

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5070

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

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## 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

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## 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(e)(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 igned 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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