Calendar No. 276

106TH CONGRESS *1st Session* | SENATE | REPORT 106–157

AGRICULTURAL TRADE FREEDOM ACT

SEPTEMBER 13, 1999.—Ordered to be printed

Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry, submitted the following

REPORT

[To accompany S. 566]

The Committee on Agriculture, Nutrition, and Forestry, to which was referred the bill to amend the Agricultural Trade Act of 1978 to exempt agricultural commodities, livestock, and value-added products from current and future unilateral sanctions, to prepare for future bilateral and multilateral trade negotiations affecting United States agriculture, and for other purposes, having considered the same, reports favorably thereon as amended and recommends that the bill as amended do pass.

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I. PURPOSE AND NEED FOR LEGISLATION

Unilateral sanctions have been imposed by the U.S. on a number of other countries to bar commercial transactions for the export of agricultural commodities. It is difficult to find evidence that such unilateral sanctions result in improved behavior by the targeted regimes. However, by denying U.S. farmers and agricultural businesses market access, domestic agriculture is clearly harmed. Approximately three out of every ten acres of domestic agricultural production are sold outside of the U.S. and export earnings are an increasing proportion of net farm income. Ninety-five percent of the

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world's consumers of food, feedstuffs, and fibers live outside of the U.S. As countries improve economically and democratically, the global demand for better diets and increased food imports is expected to increase as well. The prosperity of U.S. agriculture is highly dependent on access, as unfettered as possible, to world markets. Furthermore, experience has shown that in instances when the U.S. has imposed unilateral sanctions, suppliers in competitor nations move quickly to fill the void. In the short term, significant sales are lost; in the longer term, the U.S.'s reputation as a reliable supplier is compromised and the opportunity to regain lost market access once sanctions are lifted is endangered. Income and jobs in the U.S. farm economy have been lost as a result of unilateral sanctions. Moreover, the evidence is clear that unilateral sanctions on food serve to punish innocent victims in the sanctioned countries rather than the offending leadership. Under this legislation, commercial agricultural sales are exempted from unilateral sanctions unless the President decides national security interests dictate their inclusion. Should that decision be made, the President must send a report to Congress detailing the reason for the sanction and for the inclusion of agricultural commodities in particular. Farm exports may then be included in the sanction unless Congress passes a joint resolution disapproving the inclusion subject to a presidential veto. In addition, this legislation contains criteria intended to guide future bilateral and multilateral negotiations. These guidelines are intended to boost U.S. agricultural exports and increase market access for U.S. farmers through negotiations.

II. Background and Summary of Legislation

BACKGROUND

For foreign policy reasons, the U.S. imposes economic sanctions on foreign countries barring commercial transactions for the export of agricultural commodities. As a unilateral act, this policy is seldom very effective and causes both short and long-term damage to U.S. farmers and their ability to export their product abroad. Ninety-five percent of the world's consumers of agricultural commodities live outside of the United States. As countries improve economically and democratically, global demand for U.S. farm exports will increase. Given global and domestic market realities, the ability of U.S. farmers to access foreign markets is more vital than ever. This legislation exempts commercial sales of agricultural commodities from unilateral economic sanctions except in limited circumstances under special procedures. In addition, the legislation offers guidelines to increase U.S. agricultural exports and increase market access through trade negotiations.

SUMMARY

1. Agricultural commodities, livestock, and products exempt from unilateral agricultural sanctions

The bill exempts commercial sales of agricultural commodities, livestock, and products thereof from unilateral economic sanctions. The exemption covers only commercial transactions and does not

apply to government food aid, to government financed export sales or to government export programs such as PL480, section 416, direct credits, credit guarantees, supplier credits, facility credits, Export Enhancement Program, Market Access Program, foreign market development or barter programs. Items such as fertilizers, pesticides, and sprayers are not exempted. The President may include agricultural products in a sanction if the national interest dictates their inclusion. However, the President is then required to send to Congress a report explaining the national interest rationale, and a cost-benefit assessment of immediate and long-term ramifications of the inclusion. This reporting requirement applies to all future and current unilateral sanctions. Congress can override the President's decision by joint resolution.

2. Objectives for agricultural negotiations

This legislation contains the sense of Congress that the principal agricultural trade negotiating objectives for future multilateral and bilateral trade negotiations should be to achieve more open and fair conditions of trade and to boost U.S. agricultural exports by: developing, strengthening, and clarifying existing trade rules; eliminating barriers to trade; developing, strengthening, and clarifying rules that address unfair market access barriers; eliminating nontariff trade barriers for meeting the food needs of an increasing world population through new technologies; and ensuring that foreign market access to U.S. agricultural commodities produced using various agricultural practices is not denied for reasons inconsistent with the rules of the World Trade Organization.

3. Sale or barter of food assistance

This bill contains a sense of Congress that the monetization of donated agricultural commodities should occur only in the recipient country or countries adjacent to the recipient countries unless the transaction is not practicable in the country or adjacent countries. Further, the transaction should not disrupt commercial markets for the agricultural commodity involved.

4. Relief from unfair trade practices affecting U.S. agricultural commodities

This legislation states that it is the sense of Congress that the Secretary of Agriculture should aggressively use the authorities granted under section 302 of the Agricultural Trade Act of 1978. That statute provides the Secretary with the authority to use programs of the Department of Agriculture for an agricultural commodity regarding that commodity when there is undue delay in a dispute resolution proceeding of an international trade agreement.

5. Micronutrient Fortification Pilot Program

The authority to conduct a pilot program, which has now been completed, is repealed.

6. Technical corrections

Several technical corrections are made to the Federal Agriculture Improvement and Reform Act of 1996, the Food, Agriculture, Con-

servation, and Trade Act of 1990, and the Agricultural Trade Act of 1978.

III. Legislative History and Committee Votes

The Senate Committee on Agriculture, Nutrition, and Forestry, on May, 11, 1999, held a hearing on agricultural sanctions reform and on S. 566 in particular.

The first panel to testify consisted of Stuart Eizenstat, Under Secretary of State for Economic, Business and Agricultural Affairs, and August Schumacher, Under Secretary of Agriculture for Farm and Foreign Agricultural Services. Mr. Eizenstat testified on a sanctions policy change announced by the Administration in the weeks prior to the hearing. The new policy would exempt commercial sales of food, medicine and medical supplies from unilateral economic sanctions on a case-by-case basis and through a licensing process. Mr. Eizenstat testified that the regulations necessary to implement the policy had not yet been developed, but were the subject of ongoing discussion among various federal agencies. Mr. Eizenstat testified that the Administration would examine S. 566 and felt the principles embodied in it were very similar to the Administration's position on the issue. Mr. Eizenstat also discussed S. 757, a broader sanctions reform bill, but expressed the Administration's inability to support the legislation based on certain differences regarding Presidential waiver authority. Mr. Eizenstat concluded by reiterating the Administration's support for sanctions reform and expressed a hope that common ground would be found between the Administration and Senator Lugar both on agricultural sanctions reform and on general sanctions reform.

Mr. Schumacher testified next that the Administration was in the process of finalizing the proposed policy change announced by the Administration. He testified that U.S. sanctions policies need to be reevaluated due to their often limited efficacy and their tendency to harm domestic agricultural interests. Mr. Schumacher reiterated the Administration's commitment to agricultural sanctions reform and stated that such a policy change is very timely, given low prices and soft global demand.

The second panel consisted of Charles J. O'Mara and Paul Drazek. Each had served as Special Counsel for Trade to the Secretary of Agriculture during the Clinton Administration.

Mr. O'Mara testified that unilateral economic sanctions are seldom successful in achieving U.S. foreign policy objectives and often have negative ramifications for U.S. agriculture which outweigh any positive effects. Mr. O'Mara expressed his support of S. 566 and also discussed the 1999 WTO negotiations scheduled to begin in Seattle, stating that the negotiations present an excellent opportunity to achieve improvements in foreign market access.

Mr. Drazek echoed Mr. O'Mara in his support of S. 566. Mr. Drazek noted that the tendency for the U.S. to impose agricultural sanctions on other countries undermines the U.S.'s reputation as a reliable supplier and encourages other countries not to be too reliant on the U.S. for food. Mr. Drazek stated that along with "fast-track" trade negotiating authority, legislation exempting agriculture from sanctions is the most important step the U.S. can take to ensure a successful outcome of the 1999 WTO negotiations. Mr.

Drazek questioned whether the "case-by-case" approach announced by the Administration was workable in the dynamic context of international commodity trading.

The third panel consisted of producer groups with experience in sanctions.

First to testify was Dean Kleckner, President of the American Farm Bureau Federation. Mr. Kleckner stated that the future of American agriculture is dependent on access to foreign markets. Mr. Kleckner commended the Administration for its policy change but stated that the new policy would not completely resolve the issue due to the licensing requirement. Furthermore, Mr. Kleckner testified, the problem of U.S. producers being viewed as unreliable suppliers would not be solved under the proposed policy change since a sale could be denied by the U.S. government. Mr. Kleckner expressed his and the American Farm Bureau Federation's support of S. 566. He also discussed Cuba as an example of a long-running economic sanction which has failed to produce the intended effect and stated that leading agricultural economists have predicted up to $1 billion in sales should the ban be lifted on Cuba alone.

Next to testify was Gary Turner, a farmer from Burley, Idaho, on behalf of the National Farmers Union. Mr. Turner commended the effort to reform agricultural sanctions policy and stated that the U.S. sanctions policy which has been in effect for the past forty years has been detrimental to U.S. agriculture. Mr. Turner also endorsed S. 566.

James Matlack, Director of the Washington Office of American Friends Service Committee, testified next. Mr. Matlack spoke for his and for AFSC's stance that sanctioning foreign countries is a complicated issue which necessitates careful cost-benefit analysis but is a practice far more preferable than use of force. He testified that sanctions need to be evaluated on an individual basis with the most careful consideration given to potential negative effects on the civilian populations living in the targeted country.

Next to testify was Richard Bell, President and Chief Executive Officer of Riceland Foods, Inc. Mr. Bell voiced his support for S. 566 and stated that no commodity has suffered more from the use of U.S. trade sanctions than rice. Mr. Bell noted that the leading U.S. rice export market has been sanctioned three separate times: Cuba in 1963, Iraq in 1990, and Iran in 1995. He reiterated the point made earlier from other witnesses that U.S. farmers have undoubtedly been hurt by U.S. sanctions policy whereas no tangible evidence exists that such sanctions have had any positive effect on the targeted regime.

Mike Yost, President of the American Soybean Association, testified next, stating that U.S. trade sanctions have been extremely damaging to U.S. agricultural interests. Mr. Yost expressed his support for S. 566 and also stated his opposition to imposing a licensing system for agricultural exports, as the Administration's sanctions policy change does.

Last to testify was Jack Pettus, who spoke on behalf of Herb Karst, farmer and President of the National Barley Growers Association. Mr. Pettus agreed with the Chairman and previous witnesses that unilateral sanctions seldom achieve their stated objectives and often harm U.S. producers more than targeted regimes.

Mr. Pettus testified to the harm U.S. sanctions have had on domestic barley producers and stated that U.S. competitors are given the opportunity to fill the void when U.S. producers are barred from competing.

COMMITTEE VOTE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following statements are made concerning the votes of the Committee in its consideration of the Committee bill:

The Committee met in open session on Wednesday, May 26, 1999, to mark up this bill. An amendment in the nature of a substitute was agreed to by voice vote. The Committee accepted by recorded vote (17 yeas and 1 nay) an amendment by Senator Conrad which provides a framework through which Congress can override the President's decision to include agricultural commodities as part of a unilateral sanction. The rollcall vote was as follows:

YEAS	NAYS
Mr. Lugar	Mr. Helms
Mr. Cochran	
Mr. McConnell	
Mr. Coverdell	
Mr. Roberts	
Mr. Fitzgerald	
Mr. Grassley	
Mr. Craig	
Mr. Santorum	
Mr. Harkin	
Mr. Leahy	
Mr. Conrad	
Mr. Daschle	
Mr. Baucus	
Mr. Kerrey	
Mr. Johnson	
Mrs. Lincoln	

The Committee then ordered by voice vote that the bill be favorably reported.

IV. Regulatory Impact Statement

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the following evaluation is made concerning the regulatory impact of enacting this legislation:

The Committee has determined that this legislation will have no detrimental impact on the private sector as a result of new regulatory requirements. No new regulations are required to be instituted and existing regulations dictating whom producers may not transact commercial business with are lifted. The Committee expects a positive economic impact through lifting existing regulations, no adverse impact on the personal privacy of the individuals affected by the legislation, and no amount of additional paperwork resulting from regulations pursuant to the enactment of this bill.

V. BUDGETARY IMPACT OF THE BILL

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the following letter has been received from the Congressional Budget Office regarding the budgetary impact of the bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 17, 1999.

Hon. RICHARD LUGAR,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 566, the Agricultural Trade Freedom Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Craig Jagger, Dave Hull, and Joseph C. Whitehall.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 566—Agriculture Trade Freedom Act

S. 566 would exempt commercial sales of agricultural commodities from current and future unilateral economic sanctions imposed by the United States on a foreign country or entity, unless the Congress has declared a state of war, or the President determines that applying the sanctions to agricultural commodities would be in the national interest. However, the exemption from sanctions would not apply to agricultural commodities sold with certain federal subsidies or financing specified in the bill.

The President would be required to report to the Congress regarding his determination that applying the unilateral economic sanction to agricultural commodities is in the national interest, and thus the exemption from sanctions should not apply. The bill would establish procedures for the Congress to consider a joint resolution to disapprove the President's report, overriding his determination.

S. 566 could affect direct spending if unilateral agricultural sanctions are imposed less frequently or are of shorter duration than under current law. CBO has no basis for predicting the likelihood, duration, or market effects of future sanctions, or the likelihood of future Congressional action to approve or disapprove of such sanctions. But the bill would not affect most federally supported sales of agricultural commodities, and thus, CBO estimates that enacting S. 566 would probably have no significant budgetary impact.

Because the bill could affect direct spending, pay-as-you-go procedures would apply. S. 566 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO contacts for this estimate are Craig Jagger, Dave Hull, and Joseph C. Whitehill. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

VI. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE ACT OF 1978

* * * * * * *

[7 U.S.C. 5677]

SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Except as provided in subsection (f), notwithstanding any other provision of law, if, after the date of enactment of this section, the President or any other member of the executive branch causes exports *of an agricultural commodity* from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 90 days after the date on which the suspension is imposed on United States exports no other country with an agricultural economic interest agrees to participate in the suspension, the Secretary shall carry out a trade compensation assistance program in accordance with this section (referred to in this section as a "program").

(b) COMPENSATION OR PROVISION OF FUNDS.—Under a program, the Secretary shall, based on an evaluation by the Secretary of the method most likely to produce the greatest compensatory benefit for producers of the commodity involved in the suspension—

(1) compensate producers of the commodity by making payments available to producers, as provided by subsection (c)(1); or

(2) make available an amount of funds calculated under subsection (c)(2), to promote agricultural exports or provide agricultural commodities to developing countries under any authorities available to the Secretary.

(c) DETERMINATION OF AMOUNT OF COMPENSATION OR FUNDS.—

(1) COMPENSATION.—If the Secretary makes payments available to producers under subsection (b)(1), the amount of the payment shall be determined by the Secretary based on the Secretary's estimate of the loss suffered by producers of the commodity involved due to any decrease in the price of the commodity as a result of the suspension.

(2) DETERMINATION OF AMOUNT OF FUNDS.—For each fiscal year of a program, the amount of funds made available under subsection (b)(2) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

(d) DURATION OF PROGRAM.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 3 fiscal years.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall use funds of the Commodity Credit Corporation to carry out this section.

(f) EXCEPTION TO CARRYING OUT A PROGRAM.—This section shall not apply to any suspension of trade due to a war or armed hostility.

(g) PARTIAL YEAR EMBARGOES.—If the Secretary makes funds available under subsection (b)(2), regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c)(2) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).

(h) SHORT SUPPLY EMBARGOES.—If the President or any other member of the executive branch causes exports to be suspended based on a determination of short supply, the Secretary shall carry out section 1002 of the Food and Agriculture Act of 1977 (7 U.S.C. 1310).

SEC. 418. AGRICULTURAL COMMODITIES, LIVESTOCK, AND PRODUCTS EXEMPT FROM UNILATERAL AGRICULTURAL SANCTIONS.

(a) DEFINITIONS.—In this section:

(1) CURRENT SANCTION.—The term "current sanction" means a unilateral agricultural sanction that is in effect on the date of enactment of the Agricultural Trade Freedom Act.

(2) NEW SANCTION.—The term "new sanction" means a unilateral agricultural sanction that becomes effective after the date of enactment of that Act.

(3) UNILATERAL AGRICULTURAL SANCTION.—The term "unilateral agricultural sanction" means any prohibition, restriction, or condition that is imposed on the export of an agricultural commodity to a foreign country or foreign entity and that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other members of that regime have agreed to impose substantially equivalent measures.

(b) EXEMPTION.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3) and notwithstanding any other provision of law, agricultural commodities made available as a result of commercial sales shall be exempt from a unilateral agricultural sanction imposed by the United States on another country.

(2) EXCLUSIONS.—Paragraph (1) shall not apply to agricultural commodities made available as a result of programs carried out under—

(A) the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) the Food for Progress Act of 1985 (7 U.S.C. 1736o); or

(D) the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.).

(3) DETERMINATION BY PRESIDENT.—The President may include agricultural commodities made available as a result of the activities described in paragraph (1) in the unilateral agricultural sanction imposed on a foreign country or foreign entity if—

(A) a declaration of war by Congress is in effect with respect to the foreign country or foreign entity; or

(B)(i) the President determines that inclusion of the agricultural commodities is in the national interest;

(ii) the Presidents submits the report required under subsection (d); and

(iii) Congress has not approved a joint resolution stating the disapproval of Congress of the report submitted under subsection (d).

(4) EFFECT ON AGRICULTURAL TRADE.—Nothing in this subsection requires the imposition of a unilateral agricultural sanction with respect to an agricultural commodity, whether exported in connection with a commercial sale or a program described in paragraph (2).

(c) CURRENT SANCTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the exemption under subsection (b)(1) shall apply to a current sanction.

(2) PRESIDENTIAL REVIEW.—Not later than 90 days after the date of enactment of the Agricultural Trade Freedom Act, the President shall review each current sanction to determine whether the exemption under subsection (b)(1) should apply to the current sanction.

(3) APPLICATION.—The exemption under subsection (b)(1) shall apply to a current sanction beginning on the date that is 180 days after the date of enactment of the Agricultural Trade Freedom Act unless the President determines that the exemption should not apply to the current sanction for reasons of the national interest.

(d) REPORT.—

(1) IN GENERAL.—If the President determines under subsection (b)(3)(B)(i) or (c)(3) that the exemption should not apply to a unilateral agricultural sanction, the President shall submit a report to Congress not later than 15 days after the date of the determination.

(2) CONTENTS OF REPORT.—The report shall contain—

(A) an explanation of—

(i) the economic activity that is proposed to be prohibited, restricted, or conditioned by the unilateral agricultural sanction; and

(ii) the national interest for which the exemption should not apply to the unilateral agricultural sanction; and

(B) an assessment by the Secretary—

(i) regarding export sales—

(I) in the case of a current sanction, whether markets in the sanctioned country or countries present a substantial trade opportunity for export sales of a United States agricultural commodity; or

(II) in the case of a new sanction, the extent to which any country or countries to be sanctioned or likely to be sanctioned are markets that accounted for, during the preceding calendar year, more than 3 percent of export sales of a United States agricultural commodity;

(ii) regarding the effect on United States agricultural commodities—

(I) in the case of a current sanction, the potential for export sales of United States agricultural commodities in the sanctioned country or countries; and

(II) in the case of a new sanction, the likelihood that exports of United States agricultural commodities will be affected by the new sanction or by retaliation by any country to be sanctioned or likely to be sanctioned, including a description of specific United States agricultural commodities that are most likely to be affected;

(iii) regarding the income of agricultural producers—

(I) in the case of a current sanction, the potential for increasing the income of producers of the United States agricultural commodities involved; and

(II) in the case of a new sanction, the likely effect on incomes of producers of the agricultural commodities involved;

(iv) regarding displacement of United States suppliers—

(I) in the case of a current sanction, the potential for increased competition for United States suppliers of the agricultural commodity in countries that are not subject to the current sanction because of uncertainty about the reliability of the United States suppliers; and

(II) in the case of a new sanction, the extent to which the new sanction would permit foreign suppliers to replace United States suppliers; and

(v) regarding the reputation of United States agricultural producers as reliable suppliers—

(I) in the case of a current sanction, whether removing the sanction would improve the reputation of United States producers as reliable suppliers of agricultural commodities in general, and of spe-

cific agricultural commodities identified by the Secretary; and

(II) in the case of a new sanction, the likely effect of the proposed sanction on the reputation of United States producers as reliable suppliers of agricultural commodities in general, and of specific agricultural commodities identified by the Secretary.

(e) CONGRESSIONAL PRIORITY PROCEDURES.—

(1) JOINT RESOLUTION.—In this subsection, the term "joint resolution" means only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under subsection (d) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress disapproves the report of the President pursuant to section 418(d) of the Agricultural Trade Act of 1978, transmitted on lllllll*.", with the blank completed with the appropriate date.*

(2) REFERRAL OF REPORT.—The report described in subsection (d) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(3) REFERRAL OF JOINT RESOLUTION.—

(A) IN GENERAL.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(B) REPORTING DATE.—A joint resolution referred to in subparagraph (A) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(4) DISCHARGE OF COMMITTEE.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(A) the committee shall be discharged from further consideration of the joint resolution; and

(B) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(5) FLOOR CONSIDERATION.—

(A) MOTION TO PROCEED.—

(i) IN GENERAL.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under paragraph (4) from further consideration of, a joint resolution—

(I) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(II) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(ii) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(I) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(II) shall not be debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(I) amendment;

(II) a motion to postpone; or

(III) a motion to proceed to the consideration of other business.

(iv) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(v) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(B) LIMITATIONS ON DEBATE.—

(i) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(ii) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(iii) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(C) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(6) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(A) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(B) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(C) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(7) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(8) RULEMAKING POWER.—This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this subsection—

(i) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(ii) supersedes other rules only to the extent that this subsection is inconsistent with those rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

* * * * * * *

AGRICULTURE TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * * * *

[7. U.S.C. 1736g–2]

[SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

[(a) IN GENERAL.—Subject to the availability of practical technology and to cost-effectiveness, not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purpose of the program shall be to—

[(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

[(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

[(b) SELECTION OF PARTICIPATING COUNTRIES.—From among the countries eligible for assistance under this Act, the Secretary may

select not more than 5 developing countries to participate in the pilot program.

[(c) FORTIFICATION.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country is deficient. The commodity may be fortified in the United States or in the developing country.

[(d) TERMINATION OF AUTHORITY.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.]

* * * * * * *

FEDERAL AGRICULTURE IMPROVEMENT AND REFORM ACT OF 1996

* * * * * * *

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "or private entity that enters into an agreement under title I" after "importing country"; and

(B) in paragraph (2), by adding at the end the following: "Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.";

(2) in [subsection (c)] *subsection (b)*—

(A) in paragraph (1)(A), by inserting "importer or" before "importing country"; and

(B) in paragraph (2)(A), by inserting "importer or" before "importing country";

(3) in [subsection (d)] *subsection (c)*—

(A) by striking paragraph (2) and inserting the following:

"(2) *FREIGHT PROCUREMENT.*—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of full and open competitive procedures. Resulting contracts may contain such terms and conditions as the Administrator determines are necessary and appropriate."; and

(B) by striking paragraph (4);

(4) [in subsection (g)(2)] *subsection (f)(2)*—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis

on the nutritional status of the poorest populations in each country."; and

(5) by striking [subsection (h)] *subsection (g).*

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FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

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[7 U.S.C. 5622]

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.

(b) FACILITIES AND SERVICES.—A portion of such export credit guarantees shall be made available for—

(1) the establishment or improvement of facilities, or

(2) the provision of services or United States products goods, in emerging markets by United States persons to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978). The Commodity Credit Corporation shall give priority under this subsection to—

(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs.

(c) CONSULTATIONS.—Before the authority under this section is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging market for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(d) E (KIKA) DE LA GARZA AGRICULTURAL FELLOWSHIP PROGRAM.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall establish a program, to be known as the "E (Kika) de la Garza Agricultural Fellowship Program", to develop agricultural markets in emerging markets and to promote cooperation and exchange of information between agricultural insti-

tutions and agribusinesses in the United States and emerging markets, as follows:

(1) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—

(A) IN GENERAL.—

(i) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 2002, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of [such democracies] *the markets,* make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers, and identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

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