

PROVIDING FOR THE CONSIDERATION OF H.R. 434, AFRICA  
GROWTH AND OPPORTUNITY ACT

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JULY 15, 1999.—Referred to the House Calendar and ordered to be printed

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Mr. REYNOLDS, from the Committee on Rules,  
submitted the following

REPORT

[To accompany H. Res. 250]

The Committee on Rules, having had under consideration House Resolution 250, by a 7 to 1 vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for the consideration of H.R. 434, the “Africa Growth and Opportunity Act,” under a structured rule. The rule provides 45 minutes of general debate divided equally between the chairman and ranking minority member of the Committee on International Relations and 45 minutes of general debate divided equally between the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill.

The rule provides that, in lieu of the amendments recommended by the Committees on International Relations and Ways and Means and now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment, an amendment in the nature of a substitute consisting of the text of H.R. 2489. The rule further waives all points of order against the amendment in the nature of a substitute.

The rule provides for consideration of only the amendments printed in this report. The rule further provides that the amendments will be considered only in the order specified in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment and shall not be sub-

ject to a demand for division of the question. The rule waives all points of order against the amendments printed in this report.

Additionally, the rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to five minutes on a postponed question if the vote follows a fifteen minute vote. Finally the rule provides one motion to recommit with or without instructions.

The waiver of all points of order against consideration of the bill includes a waiver of clause 3(c)(2) of rule XII (requiring the inclusion in the report of a statement on certain budget matters if the measure includes new budget, entitlement or credit authority or an increase or decrease in revenue) and clause 3(c)(3) of rule XIII (requiring the inclusion in the report of a CBO cost estimate). The waivers of clauses 3(c)(2) and (3) are necessary because the report of the Committee on International Relations (H-Rpt. 106-19, Part 1) did not include a cost estimate as required by section 308 of the Congressional Budget Act or a CBO cost estimate.

The waiver of all points of order against the amendment in the nature of a substitute includes a waiver of clause 7 of rule XVI (prohibiting nongermane amendments). This waiver is necessary because section 19 (the limitation on the use of non-accrual experience method of accounting) and section 20 (the inclusion of certain vaccines against streptococcus pneumoniae to the list of taxable vaccines) are revenue provisions and hence are not germane to the bill as introduced.

The waiver of all points of order against the amendments printed in this report also includes a waiver of clause 7 of rule XVI. This is necessary because the provisions of section 12 of the Jackson (IL) amendment relating to the Federal Advisory Committee Act are not germane to the amendment in the nature of a substitute, as they are not in the jurisdiction of the Committees on International Relations, Ways and Means, or Banking and Financial Services.

#### COMMITTEE VOTES

Pursuant to clause 3(b) of House Rule XIII the results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

##### *Rules Committee record Vote No. 52*

Date: July 15, 1999.

Measure: H.R. 434, Africa Growth and Opportunity Act.

Motion by: Mr. Moakley.

Summary of motion: To make in order the Bishop/Myrick amendment No. 16 which renames the textile section "Special Access Program for Textile and Apparel Articles from Eligible Countries" and eliminates the finding that there is "no threat to U.S. jobs \* \* \* workers or manufacturers" as is reported in the bill; provides that the President consult with representatives of the domestic textile and apparel industry, and representatives of the beneficiary countries, as well as provide an opportunity for public comment before establishing a special access program for imports of textile and apparel articles; provides that the special access program established by the President should be modeled on the program in effect for Mexico which includes only those articles of apparel which have

been assembled from fabric formed from the yarn-stage forward in the U.S. and cut in the U.S.; requires that any new program would need to be consistent with the international obligations of the U.S. under the GATT's Agreement on Textiles and Clothing, which provides for limits on imports if damage to a domestic industry results from increased imports; explicitly states an exemption for hand loomed, handmade and folklore articles from any quotas or duties or yarn-forward requirements; and adds a new section that increases the penalties for illegal transshippers of apparel goods, and ensures that any mitigation that U.S. Customs enters into with violators does not reduce the applicable fines and penalty amounts below 50 percent and allows for seizure and forfeiture of fraudulently marked containers of apparel, whereas current law only requires the impoundment and return of goods.

Results: Defeated 2 to 6.

Vote by Members: Goss—Nay; Pryce—Nay; Hastings—Nay; Myrick—Yea; Sessions—Nay; Reynolds—Nay; Moakley—Yea; Dreier—Nay.

*Rules Committee record Vote No. 53*

Date: July 15, 1999.

Measure: H.R. 434, Africa Growth and Opportunity Act.

Motion by: Mr. Moakley.

Summary of motion: To make in order the Waters amendment No. 18 which clarifies that the eligibility requirements described in Section 4 of this Act apply only to new programs, project, activities, assistance and benefits and does not apply to those programs, projects, activities, assistance and benefits already in place prior to the passage of the Act; the Waters amendment No. 19 which strikes three eligibility factors regarding reducing import and corporate taxes, controlling government consumption, removing restrictions on foreign investment and encouraging the privatization of government enterprises that are included in Section 4, which can be detrimental to sustainable development; the Waters amendment No. 20 which clarifies that a country seeking eligibility under this Act does not need to meet every one of the enumerated requirements in Section 4(a) to be found eligible; and the Waters amendment No. 21 which requires the President to take into consideration whether or not a country is cooperating in efforts to eliminate slavery when determining a country's eligibility.

Results: Defeated 1 to 7.

Vote by Members: Goss—Nay; Pryce—Nay; Hastings—Nay; Myrick—Nay; Sessions—Nay; Reynolds—Nay; Moakley—Yes; Dreier—Nay.

*Rules Committee record Vote No. 54*

Date: July 15, 1999.

Measure: H.R. 434, Africa Growth and Opportunity Act.

Motion by: Mr. Moakley.

Summary of motion: To make in order the Jackson amendment No. 24 which prohibits the use of federal government funds for the purpose of seeking the revocation or revision of the laws of any sub-Saharan African country designed to promote the availability and affordability of pharmaceuticals, provided that these laws com-

ply with the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights and amends the eligibility criteria to encourage countries to enforce intellectual property rights in a manner no more stringent than is required by the WTO Agreement; the Jackson amendment No. 25 which reserves quota free treatment for products at least 60 percent of the value added of which occurs in Africa and which are made at facilities where at least 90 percent of the employees are African citizens, provides an additional 50 percent tariff reduction for products made by corporations that are least 51 percent African owned and strengthens the human rights eligibility requirement and strikes other eligibility requirements; and the Jackson amendment No. 27 which cancels the debt owed to the U.S. by sub-Saharan African nations; requires U.S. representatives to international financial institutions to use their voice and vote in favor of the cancellation of the debt of African nations to those institutions and provides for the purchase by the federal government of the debt of African nations to private U.S. lenders at the market value as of January 1, 1999 and the subsequent cancellation of the debt.

Results: Defeated 1 to 7.

Vote by Members: Goss—Nay; Pryce—Nay; Diaz-Balart—Nay; Hastings—Nay; Myrick—Nay; Sessions—Nay; Reynolds—Nay; Moakley—Yea; Dreier—Nay.

*Rules Committee record Vote No. 55*

Date: July 15, 1999.

Measure: H.R. 434, Africa Growth and Opportunity Act.

Motion by: Mr. Goss.

Summary of motion: To report the resolution.

Results: Adopted 7 to 1.

Vote by Members: Goss—Yay; Pryce—Yea; Hastings—Yea; Myrick—Yea; Sessions—Yea; Reynolds—Yea; Moakley—Nay; Dreier—Yea.

SUMMARY OF AMENDMENTS MADE IN ORDER UNDER THE RULE

1. Jackson-Lee No. 12—Encourages and recognizes the need for U.S. and African small business opportunities and investment in sub-Saharan Africa. (10 minutes)

2. Jackson (IL) No. 29—Requires that Overseas Private Investment Corporation Infrastructure Funds provided in the bill be targeted for the following purposes; basic health services, potable water, sanitation, schools, rural electrification and accessible transportation; requires that 70 percent of trade financing and investment insurance provided by OPIC be allocated to small, women and minority-owned businesses with at least 60 percent African ownership and 40 percent U.S. ownership and that 50 percent of funds for energy projects be used for renewable and/or alternative energy development; creates Administration Advisory Boards to oversee these funds and also Ex-Im Bank financing targeted to sub-Saharan Africa. (10 minutes)

3. Jackson-Lee No. 14—Expresses the sense of the Congress that U.S. business should be encouraged to assist sub-Saharan Africa with the HIV/AIDS problem and consider the establishment of a

HIV/AIDS Response Fund to coordinate assistance efforts. (10 minutes)

4. Olver/Foley/Pelosi No. 9—Expresses the sense of Congress that addressing the HIV/AIDS crisis should be a central component of America's foreign policy with respect to sub-Saharan Africa; expresses the sense of Congress that significant progress needs to be made in preventing and treating HIV/AIDS before we can expect to sustain a mutually beneficial trade relationship with sub-Saharan African countries; expresses the sense of Congress that the HIV/AIDS crisis in Africa is a global threat that merits further attention in detailed legislation. (10 minutes)

TEXT OF AMENDMENTS MADE IN ORDER UNDER THE RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON-LEE OF TEXAS, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, line 5, strike "and".

Page 3, line 8, strike the period and insert "; and".

Page 3, after line 8, add the following:

(10) encouraging the establishment and development of small businesses in sub-Saharan Africa and encouraging trade between United States small businesses and these newly-established small businesses in sub-Saharan Africa.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON OF ILLINOIS, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 24, strike line 13 and all that follows through line 18 on page 25 and insert the following:

**SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.**

(a) INITIATION OF FUNDS.—The Overseas Private Investment Corporation shall, not later than 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 1 or more equity funds in support of projects in the countries in sub-Saharan Africa, in addition to any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) shall be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund shall be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—One or more of the funds, with combined assets of up to \$500,000,000, shall be used in support of infrastructure projects in countries of sub-Saharan Africa, including basic health services (including AIDS prevention and treatment), including hospitals, potable water, sanitation, schools, electrification of rural areas, and publicly-accessible transportation in sub-Saharan African countries.

(c) **ADDITIONAL REQUIREMENTS.**—The Corporation shall ensure that—

(1) not less than 70 percent of trade financing and investment insurance provided through the equity funds established under subsection (a), and through any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act, are allocated to small, women- and minority-owned businesses—

(A) of which not less than 60 percent of the ownership is comprised of citizens of sub-Saharan African countries and 40 percent of the ownership is comprised of citizens of the United States; and

(B) that have assets of not more than \$1,000,000; and

(2) not less than 50 percent of the funds allocated to energy projects are used for renewal or alternative energy projects.

Page 25, strike line 19 and all that follows through line 6 on page 28 and insert the following:

**SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.**

(a) **OVERSEAS PRIVATE INVESTMENT CORPORATION.**—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

“(e) **ADVISORY COMMITTEE.**—

“(1) **ESTABLISHMENT.**—The Board shall establish and work with an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa, including with respect to equity and infrastructure funds established under section 11 of the African Growth and Opportunity Act.

“(2) **MEMBERSHIP.**—

“(A) **IN GENERAL.**—The advisory committee established under paragraph (1) shall consist of 15 members, of which 7 members shall be employees of the United States Government and 8 members shall be representatives of the private sector.

“(B) **APPOINTMENT.**—The members of the advisory committee shall be appointed as follows:

“(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an employee of the United States Government.

“(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are employees of the United States Government.

“(C) **ADDITIONAL REQUIREMENTS.**—Of the 8 members of advisory committee who are representatives of the private sector—

“(i) at least 4 members shall be representatives of not-for-profit public interest organizations;

“(ii) at least 1 member shall be a representative of an organization with expertise in development issues;

“(iii) at least 1 member shall be a representative of an organization with expertise in human rights issues;

“(iv) at least 1 member shall be a representative of an organization with expertise in environmental issues; and

“(v) at least 1 member shall be a representative of an organization with expertise in international labor rights.

“(D) TERMS.—Each member of the advisory committee shall be appointed for a term of 2 years.

“(3) MEETINGS.—

“(A) OPEN TO PUBLIC.—Meetings of the advisory committee shall be open to the public.

“(B) ADVANCE NOTICE.—The advisory committee shall provide advance notice in the Federal Register of any meeting of the committee, shall provide notice of all proposals or projects to be considered by the committee at the meeting, and shall solicit written comments from the public relating to such proposals or projects.

“(C) DECISIONS.—Any decision of the advisory committee relating to a proposal or project shall be published in the Federal Register with an explanation of the extent to which the committee considered public comments received with respect to the proposal or project, if any.

“(4) ENVIRONMENTAL IMPACT ASSESSMENTS.—The Corporation shall carry out environmental impact assessments with respect to any proposal or project not later than 120 days before the advisory committee, or the Board, considers such proposal or project, whichever occurs earlier.”

(b) EXPORT-IMPORT BANK INITIATIVE.—Section 2(b)(9) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

“(9) For purposes of the funds allocated by the Bank for projects in countries in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act):

“(A) The Bank shall establish an advisory committee to work with and assist the Board in developing and implementing policies, programs, and financial instruments with respect to such countries.

“(B) The members of the advisory committee shall be appointed as follows:

“(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an officer or employee of the Federal Government.

“(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are officers or employees of the Federal Government.

“(C)(i) At least half of the members of the advisory committee who are representatives of the private sector shall be representatives of not-for-profit public interest organizations.

“(ii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in development issues.

“(iii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in human rights.

“(iv) At least 1 of such private sector representatives shall be a representative of an organization with expertise in environmental issues.

“(v) At least 1 of such private sector representatives shall have expertise in international labor rights.

“(D) Each member of the advisory committee shall serve for a term of 2 years.

“(E)(i) Members of the advisory committee who are representatives of the private sector shall not receive compensation by reason of their service on the advisory committee.

“(ii) Members of the advisory committee who are officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the advisory committee.

“(F) Meetings of the advisory committee shall be open to the public.

“(G) The advisory committee shall give timely advance notice of each meeting of the advisory committee, including a description of any matters to be considered at the meeting, shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

“(H) The Bank shall complete and release to the public an environmental impact assessment with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

“(I) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.”.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON-LEE OF TEXAS, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 38, after line 7, insert the following (and redesignate subsequent sections accordingly):

**SEC. 18. ASSISTANCE FROM UNITED STATES PRIVATE SECTOR TO PREVENT AND REDUCE HIV/AIDS IN SUB-SAHARAN AFRICA.**

It is the sense of the Congress that United States businesses should be encouraged to provide assistance to sub-Saharan African countries to prevent and reduce the incidence of HIV/AIDS in sub-Saharan Africa. In providing such assistance, United States busi-

nesses should be encouraged to consider the establishment of an HIV/AIDS Response Fund in order to provide for coordination among such businesses in the collection and distribution of the assistance to sub-Saharan African countries.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE OLVER OF MASSACHUSETTS, OR REPRESENTATIVE FOLEY OF FLORIDA, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 38, after line 7, insert the following (and redesignate the subsequent sections accordingly):

**SEC. 18. SENSE OF THE CONGRESS RELATING TO HIV/AIDS CRISIS IN SUB-SAHARAN AFRICA.**

(a) FINDINGS.—The Congress finds the following:

(1) Sustained economic development in sub-Saharan Africa depends in large measure upon successful trade with and foreign assistance to the countries of sub-Saharan Africa.

(2) The HIV/AIDS crisis has reached epidemic proportions in sub-Saharan Africa, where more than 21,000,000 men, women, and children are infected with HIV.

(3) 83 percent of the estimated 11,700,000 deaths from HIV/AIDS worldwide have been in sub-Saharan Africa.

(4) The HIV/AIDS crisis in sub-Saharan Africa is weakening the structure of families and societies.

(5)(A) The HIV/AIDS crisis threatens the future of the workforce in sub-Saharan Africa.

(B) Studies show that HIV/AIDS in sub-Saharan Africa most severely affects individuals between the ages of 15 and 49—the age group that provides the most support for the economies of sub-Saharan African countries.

(6) Clear evidence demonstrates that HIV/AIDS is destructive to the economies of sub-Saharan African countries.

(7) Sustained economic development is critical to creating the public and private sector resources in sub-Saharan Africa necessary to fight the HIV/AIDS epidemic.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) addressing the HIV/AIDS crisis in sub-Saharan Africa should be a central component of United States foreign policy with respect to sub-Saharan Africa;

(2) significant progress needs to be made in preventing and treating HIV/AIDS in sub-Saharan Africa in order to sustain a mutually beneficial trade relationship between the United States and sub-Saharan African countries; and

(3) the HIV/AIDS crisis in sub-Saharan Africa is a global threat that merits further attention through greatly expanded public, private, and joint public-private efforts, and through appropriate United States legislation.