

111TH CONGRESS  
1ST SESSION

# H. R. 4101

To amend the African Growth and Opportunity Act and the Trade Act of 1974 to provide improved duty-free treatment for certain articles from certain least-developed countries, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2009

Mr. McDERMOTT introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the African Growth and Opportunity Act and the Trade Act of 1974 to provide improved duty-free treatment for certain articles from certain least-developed countries, 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 AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “New Partnership for Trade Development Act of 2009”.

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

Sec. 1. Short title and table of contents.

Sec. 2. Expanded benefits and alternative rule of origin for articles of sub-Saharan African countries.

Sec. 3. Expanded benefits and rule of origin for articles of other least-developed beneficiary countries.

Sec. 4. Review of import-restricted articles under Generalized System of Preferences.

Sec. 5. Factors affecting country designation under Generalized System of Preferences.

Sec. 6. Rule of origin under Generalized System of Preferences.

Sec. 7. Extension of Generalized System of Preferences.

Sec. 8. Office of Trade and Competitiveness for Least Developed and African Countries.

1 **SEC. 2. EXPANDED BENEFITS AND ALTERNATIVE RULE OF**  
 2 **ORIGIN FOR ARTICLES OF SUB-SAHARAN AF-**  
 3 **RICAN COUNTRIES.**

4 (a) IN GENERAL.—The African Growth and Oppor-  
 5 tunity Act (19 U.S.C. 3701 et seq.) is amended by insert-  
 6 ing after section 112 the following new section:

7 **“SEC. 112A. EXPANDED BENEFITS AND ALTERNATIVE RULE**  
 8 **OF ORIGIN FOR ARTICLES OF SUB-SAHARAN**  
 9 **AFRICAN COUNTRIES.**

10 “(a) DUTY-FREE TREATMENT.—The President shall,  
 11 subject to section 503(b) of the Trade Act of 1974 (19  
 12 U.S.C. 2463(b)), provide duty-free treatment in accord-  
 13 ance with this section for all articles from qualified bene-  
 14 ficiary sub-Saharan African countries designated under  
 15 subsection (b), and such articles shall not be subject to  
 16 any quantitative limitation.

17 “(b) DESIGNATED COUNTRIES.—The President shall  
 18 designate as a qualified beneficiary sub-Saharan African  
 19 country for purposes of this section any country that is

1 designated as an eligible sub-Saharan African country  
2 under section 104 of this Act.

3       “(c) RULE OF ORIGIN.—The rule of origin require-  
4 ments described in section 503(a)(2) of the Trade Act of  
5 1974 (19 U.S.C. 2463(a)(2)) shall apply with respect to  
6 a determination to provide duty-free treatment under this  
7 section to any article from a qualified beneficiary sub-Sa-  
8 haran African country designated under subsection (b) to  
9 the same extent and in the same manner as the rule of  
10 origin requirements described in such section 503(a)(2)  
11 apply with respect to a determination to provide duty-free  
12 treatment under title V of the Trade Act of 1974 (19  
13 U.S.C. 2461 et seq.) to any article from a beneficiary de-  
14 veloping country.

15       “(d) TERMINATION.—

16               “(1) IN GENERAL.—The preferential treatment  
17 under this section shall terminate—

18                       “(A) at the close of December 31, 2015; or

19                       “(B) except as provided in paragraph (2),  
20 if the President makes a determination and cer-  
21 tification to Congress that there is a successful  
22 conclusion to the World Trade Organization’s  
23 Doha Development Agenda Round of Negotia-  
24 tions on or before the date specified in subpara-  
25 graph (A), at the close of December 31, 2019.

1           “(2) EXCEPTION.—The preferential treatment  
2           under this section shall apply with respect to all arti-  
3           cles from a qualified beneficiary sub-Saharan Afri-  
4           can country designated under subsection (b) after  
5           December 31, 2019, as follows:

6                   “(A) For the 5-year period beginning on  
7                   January 1, 2020, such country is determined by  
8                   the Economic and Social Council of the United  
9                   Nations to be ‘Least Developed’, as of March  
10                  31, 2019.

11                  “(B) For each successive 5-year period  
12                  thereafter, such country is determined by the  
13                  Economic and Social Council of the United Na-  
14                  tions to be ‘Least Developed’, as of March 31  
15                  of the last year of the preceding 5-year pe-  
16                  riod.”.

17           (b) LESSER DEVELOPED COUNTRIES.—Section  
18           112(c)(1) of the African Growth and Opportunity Act (19  
19           U.S.C. 3721(c)(1)) is amended—

20                   (1) in the heading, by striking “SEPTEMBER 30,  
21                   2012” and inserting “SEPTEMBER 30, 2015”;

22                   (2) in subparagraph (A), by striking “Sep-  
23                   tember 30, 2012” and inserting “September 30,  
24                   2015”; and

1           (3) in subparagraph (B)(ii), by striking “Sep-  
2           tember 30, 2012” and inserting “September 30,  
3           2015”.

4           (c) EFFECTIVE DATE; TRANSITION RULE.—

5           (1) EFFECTIVE DATE.—The amendments made  
6           by subsection (a) and (b) take effect on the date of  
7           the enactment of this Act.

8           (2) TRANSITION RULE.—During the period be-  
9           ginning on the date of the enactment of this Act and  
10          ending at the close of September 30, 2015, any arti-  
11          cle to which section 112A of the African Growth and  
12          Opportunity Act (as added by subsection (a) of this  
13          section) applies may be entered, at the option of the  
14          importer, pursuant to—

15                 (A) section 112A of the African Growth  
16                 and Opportunity Act; or

17                 (B) section 503 or 506A of the Trade Act  
18                 of 1974 or section 112 of the African Growth  
19                 and Opportunity Act, as the case may be.

20          (d) REPEAL.—Effective October 1, 2015, section 112  
21          of the African Growth and Opportunity Act (19 U.S.C.  
22          3721) is repealed.

23          (e) CLERICAL AMENDMENTS.—

24                 (1) IN GENERAL.—The table of contents for the  
25          Trade and Development Act of 2000 is amended by

1 inserting after the item relating to section 112 the  
2 following:

“112A. Expanded benefits and alternative rule of origin for articles of sub-Saharan African countries.”.

3 (2) REPEALS.—Effective October 1, 2015, the  
4 item relating to section 112 of the African Growth  
5 and Opportunity Act (19 U.S.C. 3721) in the table  
6 of contents for that Act is repealed.

7 **SEC. 3. EXPANDED BENEFITS AND RULE OF ORIGIN FOR**  
8 **ARTICLES OF OTHER LEAST-DEVELOPED**  
9 **BENEFICIARY COUNTRIES.**

10 (a) IN GENERAL.—Title V of the Trade Act of 1974  
11 (19 U.S.C. 2461 et seq.) is amended by inserting after  
12 section 506B the following new section:

13 **“SEC. 506C. EXPANDED BENEFITS AND RULE OF ORIGIN**  
14 **FOR ARTICLES OF OTHER LEAST-DEVELOPED**  
15 **BENEFICIARY COUNTRIES.**

16 “(a) DUTY-FREE TREATMENT.—The President shall,  
17 subject to section 503(b), provide duty-free treatment in  
18 accordance with this section for all articles from qualified  
19 least-developed beneficiary countries designated under  
20 subsection (b), and such articles shall not be subject to  
21 any quantitative limitation.

22 “(b) DESIGNATED COUNTRIES.—The President shall  
23 designate as a qualified beneficiary country for purposes

1 of this section any country that meets the following re-  
2 quirements:

3           “(1) For the period beginning on the date of  
4 the enactment of this section and ending at the close  
5 of December 31, 2014, the country is determined by  
6 the Economic and Social Council of the United Na-  
7 tions to be ‘Least Developed’, as of March 31, 2009.  
8 For the period beginning on January 1, 2015, and  
9 ending at the close of December 31, 2019, the coun-  
10 try is determined by the Economic and Social Coun-  
11 cil of the United Nations to be ‘Least Developed’, as  
12 of March 31, 2014.

13           “(2) The country is not eligible for designation  
14 as an eligible sub-Saharan African country under  
15 section 104 of the African Growth and Opportunity  
16 Act because the country is not listed under section  
17 107 of that Act, but otherwise meets the require-  
18 ments of such section 104.

19           “(3) The country otherwise meets the eligibility  
20 criteria set forth in section 502, subject to the au-  
21 thority granted to the President under subsections  
22 (a), (d), and (e) of such section.

23           “(c) RULE OF ORIGIN.—The rule of origin require-  
24 ments described in section 503(a)(2) shall apply with re-  
25 spect to a determination to provide duty-free treatment

1 under this section to any article from a qualified least-  
2 developed beneficiary country designated under subsection  
3 (b) to the same extent and in the same manner as the  
4 rule of origin requirements described in such section  
5 503(a)(2) apply with respect to a determination to provide  
6 duty-free treatment under this title to any article from a  
7 beneficiary developing country.

8 “(d) ADJUSTMENT RULE FOR DUTY-FREE TREAT-  
9 MENT FOR ARTICLES OF SIGNIFICANT APPAREL SUP-  
10 PLIERS.—

11 “(1) IN GENERAL.—In each applicable 1-year  
12 period, in the case of an article described in para-  
13 graph (2) that is the growth, product, or manufac-  
14 ture of a qualified least-developed beneficiary coun-  
15 try that is a significant apparel supplier, the pref-  
16 erential treatment under subsection (a) shall be lim-  
17 ited to 50 percent of the aggregate square meter  
18 equivalent of the combined product categories of  
19 such products that entered from that country in cal-  
20 endar year 2007.

21 “(2) ARTICLES.—The articles referred to in  
22 paragraph (1) are the following:

23 “(A) Men’s and boys’ trousers, breeches,  
24 and shorts made with cotton or manmade fibers



1 (textile and apparel category numbers 347 and  
2 647).

3 “(B) Women’s and girls’ trousers, slacks,  
4 breeches, and shorts made with cotton or man-  
5 made fibers (textile and apparel category num-  
6 bers 348 and 648).

7 “(C) Men’s and boys’ knit shirts made  
8 from cotton or man-made fibers (textile and ap-  
9 parel category numbers 338 and 638).

10 “(D) Women’s and girls’ knit shirts and  
11 blouses made from cotton or man-made fibers  
12 (textile and apparel category numbers 339 and  
13 639).

14 “(E) Men’s and boys’ shirts, not knit,  
15 made from cotton or man-made fibers (textile  
16 and apparel category numbers 340 and 640).

17 “(F) Women’s and girls’ shirts and  
18 blouses, non-knit, made from cotton or man-  
19 made fibers (textile and apparel category num-  
20 bers 341 and 641).

21 “(G) Men’s and boys’ coats made from cot-  
22 ton or man-made fibers (textile and apparel cat-  
23 egory numbers 333, 334, 633, 634, and 643).

1           “(H) Women’s and girls’ coats made from  
2           cotton or man-made fibers (textile and apparel  
3           category numbers 335, 635, and 644).

4           “(3) ALTERNATIVE ADJUSTMENT RULE FOR  
5           SIGNIFICANT APPAREL SUPPLIERS.—

6           “(A) IN GENERAL.—If a qualified least-de-  
7           veloped beneficiary country that is a significant  
8           apparel supplier qualifies under subparagraph  
9           (B) for the integration incentive for a fiscal  
10          year after fiscal year 2010, then the quan-  
11          titative limitation under paragraph (1) for that  
12          calendar year shall be increased by 10 percent-  
13          age points over the quantitative limitation that  
14          applied to that country in the preceding fiscal  
15          year.

16          “(B) INTEGRATION INCENTIVE.—A signifi-  
17          cant apparel supplier qualifies for the integra-  
18          tion incentive if not less than 50 percent of the  
19          aggregate square meter equivalents of the arti-  
20          cles listed in paragraph (2)(A) that entered  
21          from that country in the preceding fiscal year  
22          are composed of yarns or fabrics or components  
23          made of yarns or fabrics that originate in bene-  
24          ficiary developing countries under this title or

1 are in countries that are party to a free trade  
2 agreement with the United States.

3 “(C) REPORT.—The International Trade  
4 Commission shall submit to Congress annually  
5 by December 31 of each year a report on the  
6 aggregate textile and apparel imports of each  
7 qualified least-developed beneficiary country  
8 that is a significant apparel supplier from each  
9 country that is ‘Least Developed’ (as deter-  
10 mined by the Economic and Social Council of  
11 the United Nations) and publish such report in  
12 the Federal Register.

13 “(4) DEFINITIONS.—In this subsection:

14 “(A) APPLICABLE 1-YEAR PERIOD.—The  
15 term ‘applicable 1-year period’ means the 1-  
16 year period beginning January 1, 2010, and  
17 each 1-year period thereafter until December  
18 31, 2019.

19 “(B) SIGNIFICANT APPAREL SUPPLIER.—  
20 The term ‘significant apparel supplier’ means a  
21 qualified least-developed beneficiary country  
22 from which total apparel imports in a calendar  
23 year exceed 2 percent of the aggregate square  
24 meter equivalents of all apparel imports in such  
25 year.

1           “(C) TEXTILE AND APPAREL CATEGORY  
2 NUMBER.—The term ‘textile and apparel cat-  
3 gory number’ means the number assigned  
4 under the U.S. Textile and Apparel Category  
5 System of the Office of Textiles and Apparel of  
6 the Department of Commerce, as listed in the  
7 Harmonized Tariff Schedule of the United  
8 States under the applicable heading or sub-  
9 heading (as in effect on September 1, 2007).

10           “(5) TERMINATION.—The adjustment rule pro-  
11 visions of this subsection shall terminate—

12                   “(A) at the close of December 31, 2015; or

13                   “(B) if the President makes a determina-  
14 tion and certification to Congress in accordance  
15 with subsection (e)(1)(B), at the close of De-  
16 cember 31, 2019.

17           “(e) TERMINATION.—

18                   “(1) IN GENERAL.—The preferential treatment  
19 under this section shall terminate—

20                   “(A) at the close of December 31, 2015; or

21                   “(B) except as provided in paragraph (2),  
22 if the President makes a determination and cer-  
23 tification to Congress that there is a successful  
24 conclusion to the World Trade Organization’s  
25 Doha Development Agenda Round of Negotia-

1           tions on or before the date specified in subpara-  
2           graph (A), at the close of December 31, 2019.

3           “(2) EXCEPTION.—The preferential treatment  
4           under this section shall apply with respect to all arti-  
5           cles from a qualified least-developed beneficiary  
6           country designated under subsection (b) after De-  
7           cember 31, 2019, as follows:

8                   “(A) For the 5-year period beginning on  
9                   January 1, 2020, such country is determined by  
10                  the Economic and Social Council of the United  
11                  Nations to be ‘Least Developed’, as of March  
12                  31, 2019.

13                   “(B) For each successive 5-year period  
14                   thereafter, such country is determined by the  
15                   Economic and Social Council of the United Na-  
16                   tions to be ‘Least Developed’, as of March 31  
17                   of the last year of the preceding 5-year pe-  
18                   riod.”.

19           (b) CLERICAL AMENDMENT.—The table of contents  
20           for the Trade Act of 1974 is amended by inserting after  
21           the item relating to section 506B the following:

                  “506C. Expanded benefits and rule of origin for articles of other least-developed  
                  beneficiary countries.”.

22           **SEC. 4. REVIEW OF IMPORT-RESTRICTED ARTICLES UNDER**  
23   **GENERALIZED SYSTEM OF PREFERENCES.**

24           (a) TRADE AND DEVELOPMENT REVIEW PANEL.—

1           (1) IN GENERAL.—The President shall establish  
2 a Trade and Development Review Panel (in this sec-  
3 tion referred to as the “Panel”).

4           (2) MEMBERSHIP.—The Panel shall be com-  
5 prised of not more than ten members, including the  
6 heads of the United States Agency for International  
7 Development, the Department of State, the United  
8 States Trade Representative, the International  
9 Trade Commission, and such other individuals se-  
10 lected pursuant to paragraph (3).

11          (3) OTHER MEMBERS.—The President shall se-  
12 lect members of the Panel (other than the heads of  
13 the agencies referred to in paragraph (2)), from  
14 among individuals of the general public with sub-  
15 stantive expertise in the matters to be carried out by  
16 the Panel, after consultation with the Chairman and  
17 Ranking Member of the Committees on Ways and  
18 Means and Foreign Affairs of the House of Rep-  
19 resentatives and the Committees on Finance and  
20 Foreign Relations of the Senate.

21          (4) CHAIRPERSONS.—The Panel shall be co-  
22 chaired by the United States Trade Representative  
23 and the Administrator of the United States Agency  
24 for International Development.

25          (5) DUTIES.—

1 (A) IN GENERAL.—The Panel shall carry  
2 out the duties described in subparagraph (C) of  
3 section 503(d)(1) of the Trade Act of 1974 (19  
4 U.S.C. 2463(d)(1)), as amended by subsection  
5 (b)(1) of this section.

6 (B) METHODOLOGY.—The Panel shall em-  
7 ploy procedures that provide a maximum  
8 amount of transparency into the decisionmaking  
9 process of the Panel, and to the extent prac-  
10 ticable establish quantitative benchmarks that  
11 are used for decisionmaking purposes.

12 (6) TERMS.—Members shall serve five-year  
13 terms and may be reappointed.

14 (7) COOPERATION.—The Panel, at its request,  
15 is authorized to request and obtain information and  
16 analysis from any Federal department or agency.

17 (b) RECOMMENDATIONS TO THE PRESIDENT.—Sec-  
18 tion 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d))  
19 is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (B), by striking  
22 “and” at the end;

23 (B) by redesignating subparagraph (C) as  
24 subparagraph (E);

1 (C) by inserting after subparagraph (B)  
2 the following new subparagraphs:

3 “(C) receives the advice of the Trade and De-  
4 velopment Review Panel established in accordance  
5 with section 4(a) of the New Partnership for Trade  
6 Development Act on whether denying such waiver  
7 would improve the development, with an emphasis  
8 on job creation, in beneficiary developing countries  
9 with lower indicators of development, as determined  
10 by the President,

11 “(D) determines, based on the advice described  
12 in subparagraph (C), that denying such waiver is in  
13 the national economic interest of the United States  
14 or in the economic interest of such other beneficiary  
15 developing countries, and”; and

16 (D) in subparagraph (E), as redesignated  
17 pursuant to subparagraph (B) of this para-  
18 graph, by striking “subparagraph (B)” and in-  
19 serting “subparagraphs (B) and (D)”;

20 (2) by striking paragraph (4); and

21 (3) by redesignating paragraph (5) as para-  
22 graph (4).

23 (c) DESIGNATION OF ARTICLES AS ELIGIBLE FOR  
24 PREFERENTIAL TREATMENT.—Section 503(b) of the  
25 Trade Act of 1974 (19 U.S.C. 2463(b)) is amended—



1           (1) in paragraph (1), by striking “The Presi-  
2           dent” and inserting “Except as provided in para-  
3           graph (5), the President”;

4           (2) in paragraph (3), by striking “No quantity”  
5           and inserting “Except as provided in paragraph (5),  
6           no quantity”; and

7           (3) by adding at the end the following new  
8           paragraph:

9           “(5) DESIGNATION OF ARTICLES AS ELIGIBLE  
10          FOR PREFERENTIAL TREATMENT.—

11           “(A) IN GENERAL.—The President may  
12           designate an article described in paragraph (1)  
13           or (3) as an eligible article under subsection (a)  
14           if the article meets the requirements of sub-  
15           paragraph (B).

16           “(B) REQUIREMENTS.—An article meets  
17           the requirements of this subparagraph if the  
18           Secretary of Commerce and the International  
19           Trade Commission determine, not later than  
20           three years after the date of the enactment of  
21           this paragraph, that—

22           “(i) the application of duty-free treat-  
23           ment under this title to the article would  
24           not cause or threaten to cause material  
25           harm to a United States producer of the

1 same or a like article or to a United States  
2 supplier of inputs or components to the  
3 same or a like article; and

4 “(ii) not applying such duty-free  
5 treatment to the article would cause or  
6 threaten to cause material harm to pro-  
7 ducers of the article in any of the countries  
8 described in clauses (i) through (iv) of sub-  
9 paragraph (A).”.

10 **SEC. 5. FACTORS AFFECTING COUNTRY DESIGNATION**  
11 **UNDER GENERALIZED SYSTEM OF PREF-**  
12 **ERENCES.**

13 (a) IN GENERAL.—Section 502(c) of the Trade Act  
14 of 1974 (19 U.S.C. 2462(c)) is amended—

15 (1) in paragraph (6)(B), by striking “and” at  
16 the end;

17 (2) in paragraph (7), by striking the period at  
18 the end and inserting “; and”; and

19 (3) by adding at the end the following new  
20 paragraph:

21 “(8) with respect to a country that is des-  
22 ignated as ‘Upper Middle-Income’ by the Inter-  
23 national Bank for Reconstruction and Development  
24 and the International Development Association or  
25 that has a gross national income of at least

1       \$1,000,000,000,000, the extent to which such coun-  
2       try provides meaningful preferential market access  
3       to articles from countries that are ‘Least Developed’  
4       (as determined by the Economic and Social Council  
5       of the United Nations) or are designated as an eligi-  
6       ble sub-Saharan African country under section 104  
7       of the African Growth and Opportunity Act.”.

8       (b) BENCHMARKS AND PUBLIC TRANSPARENCY.—In  
9       making a determination of whether or not to designate  
10      a country as a beneficiary developing country under sec-  
11      tion 502 of the Trade Act of 1974, or as an eligible sub-  
12      Saharan African country under section 104 of the African  
13      Growth and Opportunity Act, the President shall establish  
14      and publish in the Federal Register clear and consistent  
15      benchmarks that will be used to determine the basis of  
16      eligibility for a country at issue, as well as a timeline for  
17      regular reviews. The President shall also implement proce-  
18      dures to ensure that the analysis and decisionmaking be-  
19      hind any such determination is transparent to the public.

20      (c) EFFECTIVE DATE.—The amendments made by  
21      subsection (a) shall apply with respect to the designation  
22      of a country as a “beneficiary developing country” under  
23      title V of the Trade Act of 1974 on or after the date of  
24      the enactment of this Act.

1 **SEC. 6. RULE OF ORIGIN UNDER GENERALIZED SYSTEM OF**  
2 **PREFERENCES.**

3 (a) IN GENERAL.—Paragraph (2) of section 503(a)  
4 of the Trade Act of 1974 (19 U.S.C. 2463(a) is amended  
5 to read as follows:

6 “(2) RULE OF ORIGIN.—

7 “(A) IN GENERAL.—The duty-free treat-  
8 ment provided under this title shall apply to  
9 any article that is the growth, product, or man-  
10 ufacture of a beneficiary developing country  
11 if—

12 “(i) the article is imported directly  
13 from such country into the customs terri-  
14 tory of the United States; and

15 “(ii) the sum of—

16 “(I) the cost or value of the ma-  
17 terials produced in 1 or more bene-  
18 ficiary developing countries, plus

19 “(II) the direct costs of proc-  
20 essing operations performed in 1 or  
21 more beneficiary developing countries,  
22 is not less than 35 percent of the ap-  
23 praised value of the article at the time it  
24 is entered.

1           “(B) DETERMINATION OF PERCENTAGE.—

2           For purposes of determining the percentage re-  
3           ferred to in subparagraph (A)(ii)—

4                   “(i) with respect to a textile or ap-  
5                   parel article, the cost or value of materials  
6                   produced in a beneficiary developing coun-  
7                   try includes the full value of any material,  
8                   regardless of the origin of the material, if  
9                   the material is both cut (or knit to shape)  
10                  and sewn or otherwise assembled into such  
11                  article in one or more beneficiary devel-  
12                  oping countries; and

13                   “(ii) the term ‘beneficiary developing  
14                   country’ includes the Commonwealth of  
15                   Puerto Rico and the United States Virgin  
16                   Islands. If the cost or value of materials  
17                   produced in the customs territory of the  
18                   United States (other than the Common-  
19                   wealth of Puerto Rico) is included with re-  
20                   spect to an article to which this paragraph  
21                   applies, an amount not to exceed 15 per-  
22                   cent of the appraised value of the article at  
23                   the time it is entered that is attributed to  
24                   such United States cost or value may be

1 applied toward determining the percentage  
2 referred to in subparagraph (A)(ii).

3 “(C) EXCLUSIONS.—An article shall not be  
4 treated as the growth, product, or manufacture  
5 of a beneficiary developing country by virtue of  
6 having merely undergone—

7 “(i) simple combining or packaging  
8 operations; or

9 “(ii) mere dilution with water or mere  
10 dilution with another substance that does  
11 not materially alter the characteristics of  
12 the article.

13 “(D) SETS.—Notwithstanding the other  
14 provisions of this paragraph, textile or apparel  
15 articles classifiable under General Rule of Inter-  
16 pretation 3 of the Harmonized Schedule of the  
17 United States as articles put up in sets for re-  
18 tail sale shall not be eligible for duty-free treat-  
19 ment under this title unless each of the articles  
20 in the set is an eligible article for purposes of  
21 this title or the total value of the ineligible arti-  
22 cles in the set does not exceed ten percent of  
23 the appraised value of the set.

24 “(E) DEFINITIONS.—In this subsection:

1                   “(i) DIRECT COSTS OF PROCESSING  
2 OPERATIONS.—The term ‘direct costs of  
3 processing operations’—

4                   “(I) includes—

5                   “(aa) all actual labor costs  
6 involved in the growth, produc-  
7 tion, manufacture, or assembly of  
8 the article concerned, including  
9 fringe benefits, on-the-job train-  
10 ing, and the cost of engineering,  
11 supervisory, quality control, and  
12 similar personnel; and

13                   “(bb) dies, molds, tooling,  
14 and depreciation on machinery  
15 and equipment that are allocable  
16 to the article; and

17                   “(II) does not include costs that  
18 are not directly attributable to the ar-  
19 ticle concerned or are not costs of  
20 manufacturing the article, such as—

21                   “(aa) profit; and

22                   “(bb) general expenses of  
23 doing business that are either not  
24 allocable to the article or are not  
25 related to the growth, production,

1 manufacture, or assembly of the  
2 article, such as administrative  
3 salaries, casualty and liability in-  
4 surance, advertising, interest,  
5 and salaries, commissions, or ex-  
6 penses of sales personnel.

7 “(ii) TEXTILE OR APPAREL ARTI-  
8 CLE.—The term ‘textile or apparel article’  
9 means any article classifiable under any of  
10 the following provisions of the Harmonized  
11 Tariff Schedule of the United States:

12 “(I) Chapters 50 through 63.

13 “(II) Headings 6501, 6502,  
14 6503, or 6504.

15 “(III) Subheadings 6406.99 or  
16 6505.90.”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 subsection (a) shall apply with respect to the entry, or  
19 withdrawal from warehouse for consumption, of eligible  
20 articles from a beneficiary developing country on or after  
21 the date of the enactment of this Act.



1 **SEC. 7. EXTENSION OF GENERALIZED SYSTEM OF PREF-**  
2 **ERENCES.**

3 Section 505 of the Trade Act of 1974 (19 U.S.C.  
4 2465) is amended by striking “December 31, 2009” and  
5 inserting “December 31, 2019”.

6 **SEC. 8. OFFICE OF TRADE AND COMPETITIVENESS FOR**  
7 **LEAST DEVELOPED AND AFRICAN COUN-**  
8 **TRIES.**

9 (a) ESTABLISHMENT OF OFFICE.—

10 (1) IN GENERAL.—There shall be established  
11 within the Executive Office of the President an Of-  
12 fice of Trade and Competitiveness for Least Devel-  
13 oped and African Countries (hereafter referred to as  
14 the “Office”) that will be responsible for planning,  
15 developing, and coordinating trade capacity building  
16 and private sector competitiveness programs for  
17 Least Developed and African countries.

18 (2) LEAST DEVELOPED AND AFRICAN COUN-  
19 TRIES DEFINED.—For purposes of this section, the  
20 term “Least Developed and African countries”  
21 means a qualified beneficiary sub-Saharan African  
22 country designated under section 112A of the Afri-  
23 can Growth and Opportunity Act (as added by sec-  
24 tion 2 of this Act) or a qualified least-developed ben-  
25 eficiary country designated under section 506C of

1 the Trade Act of 1974 (as added by section 3 of this  
2 Act).

3 (b) DIRECTOR AND STAFF.—The head of the Office  
4 shall be a Director of Trade and Competitiveness for Least  
5 Developed and African Countries who shall report to the  
6 President. The Director may hire staff with expertise on  
7 international development, foreign aid, and international  
8 trade. The President shall appoint the Director to be a  
9 member of the National Security Council.

10 (c) DUTIES.—

11 (1) IN GENERAL.—Not later than June 30,  
12 2010, and not less often than once every three years  
13 thereafter, the Director, in consultation with the  
14 heads of appropriate Federal departments and agen-  
15 cies and nongovernmental organizations, donor gov-  
16 ernments, and private enterprise located within each  
17 Least Developed and African country, shall submit  
18 to Congress a study on the private sector competi-  
19 tiveness of Least Developed and African countries.

20 (2) MATTERS TO BE INCLUDED.—The study re-  
21 quired under paragraph (1) shall include a detailed  
22 description for each Least Developed and African  
23 country that identifies the barriers that exist to—

1 (A) economic growth and poverty reduc-  
2 tion, in part through utilization of the tariff  
3 preferences;

4 (B) women fully participating in the for-  
5 mal economy of each such country; and

6 (C) small farmers, food producers, and  
7 small and medium enterprises to expanding  
8 their businesses in each such country, in part  
9 for the purpose of increasing exports.

10 (d) COORDINATING COMMITTEE.—The President  
11 shall establish a Trade Capacity Coordinating Committee  
12 for Least Developed and African Countries (referred to  
13 in this section as the “Committee”) for the purpose of co-  
14 ordinating implementation of trade capacity building pro-  
15 grams that are carried out by Federal departments and  
16 agencies in Least Developed and African countries. The  
17 committee shall be composed of the following individuals  
18 or their designees:

19 (1) The Director, who shall serve as the chair-  
20 person of the Committee.

21 (2) The United States Trade Representative.

22 (3) The Secretaries of Agriculture, Commerce,  
23 Treasury, State, and Defense.

1           (4) The head of any other Federal department  
2 or agency that the President determines is appro-  
3 priate.

4           (e) MISSION.—

5           (1) IDENTIFICATION AND ASSISTANCE.—The  
6 President, acting through the Director and the Com-  
7 mittee, shall provide assistance to the Least Devel-  
8 oped and African countries to dismantle the barriers  
9 identified in the study required under subsection (c).

10          (2) PURPOSES.—Assistance provided pursuant  
11 to paragraph (1) shall assist in the following:

12           (A) Developing the necessary infrastruc-  
13 ture needed to foster commerce, with a focus on  
14 regional integration and means to expand value-  
15 added production.

16           (B) Improving labor conditions and en-  
17 hancing environmental sustainability.

18           (C) Addressing market barriers such as  
19 trade facilitation and storage of goods, and  
20 complying with international standards such as  
21 sanitary and phytosanitary principles.

22           (D) Assisting small and medium enter-  
23 prises to increase the capability and capacity of  
24 such enterprises.

1           (E) Enhancing economic opportunity for  
2 individuals facing the greatest economic chal-  
3 lenges, such as individuals living in poverty, es-  
4 pecially women and small farmers.

5           (F) Aligning United States activities to  
6 synchronize with the activities of nongovern-  
7 mental organizations, donor governments, and  
8 the private enterprise located within the country  
9 at issue.

10           (3) INTERNATIONAL CONSULTATION AND CO-  
11 OPERATION.—The President, acting through the Di-  
12 rector and the Committee, shall consult with African  
13 and American business persons to fully understand  
14 the barriers and opportunities to expanded trade and  
15 investment between the United States and Least De-  
16 veloped and African countries. In doing so, the Di-  
17 rector should consider establishing a private sector  
18 advisory panel that consists of small, medium, and  
19 large African and American businesses.

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