups;

24 (F) providing technical assistance to small-
25 and medium-sized enterprises;

1 (G) providing technical assistance to local
2 retail banks to provide loans to small- and me-
3 dium-sized enterprises;

4 (H) facilitating the transfer of manufac-
5 turing and food production technology;

6 (I) raising labor standards and produc-
7 tivity; and

8 (J) promoting the rule of law, contract en-
9 forcement, and government transparency in the
10 administration of trade and economic policy;

11 (2) provide targeted assistance to sub-Saharan
12 Africa to ensure the formal recognition of land and
13 property rights in urban and rural settings to in-
14 crease access to capital and thereby promote eco-
15 nomic growth and investment, including training and
16 capacity building programs, as well as multilateral
17 aid, aimed at local legal officials, policymakers, and
18 nongovernmental organizations regarding property
19 law, surveying, land registration, and land use plan-
20 ning;

21 (3) coordinate efforts under paragraph (2) with
22 multinational organizations such as the World Bank,
23 African Development Bank, and the High Level
24 Commission on Legal Empowerment of the Poor;
25 and

1 (4) establish a Legal Aid Corps, comprised of
2 legally-trained volunteers from the United States, to
3 provide technical advice to countries of sub-Saharan
4 Africa regarding property law, surveying, land reg-
5 istration, and land use planning.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
7 authorized to be appropriated to the President to carry
8 out this section such sums as may be necessary.

9 **SEC. 311. SENSE OF CONGRESS REGARDING LIBERIA.**

10 It is the sense of Congress that—

11 (1) the October 2005 presidential elections in
12 Liberia represented a key step in building peace in
13 Liberia, following nearly two decades of civil war;

14 (2) the election of Ms. Ellen Johnson Sirleaf as
15 President of Liberia marks an important milestone
16 for Africa, as President Johnson Sirleaf is the first
17 elected female president in African history;

18 (3) in her inaugural address, President Johnson
19 Sirleaf laid out a detailed, multifaceted governance
20 agenda emphasizing security, public and private-sec-
21 tor led economic revitalization, good governance and
22 anti-corruption efforts, regional and international co-
23 operation, and political reconciliation and inclusive-
24 ness;

1 (4) President Johnson Sirleaf also has made
2 improving worker rights a high priority, including
3 through the repeal of a decree to prohibit strikes
4 and inviting the International Labor Organization
5 (ILO) to assist Liberia in bringing its laws into con-
6 formity with its ILO obligations; and

7 (5) in light of the recent progress in Liberia,
8 the President should make a determination as soon
9 as possible, pursuant to section 104(a) of the Afri-
10 can Growth and Opportunity Act (19 U.S.C.
11 3703(a)), regarding whether to designate Liberia as
12 eligible for trade benefits under the African Growth
13 and Opportunity Act.

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