

105TH CONGRESS
2D SESSION

H. R. 4773

To provide for assistance by the United States to promote economic growth and stabilization of Northern Ireland and the border counties of the Irish Republic.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 1998

Mr. McDERMOTT (for himself, Mr. MORAN of Virginia, Mr. BLUMENAUER, Mr. JEFFERSON, and Mr. MATSUI) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for assistance by the United States to promote economic growth and stabilization of Northern Ireland and the border counties of the Irish Republic.

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.**

4 This Act may be cited as the “Good Friday Trade
5 and Investment Act”.

1 **SEC. 2. FINDINGS AND REPORT.**

2 (a) FINDINGS.—The Congress makes the following
3 findings:

4 (1) Economic growth and stabilization of
5 Northern Ireland and the border counties of the
6 Irish Republic are key to full implementation of the
7 Good Friday Peace Agreement, entered into on April
8 19, 1998.

9 (2) The bombing in Omagh on August 15,
10 1998, is a clear example of a small town that des-
11 perately needs immediate relief and assistance for
12 reconstruction. The pace and scale of aid and invest-
13 ment in Omagh and other towns recently bombed—
14 Banbridge, Markethill, and Newtownhamilton—
15 could determine whether the Good Friday Peace
16 Agreement holds.

17 (3) The international community, including the
18 European Union and the World Trade Organization
19 (WTO), has a strong record of responding to his-
20 toric political and economic circumstances. It has
21 fought for and approved WTO waivers, such as tran-
22 sitional measures to take account of German unifica-
23 tion and the Treaty of Lome, that allow necessary
24 international flexibility and cooperation to enhance
25 trade and investment and stabilize economically de-
26 prived and politically revitalized regions.

1 (4) The United States can continue its crucial
2 role in the peace process by creating and promoting
3 economic growth through trade and investment in
4 the region's severely economically deprived areas. In
5 addition to promoting trade and investment in
6 Northern Ireland and the Republic of Ireland, the
7 United States should consider grant assistance to
8 aid communities in the area suffering terrorist at-
9 tacks.

10 (5) Fair employment practices in Northern Ire-
11 land are an essential element for an expanding full
12 employment economy. The Congress notes with ap-
13 proval the constant efforts undertaken by the North-
14 ern Ireland Fair Employment Commission and Em-
15 ployment Tribunal to achieve this end. The Good
16 Friday Peace Agreement established an Anti-dis-
17 crimination Committee to augment the work done by
18 the Committee and Tribunal. The Congress believes
19 their continuing efforts constitute persuasive evi-
20 dence that fair employment principles are being ef-
21 fectively safeguarded, secured, and promoted for all
22 communities.

23 (6) The strengthening of a police force accept-
24 able to both communities in Northern Ireland is es-
25 sential for the formation and success of a peaceful

1 and prosperous civil society. The Congress notes
2 that the Independent Commission on Policing estab-
3 lished in the Good Friday Peace Agreement is to re-
4 port on the policing problems in Northern Ireland.

5 (b) REPORT TO CONGRESS.—The President, taking
6 into consideration the recommendations of the Independ-
7 ent Commission on Policing referred to in subsection
8 (a)(6), shall report to the Congress on a biannual basis
9 on how the United States can assist in the establishment
10 of an acceptable policing force in Northern Ireland that
11 has the highest level of professionalism.

12 **SEC. 3. OVERSEAS PRIVATE INVESTMENT CORPORATION.**

13 (a) EQUITY FUNDS.—The Overseas Private Invest-
14 ment Corporation shall establish equity funds, with total
15 assets of at least \$300,000,000, for the purpose of provid-
16 ing insurance, financing, and other assistance under title
17 IV of chapter 2 of part I of the Foreign Assistance Act
18 of 1961 for business development and infrastructure
19 projects in Northern Ireland and the border counties of
20 the Irish Republic.

21 (b) ASSISTANCE CONSISTENT WITH PRINCIPLES OF
22 FAIR EMPLOYMENT.—The Overseas Private Investment
23 Corporation shall provide insurance, financing, and other
24 assistance under subsection (a) only to individuals or enti-
25 ties in Northern Ireland and the Republic of Ireland which

1 employ practices consistent with the principles of fair em-
2 ployment.

3 (c) PRIORITY TO PROJECTS INVOLVING WOMEN EN-
4 TREPRENEURS AND WOMEN IN MANAGEMENT POSI-
5 TIONS.—Not less than 20 percent of the equity funds es-
6 tablished under subsection (a) shall be dedicated for fi-
7 nancing, insurance, and other assistance to—

8 (1) businesses in Northern Ireland and the Re-
9 public of Ireland that are owned and managed by
10 women;

11 (2) new businesses to be owned and managed
12 by women; and

13 (3) women who provide training and vocational
14 education for women.

15 (d) PRIORITY TO PROJECTS INVOLVING NEW TECH-
16 NOLOGIES.—Not less than \$10,000,000 of the equity
17 funds established under subsection (a) shall be dedicated
18 for financing, insurance, and other assistance to projects
19 involving the development of new technologies, including
20 biomedical and bioengineering projects.

21 **SEC. 4. INTERNATIONAL FUND FOR IRELAND.**

22 (a) INCREASED FUNDING.—In addition to amounts
23 otherwise available for such purposes, there are authorized
24 to be appropriated for United States contributions to the
25 International Fund for Ireland \$30,000,000 for fiscal year

1 1999 and not less than \$40,000,000 for each of the fiscal
2 years 2000 through 2003.

3 (b) USE OF FUNDS.—

4 (1) IN GENERAL.—The President shall take the
5 necessary steps to ensure that—

6 (A) at least 50 percent of the annual con-
7 tributions of the United States to the Inter-
8 national Fund for Ireland are used for projects,
9 in the areas of greatest need based upon levels
10 of unemployment, that—

11 (i) are most likely to produce jobs and
12 economic expansion; and

13 (ii) are selected by the Directors of
14 the International Fund for Ireland in con-
15 sultation with members of the Economic
16 Development Committee of the Northern
17 Ireland Assembly and members of the
18 Cross Border Economic Committee from
19 the Republic of Ireland; and

20 (B) projects targeted at or located in
21 Northern Ireland and the border counties of the
22 Irish Republic receive priority consideration by
23 the Directors of the International Fund for Ire-
24 land in using the funds described in subpara-
25 graph (A).

1 (2) FUNDING FOR PROJECTS USING PRINCIPLES
2 OF FAIR EMPLOYMENT.—The President shall take
3 the necessary steps to ensure that funding for
4 projects be provided by the International Fund for
5 Ireland only to individuals or entities in Northern
6 Ireland and the Republic of Ireland which employ
7 practices consistent with the principles of fair em-
8 ployment.

9 (3) REPORT TO CONGRESS.—The President, by
10 no later than December 1 of each year, shall trans-
11 mit to the Congress a list of those projects the
12 President believes should be funded under paragraph
13 (1).

14 (4) PRIORITY PROJECTS IN FISCAL YEAR
15 1999.—The President shall take the necessary steps
16 to ensure that the following projects are given first
17 consideration for use of funds contributed by the
18 United States in fiscal year 1999 to the Inter-
19 national Fund for Ireland:

20 (A) \$8,000,000 in financing for Omagh
21 Memorial Science Park and other science parks
22 located near existing scientific research centers
23 and university campuses, to supplement support
24 of the United Kingdom for the business devel-
25 opment of scientific research discoveries.

1 (B) \$5,000,000 in cofinancing of the Inno-
2 vation Fund established by the United King-
3 dom, which has contributed \$8,000,000 to that
4 fund, to provide support for technology projects
5 with commercial potential.

6 (C) \$250,000 over 2 fiscal years toward
7 the strengthening of existing ties between hand-
8 made in America and the Northern Ireland
9 craft sector.

10 (D) \$250,000 for programs to develop
11 middle management skills in the public and pri-
12 vate sector.

13 (E) \$13,000,000 for the Springvale
14 Project, a university campus in an economically
15 depressed area of West Belfast, supported in
16 conjunction with the Government of the United
17 Kingdom, the University of Ulster, and the Bel-
18 fast Institute of Further and Higher Education.

19 **SEC. 5. DEPARTMENT OF COMMERCE INITIATIVES.**

20 The Secretary of Commerce shall consolidate its cur-
21 rent activities with respect to promotion of business oppor-
22 tunities in Northern Ireland and the border counties of
23 the Irish Republic to focus on promoting awareness of
24 business opportunities in those counties, encouraging joint

1 ventures with businesses in those counties, and promoting
2 the development of businesses owned by women.

3 **SEC. 6. GENERALIZED SYSTEM OF PREFERENCES.**

4 (a) DESIGNATION AS BENEFICIARY DEVELOPING
5 COUNTRY.—Title V of the Trade Act of 1974 is amended
6 by inserting after section 506 the following new section:

7 **“SEC. 506A. DESIGNATION OF NORTHERN IRELAND AND**
8 **THE BORDER COUNTIES OF THE IRISH RE-**
9 **PUBLIC.**

10 “(a) DESIGNATION.—The President may designate
11 Northern Ireland and the border counties of the Irish Re-
12 public as a beneficiary developing country for purposes of
13 this title for the period beginning on a date specified by
14 the President that occurs on or after the date on which
15 the United States is granted the waivers of obligations
16 under the WTO Agreement or the GATT 1994, or both,
17 that are necessary on account of such designation, and
18 ending no later than 10 years after the effective date or
19 dates of the waivers.

20 “(b) OBLIGATIONS OF UNITED STATES.—The
21 United States Trade Representative shall seek the waiver
22 described in subsection (a) within 1 year after the date
23 of the enactment of this section, and shall seek the co-
24 operation of the European Community, the United King-
25 dom, and Ireland in acquiring the waiver.

1 “(c) REQUIREMENTS FOR ELIGIBILITY OF ARTI-
2 CLES.—

3 “(1) REQUIREMENTS.—An article is eligible for
4 duty free treatment under this section only if—

5 “(A) the article is wholly the growth, prod-
6 uct, or manufacture of the qualifying counties
7 or is a new or different article of commerce that
8 has been grown, produced, or manufactured in
9 the qualifying counties; and

10 “(B) the article is imported directly from
11 qualifying counties; and

12 “(C) the sum of—

13 “(i) the cost or value of the materials
14 produced in qualifying counties, plus

15 “(ii) the direct costs of processing op-
16 erations performed in the qualifying coun-
17 ties,

18 is not less than 35 percent of the appraised
19 value of the product at the time it is entered
20 into the United States.

21 For purposes of determining the 35 percent content
22 requirement contained in subparagraph (C), the cost
23 or value of materials which are used in the produc-
24 tion of an article in the qualifying counties, and are
25 the products of the United States, may be counted

1 in an amount up to 15 percent of the appraised
2 value of the article.

3 “(2) NONQUALIFYING OPERATIONS.—No article
4 shall be considered a new or different article of com-
5 merce under this subsection, and no material shall
6 be included for purposes of determining the 35 per-
7 cent requirement of paragraph (1)(C), by virtue of
8 having merely undergone—

9 “(A) simple combining or packaging oper-
10 ations; or

11 “(B) mere dilution with water or with an-
12 other substance that does not materially alter
13 the characteristics of the article or material.

14 “(3) REQUIREMENTS FOR NEW OR DIFFERENT
15 ARTICLE OF COMMERCE.—For purposes of para-
16 graph (1)(A), an article is a new or different article
17 of commerce if it is substantially transformed into
18 an article having a new name, character, or use.

19 “(4) COST OR VALUE OF MATERIALS.—(A) For
20 purposes of paragraph (1), the cost or value of ma-
21 terials produced in the qualifying counties in-
22 cludes—

23 “(i) the manufacturer’s actual cost for the
24 materials;

1 “(ii) when not included in the manufactur-
2 er’s actual cost for the materials, the freight,
3 insurance, packing, and all other costs incurred
4 in transporting the materials to the manufac-
5 turer’s plant;

6 “(iii) the actual cost of waste or spoilage,
7 less the value of recoverable scrap; and

8 “(iv) taxes or duties imposed on the mate-
9 rials by the Republic of Ireland, the United
10 Kingdom, or the European Union if such taxes
11 or duties are not remitted on exportation.

12 “(B) If a material is provided to the manufac-
13 turer without charge, or at less than fair market
14 value, its cost or value shall be determined by com-
15 puting the sum of—

16 “(i) all expenses incurred in the growth,
17 production, or manufacture of the material, in-
18 cluding general expenses;

19 “(ii) an amount for profit; and

20 “(iii) freight, insurance, packing, and all
21 other costs incurred in transporting the mate-
22 rial to the manufacturers plant.

23 If the information necessary to compute the cost or
24 value of a material is not available, the Customs

1 Service may ascertain or estimate the value thereof
2 using all reasonable methods.

3 “(5) DIRECT COSTS OF PROCESSING OPER-
4 ATIONS.—(A) For purposes of this subsection, the
5 direct costs of processing operations performed in
6 the qualifying counties with respect to an article are
7 those costs either directly incurred in, or which can
8 be reasonably allocated to, the growth, production,
9 manufacture, or assembly, of that article. Such costs
10 include, but are not limited to, the following to the
11 extent that they are includible in the appraised value
12 of articles imported into the United States:

13 “(i) All actual labor costs involved in the
14 growth, production, manufacture, or assembly
15 of the article, including fringe benefits, on-the-
16 job training, and costs of engineering, super-
17 visory, quality control, and similar personnel.

18 “(ii) Dies, molds, tooling, and depreciation
19 on machinery and equipment which are alloca-
20 ble to the article.

21 “(iii) Research, development, design, engi-
22 neering, and blueprint costs insofar as they are
23 allocable to the article.

24 “(iv) Costs of inspecting and testing the
25 article.

1 “(B) Those items that are not included as di-
2 rect costs of processing operations with respect to an
3 article are those which are not directly attributable
4 to the article or are not costs of manufacturing the
5 article. Such items include, but are not limited to—

6 “(i) profit; and

7 “(ii) general expenses of doing business
8 which are either not allocable to the article or
9 are not related to the growth, production, man-
10 ufacture, or assembly of the article, such as ad-
11 ministrative salaries, casualty and liability in-
12 surance, advertising and salesmen’s salaries,
13 commissions, or expenses.

14 “(6) IMPORTED DIRECTLY.—For purposes of
15 this subsection—

16 “(A) articles are imported directly if—

17 “(i) the articles are shipped directly
18 from the qualifying counties into the
19 United States without passing through the
20 territory of any intermediate country; or

21 “(ii) if shipment is through the terri-
22 tory of an intermediate country, the arti-
23 cles in the shipment do not enter into the
24 commerce of any intermediate country and
25 the invoices, bills of lading, and other ship-

1 ping documents specify the United States
2 as the final destination; or

3 “(B) if articles are shipped through an in-
4 termediate country and the invoices and other
5 documents do not specify the United States as
6 the final destination, then the articles in the
7 shipment, upon arrival in the United States, are
8 imported directly only if they—

9 “(i) remain under the control of the
10 customs authority in an intermediate coun-
11 try;

12 “(ii) do not enter into the commerce
13 of an intermediate country except for the
14 purpose of a sale other than at retail, but
15 only if the articles are imported as a result
16 of the original commercial transactions be-
17 tween the importer and the producer or
18 the producer’s sales agent; and

19 “(iii) have not been subjected to oper-
20 ations other than loading, unloading, or
21 other activities necessary to preserve the
22 article in good condition.

23 “(7) DOCUMENTATION REQUIRED.—An article
24 is eligible for the duty exemption under this sub-
25 section only if—

1 “(A) the importer certifies that the article
2 meets the conditions for the duty exemption;
3 and

4 “(B) when requested by the Customs Serv-
5 ice, the importer, manufacturer, or exporter
6 submits a declaration setting forth all pertinent
7 information with respect to the article, includ-
8 ing the following:

9 “(i) A description of the article, quan-
10 tity, numbers and marks of packages, in-
11 voice numbers, and bills of lading.

12 “(ii) A description of the operation
13 performed in the production of the article
14 in the qualifying counties and identifica-
15 tion of the direct costs of processing oper-
16 ations.

17 “(iii) A description of any materials
18 used in production of the article which are
19 wholly the growth, product, or manufac-
20 ture of the qualifying counties or the
21 United States, and a statement as to the
22 cost or value of such materials.

23 “(iv) A description of the operations
24 performed on, and a statement as to the
25 origin and cost or value of, any foreign

1 materials used in the article which are
2 claimed to have been sufficiently processed
3 in the qualifying counties so as to be mate-
4 rials produced in the qualifying counties.

5 “(v) A description of the origin and
6 cost or value of any foreign materials used
7 in the article which have not been substan-
8 tially transformed in the qualifying coun-
9 ties.

10 “(d) REPORTS TO CONGRESS.—The United States
11 Trade Representative shall report annually to the Con-
12 gress on the status of efforts to acquire the waiver de-
13 scribed in subsection (a). The Trade Representative shall
14 also include in the report the status of trade relations be-
15 tween the United States and Northern Ireland and the
16 border counties of the Irish Republic, and recommenda-
17 tions on how to effectively expand trade between the
18 United States and Northern Ireland and the border coun-
19 ties of the Irish Republic.”.

20 (b) CONFORMING AMENDMENT.—Section 502(a)(1)
21 of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)) is
22 amended by striking “The” and inserting “Except as pro-
23 vided in section 506A, the”.

1 (c) DEFINITIONS.—Section 507 of the Trade Act of
2 1974 (19 U.S.C. 2467) is amended by adding at the end
3 the following:

4 “(6) NORTHERN IRELAND AND THE BORDER
5 COUNTIES OF THE IRISH REPUBLIC; QUALIFYING
6 COUNTIES.—The terms ‘Northern Ireland and the
7 border counties of the Irish Republic’ and ‘qualifying
8 counties’ mean any county, district, city, or county
9 council or geographic area that—

10 “(A) is in Northern Ireland, or is in the
11 Republic of Ireland and contiguous to Northern
12 Ireland; and

13 “(B)(i) suffers from the severest form of
14 economic deprivation, which may take into ac-
15 count the United Kingdom’s report, Relative
16 Deprivation in Northern Ireland, Occasional
17 Paper Number 28, Policy Planning and Re-
18 search Unit, September, or the European
19 Union’s report, Special Support Programme for
20 Peace and Reconciliation 1995–1999, includ-
21 ing—

22 “(I) in Northern Ireland, the counties
23 of Derry, Armagh, Antrim, Tyrone, Fer-
24 managh, and Down; and

1 “(II) in the Republic of Ireland, the
2 border counties of Donegal, Sligo, Leitrim,
3 Cavan, Monaghan, and Louth; or

4 “(ii) has a rate of unemployment higher
5 than the local or urban average of unemploy-
6 ment in Northern Ireland.

7 “(7) GATT 1994.—The term ‘GATT 1994’ has
8 the meaning given that term in section 2(1)(B) of
9 the Uruguay Round Agreements Act (19 U.S.C.
10 3501(1)(B)).

11 “(8) WTO AGREEMENT.—The term ‘WTO
12 Agreement’ has the meaning given that term in sec-
13 tion 2(9) of the Uruguay Round Agreements Act (19
14 U.S.C. 3501(9)).”.

15 **SEC. 7. DEFINITIONS.**

16 As used in this Act:

17 (1) NORTHERN IRELAND AND THE BORDER
18 COUNTIES OF THE IRISH REPUBLIC.—The term
19 “Northern Ireland and the border counties of the
20 Irish Republic” means a county, district, city, or
21 county council or geographic area that—

22 (A) is in Northern Ireland, or is in the Re-
23 public of Ireland and contiguous to Northern
24 Ireland; and

1 (B)(i) suffers from the severest form of
2 economic deprivation, which may take into ac-
3 count the United Kingdom’s report, Relative
4 Deprivation in Northern Ireland, Occasional
5 Paper Number 28, Policy Planning and Re-
6 search Unit, September, or the European
7 Union’s report, Special Support Programme for
8 Peace and Reconciliation 1995–1999, includ-
9 ing—

10 (I) in Northern Ireland, the counties
11 of Derry, Armagh, Antrim, Tyrone, Fer-
12 managh, and Down; and

13 (II) in the Republic of Ireland, the
14 border counties of Donegal, Sligo, Leitrim,
15 Cavan, Monaghan, and Louth; or

16 (ii) has a rate of unemployment higher
17 than the local or urban average of unemploy-
18 ment in Northern Ireland.

19 (2) INTERNATIONAL FUND FOR IRELAND.—The
20 term “International Fund for Ireland” has the
21 meaning given the term “International Fund” in
22 section 8 of the Anglo-Irish Agreement Support Act
23 of 1986 (Public Law 99–415).

1 (3) PRINCIPLES OF FAIR EMPLOYMENT.—The
2 term “principles of fair employment” means the fol-
3 lowing principles:

4 (A) Increasing the representation of indi-
5 viduals from underrepresented religious groups
6 in the workforce, including managerial, super-
7 visory, administrative, clerical, and technical
8 jobs.

9 (B) Providing adequate security for the
10 protection of minority employees at the work-
11 place.

12 (C) Banning provocative sectarian or polit-
13 ical emblems from the workplace.

14 (D) Providing that all job openings be ad-
15 vertised publicly and providing that special re-
16 cruitment efforts be made to attract applicants
17 from underrepresented religious groups.

18 (E) Providing that layoff, recall, and ter-
19 mination procedures do not favor a particular
20 religious group.

21 (F) Abolishing job reservations, appren-
22 ticeship restrictions, and differential employ-
23 ment criteria which discriminate on the basis of
24 religion.

1 (G) Providing for the development of train-
2 ing programs that will prepare substantial num-
3 bers of minority employees for skilled jobs, in-
4 cluding the expansion of existing programs and
5 the creation of new programs to train, upgrade,
6 and improve the skills of minority employees.

7 (H) Establishing procedures to assess,
8 identify, and actively recruit minority employees
9 with the potential for further advancement.

10 (I) Providing for the appointment of a sen-
11 ior management staff member to be responsible
12 for the employment efforts of the entity and,
13 within a reasonable period of time, the imple-
14 mentation of the principles described in sub-
15 paragraphs (A) through (H).

○