

113TH CONGRESS
1ST SESSION

H. R. 1777

To create jobs in the United States by increasing United States exports to Africa by at least 200 percent in real dollar value within 10 years, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2013

Mr. SMITH of New Jersey (for himself, Mr. RUSH, and Ms. BASS) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Small Business, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To create jobs in the United States by increasing United States exports to Africa by at least 200 percent in real dollar value within 10 years, 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.**

4 This Act may be cited as the “Increasing American
5 Jobs Through Greater Exports to Africa Act of 2013”.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Export growth helps United States busi-
5 nesses grow and create American jobs. In 2011,
6 United States exports supported 9,700,000 jobs and
7 97.8 percent of United States exports came from
8 small- and medium-sized businesses in 2010.

9 (2) The more than 20 Federal agencies that are
10 involved in export promotion and financing are not
11 sufficiently coordinated to adequately expand United
12 States commercial exports to Africa.

13 (3) The President has taken steps to improve
14 how the United States Government supports Amer-
15 ican businesses by mandating an executive review
16 across agencies and a new Doing Business in Africa
17 initiative, but a substantially greater high-level focus
18 on Africa is needed.

19 (4) Many other countries have trade promotion
20 programs that aggressively compete against United
21 States exports in Africa and around the world. For
22 example, in 2010, medium- and long-term official ex-
23 port credit general volumes from the Group of 7
24 countries (Canada, France, Germany, Italy, Japan,
25 the United Kingdom, and the United States) totaled
26 \$65,400,000,000. Germany provided the largest level

1 of support at \$22,500,000,000, followed by France
2 at \$17,400,000,000 and the United States at
3 \$13,000,000,000. Official export credit support by
4 emerging market economies such as Brazil, China,
5 and India are significant as well.

6 (5) Between 2008 and 2010, China alone pro-
7 vided more than \$110,000,000,000 in loans to the
8 developing world, and, in 2009, China surpassed the
9 United States as the leading trade partner of Afri-
10 can countries. In the last 10 years, African trade
11 with China has increased from \$11,000,000,000 to
12 \$166,000,000,000.

13 (6) The Export-Import Bank of the United
14 States substantially increased lending to United
15 States businesses focused on Africa from
16 \$400,000,000 in 2009 to \$1,400,000,000 in 2011,
17 but the Export-Import Bank of China dwarfed this
18 effort with an estimated \$12,000,000,000 worth of
19 financing. Overall, China is outpacing the United
20 States in selling goods to Africa at a rate of 3 to
21 1.

22 (7) Other countries such as India, Turkey, Rus-
23 sia, and Brazil are also aggressively seeking markets
24 in Africa using their national export banks to pro-
25 vide concessional assistance.

1 (8) The Chinese practice of concessional financ-
2 ing runs contrary to the principles of the Organiza-
3 tion of Economic Co-operation and Development re-
4 lated to open market rates, undermines naturally
5 competitive rates, and can allow governments in Af-
6 rica to overlook the troubling record on labor prac-
7 tices, human rights, and environmental impact.

8 (9) As stated in a recent report entitled “Em-
9 bracing Africa’s Economic Potential” by Senator
10 Chris Coons, “Economic growth in Africa has risen
11 dramatically, but the continent’s vast economic po-
12 tential has not yet been fully realized by the U.S.
13 Government or the American private sector.”.

14 (10) The African continent is undergoing a pe-
15 riod of rapid growth and middle class development,
16 as seen from major indicators such as Internet use,
17 clean water access, and real income growth. In the
18 last decade alone, the percentage of the population
19 with access to the Internet has doubled. Seventy-
20 eight percent of Africa’s rural population now has
21 access to clean water. Over the past 10 years, real
22 income per person in Africa has grown by more than
23 30 percent.

24 (11) Economists have designated Africa as the
25 “next frontier market”, with profitability of many

1 African firms and growth rates of African countries
2 exceeding global averages in recent years. Countries
3 in Africa have a collective spending power of almost
4 \$9,000,000,000 and a gross domestic product of
5 \$1,600,000,000,000, which are projected to double
6 in the next 10 years.

7 (12) In the past 10 years, Africa has been
8 home to 6 of the 10 fastest growing economies in
9 the world. Sub-Saharan Africa is projected to have
10 the fastest growing economies in the world over the
11 next 10 years, with 7 of the 10 fastest growing
12 economies located in sub-Saharan Africa.

13 (13) When countries such as China assist with
14 large-scale government projects, they also gain an
15 upper hand in relations with African leaders and ac-
16 cess to valuable commodities such as oil and copper,
17 typically without regard to environmental, human
18 rights, labor, or governance standards.

19 (14) Unless the United States can offer com-
20 petitive financing for its firms in Africa, it will be
21 deprived of opportunities to participate in African
22 efforts to close the continent's significant infrastruc-
23 ture gap that amounts to an estimated
24 \$100,000,000,000.

1 (b) PURPOSE.—The purpose of this Act is to create
2 jobs in the United States by expanding programs that will
3 result in increasing United States exports to Africa by 200
4 percent in real dollar value within 10 years.

5 **SEC. 3. DEFINITIONS.**

6 In this Act:

7 (1) AFRICA.—The term “Africa” refers to the
8 entire continent of Africa and its 54 countries, in-
9 cluding the Republic of South Sudan.

10 (2) AFRICAN DIASPORA.—The term “African
11 diaspora” means the people of African origin living
12 in the United States, irrespective of their citizenship
13 and nationality, who are willing to contribute to the
14 development of Africa.

15 (3) AGOA.—The term “AGOA” means the Af-
16 rican Growth and Opportunity Act (19 U.S.C. 3701
17 et seq.).

18 (4) APPROPRIATE CONGRESSIONAL COMMIT-
19 TEES.—The term “appropriate congressional com-
20 mittees” means—

21 (A) the Committee on Appropriations, the
22 Committee on Banking, Housing, and Urban
23 Affairs, the Committee on Foreign Relations,
24 and the Committee on Finance of the Senate;
25 and

1 (B) the Committee on Appropriations, the
2 Committee on Energy and Commerce, the Com-
3 mittee on Financial Services, the Committee on
4 Foreign Affairs, and the Committee on Ways
5 and Means of the House of Representatives.

6 (5) DEVELOPMENT AGENCIES.—The term “de-
7 velopment agencies” includes the Department of
8 State, the United States Agency for International
9 Development (USAID), the Millennium Challenge
10 Corporation (MCC), the Overseas Private Invest-
11 ment Corporation (OPIC), the United States Trade
12 and Development Agency (USTDA), the United
13 States Department of Agriculture (USDA), and rel-
14 evant multilateral development banks.

15 (6) TRADE POLICY STAFF COMMITTEE.—The
16 term “Trade Policy Staff Committee” means the
17 Trade Policy Staff Committee established pursuant
18 to section 2002.2 of title 15, Code of Federal Regu-
19 lations, and is composed of representatives of Fed-
20 eral agencies in charge of developing and coordi-
21 nating United States positions on international trade
22 and trade-related investment issues.

23 (7) MULTILATERAL DEVELOPMENT BANKS.—
24 The term “multilateral development banks” has the
25 meaning given that term in section 1701(c)(4) of the

1 International Financial Institutions Act (22 U.S.C.
2 262r(c)(4)) and includes the African Development
3 Foundation.

4 (8) SUB-SAHARAN REGION.—The term “sub-Sa-
5 haran region” refers to the 49 countries listed in
6 section 107 of the African Growth and Opportunity
7 Act (19 U.S.C. 3706) and includes the Republic of
8 South Sudan.

9 (9) TRADE PROMOTION COORDINATING COM-
10 MITTEE.—The term “Trade Promotion Coordinating
11 Committee” means the Trade Promotion Coordi-
12 nating Committee established by Executive Order
13 12870 (58 Fed. Reg. 51753).

14 (10) UNITED STATES AND FOREIGN COMMER-
15 CIAL SERVICE.—The term “United States and For-
16 eign Commercial Service” means the United States
17 and Foreign Commercial Service established by sec-
18 tion 2301 of the Export Enhancement Act of 1988
19 (15 U.S.C. 4721).

20 **SEC. 4. STRATEGY.**

21 (a) IN GENERAL.—Not later than 180 days after the
22 date of the enactment of this Act, the President shall es-
23 tablish a comprehensive United States strategy for public
24 and private investment, trade, and development in Africa.

1 (b) FOCUS OF STRATEGY.—The strategy required by
2 subsection (a) shall focus on—

3 (1) increasing exports of United States goods
4 and services to Africa by 200 percent in real dollar
5 value within 10 years from the date of the enact-
6 ment of this Act;

7 (2) promoting the alignment of United States
8 commercial interests with development priorities in
9 Africa;

10 (3) developing relationships between the govern-
11 ments of countries in Africa and United States busi-
12 nesses that have an expertise in such issues as infra-
13 structure development, technology, telecommuni-
14 cations, energy, and agriculture;

15 (4) improving the competitiveness of United
16 States businesses in Africa, including the role the
17 African diaspora can play in enhancing such com-
18 petitiveness;

19 (5) exploring ways that African diaspora remit-
20 tances can help communities in Africa tackle eco-
21 nomic, development, and infrastructure financing
22 needs;

23 (6) promoting economic integration in Africa
24 through working with the subregional economic com-
25 munities, supporting efforts for deeper integration

1 through the development of customs unions within
2 western and central Africa and within eastern and
3 southern Africa, eliminating time-consuming border
4 formalities into and within these areas, and sup-
5 porting regionally based infrastructure projects;

6 (7) encouraging a greater understanding among
7 United States business and financial communities of
8 the opportunities Africa holds for United States ex-
9 ports;

10 (8) fostering partnership opportunities between
11 United States and African small- and medium-sized
12 enterprises; and

13 (9) monitoring—

14 (A) market loan rates and the availability
15 of capital for United States business investment
16 in Africa;

17 (B) loan rates offered by the governments
18 of other countries for investment in Africa; and

19 (C) the policies of other countries with re-
20 spect to export financing for investment in Afri-
21 ca that are predatory or distort markets.

22 (c) CONSULTATIONS.—In developing the strategy re-
23 quired by subsection (a), the President shall consult
24 with—

25 (1) Congress;

1 (2) each agency that is a member of the Trade
2 Promotion Coordinating Committee;

3 (3) the relevant multilateral development banks,
4 in coordination with the Secretary of the Treasury
5 and the respective United States Executive Directors
6 of such banks;

7 (4) each agency that participates in the Trade
8 Policy Staff Committee;

9 (5) the President's National Export Council;

10 (6) each of the development agencies;

11 (7) any other Federal agencies with responsi-
12 bility for export promotion or financing and develop-
13 ment; and

14 (8) the private sector, including businesses,
15 nongovernmental organizations, and African dias-
16 pora groups.

17 (d) SUBMISSION TO CONGRESS.—

18 (1) STRATEGY.—Not later than 180 days after
19 the date of the enactment of this Act, the President
20 shall submit to Congress the strategy required by
21 subsection (a).

22 (2) PROGRESS REPORT.—Not later than 3
23 years after the date of the enactment of this Act, the
24 President shall submit to Congress a report on the

1 implementation of the strategy required by sub-
2 section (a).

3 (3) CONTENT OF REPORT.—The report re-
4 quired by paragraph (2) shall include an assessment
5 of the extent to which the strategy required by sub-
6 section (a)—

7 (A) has been successful in developing crit-
8 ical analyses of policies to increase exports to
9 Africa;

10 (B) has been successful in increasing the
11 competitiveness of United States businesses in
12 Africa;

13 (C) has been successful in creating jobs in
14 the United States, including the nature and
15 sustainability of such jobs;

16 (D) has provided sufficient United States
17 Government support to meet third country com-
18 petition in the region;

19 (E) has been successful in helping the Af-
20 rican diaspora in the United States participate
21 in economic growth in Africa;

22 (F) has been successful in promoting eco-
23 nomic integration in Africa; and

24 (G) has made a meaningful contribution to
25 the transformation of Africa and its full inte-

1 gration into the 21st century world economy,
2 not only as a supplier of primary products but
3 also as full participant in international supply
4 and distribution chains and as a consumer of
5 international goods and services.

6 **SEC. 5. SPECIAL AFRICA STRATEGY COORDINATOR.**

7 The President shall designate an individual to serve
8 as Special Africa Export Strategy Coordinator—

9 (1) to oversee the development and implementa-
10 tion of the strategy required by section 4; and

11 (2) to coordinate with the Trade Promotion Co-
12 ordinating Committee, (the interagency AGOA com-
13 mittees), and development agencies with respect to
14 developing and implementing the strategy.

15 **SEC. 6. TRADE MISSION TO AFRICA.**

16 It is the sense of Congress that, not later than 1 year
17 after the date of the enactment of this Act, the Secretary
18 of Commerce and other high-level officials of the United
19 States Government with responsibility for export pro-
20 motion, financing, and development should conduct a joint
21 trade mission to Africa.

22 **SEC. 7. PERSONNEL.**

23 (a) UNITED STATES AND FOREIGN COMMERCIAL
24 SERVICE.—

1 (1) IN GENERAL.—The Secretary of Commerce
2 shall ensure that not less than 10 total United
3 States and Foreign Commercial Service officers are
4 assigned to Africa for each of the first 5 fiscal years
5 beginning after the date of the enactment of this
6 Act.

7 (2) ASSIGNMENT.—The Secretary shall, in con-
8 sultation with the Trade Promotion Coordinating
9 Committee and the Special Africa Export Strategy
10 Coordinator, assign the United States and Foreign
11 Commercial Service officers described in paragraph
12 (1) to United States embassies in Africa after con-
13 ducting a timely resource allocation analysis that
14 represents a forward-looking assessment of future
15 United States trade opportunities in Africa.

16 (3) MULTILATERAL DEVELOPMENT BANKS.—

17 (A) IN GENERAL.—As soon as practicable
18 after the date of the enactment of this Act, the
19 Secretary of Commerce shall, using existing
20 staff, assign not less than 1 full-time United
21 States and Foreign Commercial Service officer
22 to the office of the United States Executive Di-
23 rector at the World Bank and the African De-
24 velopment Bank.

1 (B) RESPONSIBILITIES.—Each United
2 States and Foreign Commercial Service officer
3 assigned under subparagraph (A) shall be re-
4 sponsible for—

5 (i) increasing the access of United
6 States businesses to procurement contracts
7 with the multilateral development bank to
8 which the officer is assigned; and

9 (ii) facilitating the access of United
10 States businesses to risk insurance, equity
11 investments, consulting services, and lend-
12 ing provided by that bank.

13 (b) EXPORT-IMPORT BANK OF THE UNITED
14 STATES.—Of the amounts collected by the Export-Import
15 Bank that remain after paying the expenses the Bank is
16 authorized to pay from such amounts for administrative
17 expenses, the Bank shall use sufficient funds to do the
18 following:

19 (1) Increase the number of staff dedicated to
20 expanding business development for Africa, including
21 increasing the number of business development trips
22 the Bank conducts to Africa and the amount of time
23 staff spends in Africa to meet the goals set forth in
24 section 9 and paragraph (4) of section 6(a) of the

1 Export-Import Bank of 1945, as added by section
2 9(a)(2).

3 (2) Maintain an appropriate number of employ-
4 ees of the Bank assigned to United States field of-
5 fices of the Bank to be distributed as geographically
6 appropriate through the United States. Such offices
7 shall coordinate with the related export efforts un-
8 dertaken by the Small Business Administration re-
9 gional field offices.

10 (3) Upgrade the Bank's equipment and soft-
11 ware to more expeditiously, effectively, and effi-
12 ciently process and track applications for financing
13 received by the Bank.

14 (c) OVERSEAS PRIVATE INVESTMENT CORPORA-
15 TION.—

16 (1) STAFFING.—Of the net offsetting collections
17 collected by the Overseas Private Investment Cor-
18 poration used for administrative expenses, the Cor-
19 poration shall use sufficient funds to increase by not
20 more than 5 the staff needed to promote stable and
21 sustainable economic growth and development in Af-
22 rica, to strengthen and expand the private sector in
23 Africa, and to facilitate the general economic devel-
24 opment of Africa, with a particular focus on helping

1 United States businesses expand into African mar-
2 kets.

3 (2) REPORT.—The Corporation shall report to
4 the appropriate congressional committees on whether
5 recent technology upgrades have resulted in more ef-
6 fective and efficient processing and tracking of appli-
7 cations for financing received by the Corporation.

8 (3) CERTAIN COSTS NOT CONSIDERED ADMINIS-
9 TRATIVE EXPENSES.—For purposes of this sub-
10 section, systems infrastructure costs associated with
11 activities authorized by title IV of chapter 2 of part
12 I of the Foreign Assistance Act of 1961 (22 U.S.C.
13 231 et seq.) shall not be considered administrative
14 expenses.

15 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
16 tion shall be construed as permitting the reduction of De-
17 partment of Commerce, Department of State, Export Im-
18 port Bank, or Overseas Private Investment Corporation
19 personnel or the alteration of planned personnel increases
20 in other regions, except where a personnel decrease was
21 previously anticipated or where decreased export opportu-
22 nities justify personnel reductions.

23 **SEC. 8. TRAINING.**

24 The President shall develop a plan—

1 (1) to standardize the training received by
2 United States and Foreign Commercial Service offi-
3 cers, economic officers of the Department of State,
4 and economic officers of the United States Agency
5 for International Development with respect to the
6 programs and procedures of the Export-Import
7 Bank of the United States, the Overseas Private In-
8 vestment Corporation, the Small Business Adminis-
9 tration, and the United States Trade and Develop-
10 ment Agency; and

11 (2) to ensure that, not later than 1 year after
12 the date of the enactment of this Act—

13 (A) all United States and Foreign Com-
14 mercial Service officers that are stationed over-
15 seas receive the training described in paragraph
16 (1); and

17 (B) in the case of a country to which no
18 United States and Foreign Commercial Service
19 officer is assigned, any economic officer of the
20 Department of State stationed in that country
21 shall receive that training.

22 **SEC. 9. EXPORT-IMPORT BANK FINANCING.**

23 (a) **FINANCING FOR PROJECTS IN AFRICA.**—

24 (1) **SENSE OF CONGRESS.**—It is the sense of
25 Congress that foreign export credit agencies are pro-

1 viding non-OECD arrangement compliant financing
2 in Africa, which is trade distorting and threatens
3 United States jobs.

4 (2) IN GENERAL.—Section 6(a) of the Export-
5 Import Bank Act of 1945 (12 U.S.C. 635e(a)) is
6 amended by adding at the end the following:

7 “(4) PERCENT OF FINANCING TO BE USED FOR
8 PROJECTS IN AFRICA.—The Bank shall, to the ex-
9 tent that there are acceptable final applications, in-
10 crease the amount it finances to Africa over the
11 prior year’s financing for each of the first five fiscal
12 years beginning after the date of the enactment of
13 the Increasing American Jobs Through Greater Ex-
14 ports to Africa Act of 2013.”.

15 (3) REPORT.—Not later than 1 year after the
16 date of the enactment of this Act, and annually
17 thereafter for 5 years, the Export-Import Bank shall
18 report to the Committee on Banking, Housing, and
19 Urban Affairs, the Committee on Foreign Relations,
20 and the Committee on Appropriations of the Senate
21 and the Committee on Financial Services, the Com-
22 mittee on Foreign Affairs, and the Committee on
23 Appropriations of the House of Representatives if
24 the Bank has not used at least 10 percent of its
25 lending capabilities for projects in Africa as de-

1 scribed in paragraph (4) of section 6(a) of the Ex-
2 port-Import Bank of 1945, as added by paragraph
3 (2). The report shall include the reasons why the
4 Bank failed to reach this goal and a description of
5 all final applications for projects in Africa that were
6 deemed unworthy of Bank support.

7 (b) AVAILABILITY OF PORTION OF CAPITALIZATION
8 TO COMPETE AGAINST FOREIGN CONCESSIONAL
9 LOANS.—

10 (1) IN GENERAL.—The Bank shall make avail-
11 able annually such amounts as are necessary for
12 loans that counter trade distorting non-OECD ar-
13 rangement compliant financing or preferential, tied
14 aid, or other related non-market loans offered by
15 other nations for which United States companies are
16 also competing or interested in competing.

17 (2) REPORT.—Not later than 1 year after the
18 date of the enactment of this Act, and annually
19 thereafter for 5 years, the Export-Import Bank shall
20 submit to the Committee on Banking, Housing, and
21 Urban Affairs, the Committee on Foreign Relations,
22 and the Committee on Appropriations of the Senate
23 and the Committee on Financial Services, the Com-
24 mittee on Foreign Affairs, and the Committee on
25 Appropriations of the House of Representatives a re-

1 port on all loans made or rejected that were consid-
2 ered to counter non-OECD arrangement compliant
3 financing offered by other nations to its firms. The
4 report shall not disclose any information that is con-
5 fidential or business proprietary, or that would vio-
6 late section 1905 of title 18, United States Code
7 (commonly referred to as the “Trade Secrets Act”).
8 The report shall include a description of trade dis-
9 torting non-OECD arrangement compliant financing
10 loans made by other countries during that fiscal year
11 to firms that competed against the United States
12 firms.

13 **SEC. 10. SMALL BUSINESS ADMINISTRATION.**

14 Section 22(b) of the Small Business Act (15 U.S.C.
15 649(b)) is amended—

16 (1) in the matter preceding paragraph (1), by
17 inserting “the Trade Promotion Coordinating Com-
18 mittee,” after “Director of the United States Trade
19 and Development Agency,”; and

20 (2) in paragraph (3), by inserting “regional of-
21 fices of the Export-Import Bank,” after “Retired
22 Executives,”.

1 **SEC. 11. BILATERAL, SUBREGIONAL AND REGIONAL, AND**
2 **MULTILATERAL AGREEMENTS.**

3 Where applicable, the President shall explore oppor-
4 tunities to negotiate bilateral, subregional, and regional
5 agreements that encourage trade and eliminate nontariff
6 barriers to trade between countries, such as negotiating
7 investor friendly double-taxation treaties and investment
8 promotion agreements. United States negotiators in multi-
9 lateral forum should take into account the objectives of
10 this Act. To the extent any such agreements exist between
11 the United States and an African country, the President
12 shall ensure that the agreement is being implemented in
13 a manner that maximizes the positive effects for United
14 States trade, export, and labor interests as well as the eco-
15 nomic development of the countries in Africa.

○