Public Law 106–200
106th Congress

An Act

To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.

May 18, 2000
[H.R. 434]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Trade and Development Act of 2000.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

19 USC 3701 note.

(a) SHORT TITLE.—This Act may be cited as the "Trade and Development Act of 2000".

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

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title; table of contents.
Sec. 102. Findings.
Sec. 103. Statement of policy.
Sec. 104. Eligibility requirements.
Sec. 105. United States-Sub-Saharan Africa Trade and Economic Cooperation Forum.
Sec. 106. Reporting requirement.
Sec. 107. Sub-Saharan Africa defined.

Subtitle B—Trade Benefits

Sec. 111. Eligibility for certain benefits.
Sec. 112. Treatment of certain textiles and apparel.
Sec. 113. Protections against transshipment.
Sec. 114. Termination.
Sec. 115. Clerical amendments.
Sec. 116. Free trade agreements with sub-Saharan African countries.
Sec. 117. Assistant United States Trade Representative for African Affairs.

Subtitle C—Economic Development Related Issues

Sec. 121. Sense of the Congress regarding comprehensive debt relief for the world's poorest countries.
Sec. 122. Executive branch initiatives.
Sec. 123. Overseas Private Investment Corporation initiatives.
Sec. 124. Export-Import Bank initiatives.
Sec. 125. Expansion of the United States and Foreign Commercial Service in sub-Saharan Africa.
Sec. 126. Donation of air traffic control equipment to eligible sub-Saharan African countries.
Sec. 127. Additional authorities and increased flexibility to provide assistance under the Development Fund for Africa.
Sec. 128. Assistance from United States private sector to prevent and reduce HIV/AIDS in sub-Saharan Africa.
Sec. 129. Sense of the Congress relating to HIV/AIDS crisis in sub-Saharan Africa.
Sec. 130. Study on improving African agricultural practices.
Sec. 131. Sense of the Congress regarding efforts to combat desertification in Africa and other countries.

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TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.
Sec. 202. Findings and policy.
Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.
Sec. 212. Duty-free treatment for certain beverages made with Caribbean rum.
Sec. 213. Meetings of trade ministers and USTR.

TITLE III—NORMAL TRADE RELATIONS

Sec. 301. Normal trade relations for Albania.
Sec. 302. Normal trade relations for Kyrgyzstan.

TITLE IV—OTHER TRADE PROVISIONS

Sec. 401. Report on employment and trade adjustment assistance.
Sec. 402. Trade adjustment assistance.
Sec. 403. Reliquidation of certain nuclear fuel assemblies.
Sec. 404. Reports to the Finance and Ways and Means committees.
Sec. 405. Clarification of section 334 of the Uruguay Round Agreements Act.
Sec. 406. Chief agricultural negotiator.
Sec. 407. Revision of retaliation list or other remedial action.
Sec. 408. Report on trade adjustment assistance for agricultural commodity producers.
Sec. 409. Agricultural trade negotiating objectives and consultations with Congress.
Sec. 410. Entry procedures for foreign trade zone operations.
Sec. 411. Goods made with forced or indentured child labor.
Sec. 412. Worst forms of child labor.

TITLE V—IMPORTS OF CERTAIN WOOL ARTICLES

Sec. 501. Temporary duty reductions.
Sec. 502. Temporary duty suspensions.
Sec. 503. Separate tariff line treatment for wool yarn and men's or boys' suits and suit-type jackets and trousers of worsted wool fabric.
Sec. 504. Monitoring of market conditions and authority to modify tariff reductions.
Sec. 505. Refund of duties paid on imports of certain wool articles.
Sec. 506. Wool research, development, and promotion trust fund.

TITLE VI—REVENUE PROVISIONS

Sec. 601. Application of denial of foreign tax credit regarding trade and investment with respect to certain foreign countries.
Sec. 602. Acceleration of cover over payments to Puerto Rico and Virgin Islands.

African Growth and Opportunity Act.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

19 USC 3701 note.

SEC. 101. SHORT TITLE.

This title may be cited as the "African Growth and Opportunity Act".

19 USC 3701.

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced the strengthening of democracy as countries in sub-Saharan Africa have taken steps to encourage broader participation in the political process;

(5) certain countries in sub-Saharan Africa have increased their economic growth rates, taken significant steps towards liberalizing their economies, and made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages approximately $500 annually;

(7) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for encouraging broader participation in a political process in which political freedom can flourish;

(8) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(9) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(10) encouraging the reciprocal reduction of trade and investment barriers in Africa will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY. 19 USC 3702.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to the rule of law, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa, especially enterprises owned by women and small businesses;

(7) facilitating the development of civil societies and political freedom in sub-Saharan Africa;

(8) establishing a United States-Sub-Saharan Africa Trade and Economic Cooperation Forum; and

(9) the accession of the countries in sub-Saharan Africa to the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

President.
19 USC 3703.

SEC. 104. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—The President is authorized to designate a sub-Saharan African country as an eligible sub-Saharan African country if the President determines that the country—

(1) has established, or is making continual progress toward establishing—

(A) a market-based economy that protects private property rights, incorporates an open rules-based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets;

(B) the rule of law, political pluralism, and the right to due process, a fair trial, and equal protection under the law;

(C) the elimination of barriers to United States trade and investment, including by—

(i) the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;

(ii) the protection of intellectual property; and

(iii) the resolution of bilateral trade and investment disputes;

(D) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, promote the development of private enterprise, and encourage the formation of capital markets through micro-credit or other programs;

(E) a system to combat corruption and bribery, such as signing and implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and

(F) protection of internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(2) does not engage in activities that undermine United States national security or foreign policy interests; and

(3) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities.

(b) CONTINUING COMPLIANCE.—If the President determines that an eligible sub-Saharan African country is not making continual progress in meeting the requirements described in subsection (a)(1), the President shall terminate the designation of the country made pursuant to subsection (a).

SEC. 105. UNITED STATES-SUB-SAHARAN AFRICA TRADE AND ECONOMIC COOPERATION FORUM.

President.
19 USC 3704.

(a) DECLARATION OF POLICY.—The President shall convene annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of the enactment of this Act, the President, after consulting with Congress and the governments concerned, shall establish a United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (in this section referred to as the "Forum").

Deadline.

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to host the first annual meeting with their counterparts from the governments of sub-Saharan African countries eligible under section 104, and those sub-Saharan African countries that the President determines are taking substantial positive steps towards meeting the eligibility requirements in section 104. The purpose of the meeting shall be to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this title including encouraging joint ventures between small and large businesses. The President shall also direct the Secretaries and the United States Trade Representative to invite to the meeting representatives from appropriate sub-Saharan African regional organizations and government officials from other appropriate countries in sub-Saharan Africa.

(2)(A) The President, in consultation with the Congress, shall encourage United States nongovernmental organizations to host annual meetings with nongovernmental organizations from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) The President, in consultation with the Congress, shall encourage United States representatives of the private sector to host annual meetings with representatives of the private sector from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) The President shall, to the extent practicable, meet with the heads of governments of sub-Saharan African countries eligible under section 104, and those sub-Saharan African countries that the President determines are taking substantial positive steps toward meeting the eligibility requirements in section 104, not less than once every 2 years for the purpose of discussing the issues described in paragraph (1). The first such meeting should take place not later than 12 months after the date of the enactment of this Act.

Deadline.

(d) DISSEMINATION OF INFORMATION BY USIS.—In order to assist in carrying out the purposes of the Forum, the United States Information Service shall disseminate regularly, through multiple media, economic information in support of the free market economic reforms described in this title.

(e) HIV/AIDS EFFECT ON THE SUB-SAHARAN AFRICAN WORKFORCE.—In selecting issues of common interest to the United States-Sub-Saharan Africa Trade and Economic Cooperation Forum, the President shall instruct the United States delegates to the Forum to promote a review by the Forum of the HIV/AIDS epidemic in each sub-Saharan African country and the effect of the HIV/AIDS epidemic on economic development in each country.

President. Deadline. 19 USC 3705.

SEC. 106. REPORTING REQUIREMENT.

The President shall submit to the Congress, not later than 1 year after the date of the enactment of this Act, and annually thereafter through 2008, a comprehensive report on the trade and investment policy of the United States for sub-Saharan Africa, and on the implementation of this title and the amendments made by this title.

19 USC 3706.

SEC. 107. SUB-SAHARAN AFRICA DEFINED.

For purposes of this title, the terms "sub-Saharan Africa", "sub-Saharan African country", "country in sub-Saharan Africa", and "countries in sub-Saharan Africa" refer to the following or any successor political entities:

Republic of Angola (Angola).
Republic of Benin (Benin).
Republic of Botswana (Botswana).
Burkina Faso (Burkina).
Republic of Burundi (Burundi).
Republic of Cameroon (Cameroon).
Republic of Cape Verde (Cape Verde).
Central African Republic.
Republic of Chad (Chad).
Federal Islamic Republic of the Comoros (Comoros).
Democratic Republic of Congo.
Republic of the Congo (Congo).
Republic of Côte d'Ivoire (Côte d'Ivoire).
Republic of Djibouti (Djibouti).
Republic of Equatorial Guinea (Equatorial Guinea).
State of Eritrea (Eritrea).
Ethiopia.
Gabonese Republic (Gabon).
Republic of the Gambia (Gambia).
Republic of Ghana (Ghana).
Republic of Guinea (Guinea).
Republic of Guinea-Bissau (Guinea-Bissau).
Republic of Kenya (Kenya).
Kingdom of Lesotho (Lesotho).
Republic of Liberia (Liberia).
Republic of Madagascar (Madagascar).
Republic of Malawi (Malawi).
Republic of Mali (Mali).
Islamic Republic of Mauritania (Mauritania).
Republic of Mauritius (Mauritius).
Republic of Mozambique (Mozambique).
Republic of Namibia (Namibia).
Republic of Niger (Niger).
Federal Republic of Nigeria (Nigeria).
Republic of Rwanda (Rwanda).
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe).

Republic of Senegal (Senegal).
Republic of Seychelles (Seychelles).
Republic of Sierra Leone (Sierra Leone).
Somalia.
Republic of South Africa (South Africa).
Republic of Sudan (Sudan).
Kingdom of Swaziland (Swaziland).
United Republic of Tanzania (Tanzania).
Republic of Togo (Togo).
Republic of Uganda (Uganda).
Republic of Zambia (Zambia).
Republic of Zimbabwe (Zimbabwe).

Subtitle B—Trade Benefits

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

"SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS. 19 USC 2466a.

"(a) AUTHORITY TO DESIGNATE.— President.

"(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 107 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b)—

"(A) if the President determines that the country meets the eligibility requirements set forth in section 104 of that Act, as such requirements are in effect on the date of the enactment of that Act; and

"(B) subject to the authority granted to the President under subsections (a), (d), and (e) of section 502, if the country otherwise meets the eligibility criteria set forth in section 502.

"(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor, review, and report to Congress annually on the progress of each country listed in section 107 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of this section. The President's determinations, and explanations of such determinations, with specific analysis of the eligibility requirements described in paragraph (1)(A), shall be included in the annual report required by section 106 of the African Growth and Opportunity Act.

"(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

"(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

"(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1)(B) through (G) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

"(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

"(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

"(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

"(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 107 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.".

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

"(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.".

19 USC 3721.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Textile and apparel articles described in subsection (b) that are imported directly into the customs territory of the United States from a beneficiary sub-Saharan African country described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations in accordance with the provisions set forth in subsection (b), if the country has satisfied the requirements set forth in section 113.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading

5602 or 5603 of the Harmonized Tariff Schedule of the United States and are wholly formed and cut in the United States) that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States and are wholly formed in the United States) if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) APPAREL ARTICLES ASSEMBLED FROM REGIONAL AND OTHER FABRIC.—Apparel articles wholly assembled in one or more beneficiary sub-Saharan African countries from fabric wholly formed in one or more beneficiary sub-Saharan African countries from yarn originating either in the United States or one or more beneficiary sub-Saharan African countries (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States and are wholly formed and cut in one or more beneficiary sub-Saharan African countries), subject to the following:

(A) LIMITATIONS ON BENEFITS.—

(i) IN GENERAL.—Preferential treatment under this paragraph shall be extended in the 1-year period beginning on October 1, 2000, and in each of the seven succeeding 1-year periods, to imports of apparel articles in an amount not to exceed the applicable percentage of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available.

(ii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term "applicable percentage" means 1.5 percent for the 1-year period beginning October 1, 2000, increased in each of the seven succeeding 1-year periods by equal increments, so that for the period beginning October 1, 2007, the applicable percentage does not exceed 3.5 percent.

(B) SPECIAL RULE FOR LESSER DEVELOPED COUNTRIES.—

(i) IN GENERAL.—Subject to subparagraph (A), preferential treatment shall be extended through September 30, 2004, for apparel articles wholly assembled

in one or more lesser developed beneficiary sub-Saharan African countries regardless of the country of origin of the fabric used to make such articles.

(ii) LESSER DEVELOPED BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY.—For purposes of this subparagraph the term "lesser developed beneficiary sub-Saharan African country" means a beneficiary sub-Saharan African country that had a per capita gross national product of less than $1,500 a year in 1998, as measured by the World Bank.

(C) SURGE MECHANISM.—

(i) IMPORT MONITORING.—The Secretary of Commerce shall monitor imports of articles described in this paragraph on a monthly basis to determine if there has been a surge in imports of such articles. In order to permit public access to preliminary international trade data and to facilitate the early identification of potentially disruptive import surges, the Director of the Office of Management and Budget may grant an exception to the publication dates established for the release of data on United States international trade in covered articles, if the Director notifies Congress of the early release of the data.

(ii) DETERMINATION OF DAMAGE OR THREAT THEREOF.—Whenever the Secretary of Commerce determines, based on the data described in clause (i), or pursuant to a written request made by an interested party, that there has been a surge in imports of an article described in this paragraph from a beneficiary sub-Saharan African country, the Secretary shall determine whether such article from such country is being imported in such increased quantities as to cause serious damage, or threat thereof, to the domestic industry producing a like or directly competitive article. If the Secretary's determination is affirmative, the President shall suspend the duty-free treatment provided for such article under this paragraph. If the inquiry is initiated at the request of an interested party, the Secretary shall make the determination within 60 days after the date of the request.

(iii) FACTORS TO CONSIDER.—In determining whether a domestic industry has been seriously damaged, or is threatened with serious damage, the Secretary shall examine the effect of the imports on relevant economic indicators such as domestic production, sales, market share, capacity utilization, inventories, employment, profits, exports, prices, and investment.

(iv) PROCEDURE.—

Deadline.

(I) INITIATION.—The Secretary of Commerce shall initiate an inquiry within 10 days after receiving a written request and supporting information for an inquiry from an interested party. Notice of initiation of an inquiry shall be published in the Federal Register.

Federal Register, publication.

(II) PARTICIPATION BY INTERESTED PARTIES.—The Secretary of Commerce shall establish procedures to ensure participation in the inquiry by interested parties.

(III) NOTICE OF DETERMINATION.—The Secretary shall publish the determination described in clause (ii) in the Federal Register.

Federal Register, publication.

(IV) INFORMATION AVAILABLE.—If relevant information is not available on the record or any party withholds information that has been requested by the Secretary, the Secretary shall make the determination on the basis of the facts available. When the Secretary relies on information submitted in the inquiry as facts available, the Secretary shall, to the extent practicable, corroborate the information from independent sources that are reasonably available to the Secretary.

(v) INTERESTED PARTY.—For purposes of this subparagraph, the term "interested party" means any producer of a like or directly competitive article, a certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, or sale in the United States of a like or directly competitive article, a trade or business association representing producers or sellers of like or directly competitive articles, producers engaged in the production of essential inputs for like or directly competitive articles, a certified union or group of workers which is representative of an industry engaged in the manufacture, production, or sale of essential inputs for the like or directly competitive article, or a trade or business association representing companies engaged in the manufacture, production, or sale of such essential inputs.

(4) SWEATERS KNIT-TO-SHAPE FROM CASHMERE OR MERINO WOOL.—

(A) CASHMERE.—Sweaters, in chief weight of cashmere, knit-to-shape in one or more beneficiary sub-Saharan African countries and classifiable under subheading 6110.10 of the Harmonized Tariff Schedule of the United States.

(B) MERINO WOOL.—Sweaters, 50 percent or more by weight of wool measuring 18.5 microns in diameter or finer, knit-to-shape in one or more beneficiary sub-Saharan African countries.

(5) APPAREL ARTICLES WHOLLY ASSEMBLED FROM FABRIC OR YARN NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE UNITED STATES.—

(A) IN GENERAL.—Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries, from fabric or yarn that is not formed in the United States or a beneficiary sub-Saharan African country, to the extent that apparel articles of such fabrics or yarns would be eligible for preferential treatment, without regard to the source of the fabric or yarn, under Annex 401 to the NAFTA.

President.

(B) ADDITIONAL APPAREL ARTICLES.—At the request of any interested party and subject to the following requirements, the President is authorized to proclaim the treatment provided under subparagraph (A) for yarns or fabrics not described in subparagraph (A) if—

(i) the President determines that such yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner;

(ii) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

Deadline.
Reports.

(iii) within 60 calendar days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth—

(I) the action proposed to be proclaimed and the reasons for such action; and

(II) the advice obtained under clause (ii);

(iv) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclauses (I) and (II) of clause (iii), has expired; and

(v) the President has consulted with such committees regarding the proposed action during the period referred to in clause (iii).

(6) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore articles.

President.

President.
Deadlines.

(c) TREATMENT OF QUOTAS ON TEXTILE AND APPAREL IMPORTS FROM KENYA AND MAURITIUS.—The President shall eliminate the existing quotas on textile and apparel articles imported into the United States—

(1) from Kenya within 30 days after that country adopts an effective visa system to prevent unlawful transshipment of textile and apparel articles and the use of counterfeit documents relating to the importation of the articles into the United States; and

(2) from Mauritius within 30 days after that country adopts such a visa system.

The Customs Service shall provide the necessary technical assistance to Kenya and Mauritius in the development and implementation of the visa systems.

(d) SPECIAL RULES.—

(1) FINDINGS AND TRIMMINGS.—

(A) GENERAL RULE.—An article otherwise eligible for preferential treatment under this section shall not be ineligible for such treatment because the article contains

findings or trimmings of foreign origin, if the value of such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled article. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, "bow buds", decorative lace trim, elastic strips, and zippers, including zipper tapes and labels. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and used in the production of brassieres.

(B) CERTAIN INTERLININGS.—

(i) GENERAL RULE.—An article otherwise eligible for preferential treatment under this section shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

(ii) INTERLININGS DESCRIBED.—Interlinings eligible for the treatment described in clause (i) include only a chest type plate, a "hymo" piece, or "sleeve header", of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

(iii) TERMINATION OF TREATMENT.—The treatment described in this subparagraph shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

(C) EXCEPTION.—In the case of an article described in subsection (b)(2), sewing thread shall not be treated as findings or trimmings under subparagraph (A).

(2) DE MINIMIS RULE.—An article otherwise eligible for preferential treatment under this section shall not be ineligible for such treatment because the article contains fibers or yarns not wholly formed in the United States or one or more beneficiary sub-Saharan African countries if the total weight of all such fibers and yarns is not more than 7 percent of the total weight of the article.

(e) DEFINITIONS.—In this section and section 113:

(1) AGREEMENT ON TEXTILES AND CLOTHING.—The term "Agreement on Textiles and Clothing" means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.—The terms "beneficiary sub-Saharan African country" and "beneficiary sub-Saharan African countries" have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) NAFTA.—The term "NAFTA" means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(f) EFFECTIVE DATE.—This section takes effect on October 1, 2000, and shall remain in effect through September 30, 2008.

Termination date.

SEC. 113. PROTECTIONS AGAINST TRANSSHIPMENT.

19 USC 3722.

(a) PREFERENTIAL TREATMENT CONDITIONED ON ENFORCEMENT MEASURES.—

(1) IN GENERAL.—The preferential treatment under section 112(a) shall not be provided to textile and apparel articles that are imported from a beneficiary sub-Saharan African country unless that country—

(A) has adopted an effective visa system, domestic laws, and enforcement procedures applicable to covered articles to prevent unlawful transshipment of the articles and the use of counterfeit documents relating to the importation of the articles into the United States;

(B) has enacted legislation or promulgated regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country;

(C) agrees to report, on a timely basis, at the request of the United States Customs Service, on the total exports from and imports into that country of covered articles, consistent with the manner in which the records are kept by that country;

(D) will cooperate fully with the United States to address and take action necessary to prevent circumvention as provided in Article 5 of the Agreement on Textiles and Clothing;

(E) agrees to require all producers and exporters of covered articles in that country to maintain complete records of the production and the export of covered articles, including materials used in the production, for at least 2 years after the production or export (as the case may be); and

(F) agrees to report, on a timely basis, at the request of the United States Customs Service, documentation establishing the country of origin of covered articles as used by that country in implementing an effective visa system.

(2) COUNTRY OF ORIGIN DOCUMENTATION.—For purposes of paragraph (1)(F), documentation regarding the country of origin of the covered articles includes documentation such as production records, information relating to the place of production, the number and identification of the types of machinery used in production, the number of workers employed in production, and certification from both the manufacturer and the exporter.

(b) CUSTOMS PROCEDURES AND ENFORCEMENT.—

(1) IN GENERAL.—

(A) REGULATIONS.—Any importer that claims preferential treatment under section 112 shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

(B) DETERMINATION.—

President.

(i) IN GENERAL.—In order to qualify for the preferential treatment under section 112 and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in clause (ii)—

(I) has implemented and follows; or

(II) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

(ii) COUNTRY DESCRIBED.—A country is described in this clause if it is a beneficiary sub-Saharan African country—

(I) from which the article is exported; or

(II) in which materials used in the production of the article originate or in which the article or such materials, undergo production that contributes to a claim that the article is eligible for preferential treatment.

(2) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of paragraph (1) shall not be required in the case of an article imported under section 112 if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

(3) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment as defined in paragraph (4), then the President shall deny for a period of 5 years all benefits under section 112 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter.

(4) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under this Act has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under section 112.

(5) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of each year, a report on the effectiveness of the visa systems and the implementation of legislation and regulations described in subsection (a) and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in Article 5 of the Agreement on Textiles and Clothing. Deadline.

(c) CUSTOMS SERVICE ENFORCEMENT.—The Customs Service shall—

(1) make available technical assistance to the beneficiary sub-Saharan African countries—

(A) in the development and implementation of visa systems, legislation, and regulations described in subsection (a)(1)(A); and

(B) to train their officials in anti-transshipment enforcement;

(2) send production verification teams to at least four beneficiary sub-Saharan African countries each year; and

(3) to the extent feasible, place beneficiary sub-Saharan African countries on the Electronic Visa (ELVIS) program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (c) the sum of $5,894,913.

SEC. 114. TERMINATION.

Title V of the Trade Act of 1974 is amended by inserting after section 506A the following new section:

19 USC 2466b.

"SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

"In the case of a beneficiary sub-Saharan African country, as defined in section 506A(c), duty-free treatment provided under this title shall remain in effect through September 30, 2008.".

SEC. 115. CLERICAL AMENDMENTS.

The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 506 the following new items:

"Sec. 506A. Designation of sub-Saharan African countries for certain benefits.
"Sec. 506B. Termination of benefits for sub-Saharan African countries.".

19 USC 3723.

SEC. 116. FREE TRADE AGREEMENTS WITH SUB-SAHARAN AFRICAN COUNTRIES.

(a) DECLARATION OF POLICY.—Congress declares that free trade agreements should be negotiated, where feasible, with interested countries in sub-Saharan Africa, in order to serve as the catalyst for increasing trade between the United States and sub-Saharan Africa and increasing private sector investment in sub-Saharan Africa.

(b) PLAN REQUIREMENT.—

President.

(1) IN GENERAL.—The President, taking into account the provisions of the treaty establishing the African Economic Community and the willingness of the governments of sub-Saharan African countries to engage in negotiations to enter into free trade agreements, shall develop a plan for the purpose of negotiating and entering into one or more trade agreements with interested beneficiary sub-Saharan African countries.

(2) ELEMENTS OF PLAN.—The plan shall include the following:

(A) The specific objectives of the United States with respect to negotiations described in paragraph (1) and a suggested timetable for achieving those objectives.

(B) The benefits to both the United States and the relevant sub-Saharan African countries with respect to the applicable free trade agreement or agreements.

(C) A mutually agreed-upon timetable for the negotiations.

(D) The implications for and the role of regional and sub-regional organizations in sub-Saharan Africa with respect to such free trade agreement or agreements.

(E) Subject matter anticipated to be covered by the negotiations and United States laws, programs, and policies, as well as the laws of participating eligible African

countries and existing bilateral and multilateral and economic cooperation and trade agreements, that may be affected by the agreement or agreements.

(F) Procedures to ensure the following:

(i) Adequate consultation with the Congress and the private sector during the negotiations.

(ii) Consultation with the Congress regarding all matters relating to implementation of the agreement or agreements.

(iii) Approval by the Congress of the agreement or agreements.

(iv) Adequate consultations with the relevant African governments and African regional and subregional intergovernmental organizations during the negotiation of the agreement or agreements.

(c) REPORTING REQUIREMENT.—Not later than 12 months after the date of the enactment of this Act, the President shall prepare and transmit to the Congress a report containing the plan developed pursuant to subsection (b). Deadline. President.

SEC. 117. ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR AFRICAN AFFAIRS. 19 USC 3724.

It is the sense of the Congress that—

(1) the position of Assistant United States Trade Representative for African Affairs is integral to the United States commitment to increasing United States-sub-Saharan African trade and investment;

(2) the position of Assistant United States Trade Representative for African Affairs should be maintained within the Office of the United States Trade Representative to direct and coordinate interagency activities on United States-Africa trade policy and investment matters and serve as—

(A) a primary point of contact in the executive branch for those persons engaged in trade between the United States and sub-Saharan Africa; and

(B) the chief advisor to the United States Trade Representative on issues of trade and investment with Africa; and

(3) the United States Trade Representative should have adequate funding and staff to carry out the duties of the Assistant United States Trade Representative for African Affairs described in paragraph (2), subject to the availability of appropriations.

Subtitle C—Economic Development Related Issues

SEC. 121. SENSE OF THE CONGRESS REGARDING COMPREHENSIVE DEBT RELIEF FOR THE WORLD'S POOREST COUNTRIES. 19 USC 3731.

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

(1) The burden of external debt has become a major impediment to economic growth and poverty reduction in many of the world's poorest countries.

(2) Until recently, the United States Government and other official creditors sought to address this problem by rescheduling loans and in some cases providing limited debt reduction.

(3) Despite such efforts, the cumulative debt of many of the world's poorest countries continued to grow beyond their capacity to repay.

(4) In 1997, the Group of Seven, the World Bank, and the International Monetary Fund adopted the Heavily Indebted Poor Countries Initiative (HIPC), a commitment by the international community that all multilateral and bilateral creditors, acting in a coordinated and concerted fashion, would reduce poor country debt to a sustainable level.

(5) The HIPC Initiative is currently undergoing reforms to address concerns raised about country conditionality, the amount of debt forgiven, and the allocation of savings realized through the debt forgiveness program to ensure that the Initiative accomplishes the goals of economic growth and poverty alleviation in the world's poorest countries.

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

(1) Congress and the President should work together, without undue delay and in concert with the international community, to make comprehensive debt relief available to the world's poorest countries in a manner that promotes economic growth and poverty alleviation;

(2) this program of bilateral and multilateral debt relief should be designed to strengthen and expand the private sector, encourage increased trade and investment, support the development of free markets, and promote broad-scale economic growth in beneficiary countries;

(3) this program of debt relief should also support the adoption of policies to alleviate poverty and to ensure that benefits are shared widely among the population, such as through initiatives to advance education, improve health, combat AIDS, and promote clean water and environmental protection;

(4) these debt relief agreements should be designed and implemented in a transparent manner and with the broad participation of the citizenry of the debtor country and should ensure that country circumstances are adequately taken into account;

(5) no country should receive the benefits of debt relief if that country does not cooperate with the United States on terrorism or narcotics enforcement, is a gross violator of the human rights of its citizens, or is engaged in conflict or spends excessively on its military; and

(6) in order to prevent adverse impact on a key industry in many developing countries, the International Monetary Fund must mobilize its own resources for providing debt relief to eligible countries without allowing gold to reach the open market, or otherwise adversely affecting the market price of gold.

19 USC 3732.

SEC. 122. EXECUTIVE BRANCH INITIATIVES.

(a) STATEMENT OF THE CONGRESS.—The Congress recognizes that the stated policy of the executive branch in 1997, the "Partnership for Growth and Opportunity in Africa" initiative, is a step toward the establishment of a comprehensive trade and development policy for sub-Saharan Africa. It is the sense of the Congress

that this Partnership is a companion to the policy goals set forth in this title.

(b) TECHNICAL ASSISTANCE TO PROMOTE ECONOMIC REFORMS AND DEVELOPMENT.—In addition to continuing bilateral and multilateral economic and development assistance, the President shall target technical assistance toward—

(1) developing relationships between United States firms and firms in sub-Saharan Africa through a variety of business associations and networks;

(2) providing assistance to the governments of sub-Saharan African countries to—

(A) liberalize trade and promote exports;

(B) bring their legal regimes into compliance with the standards of the World Trade Organization in conjunction with membership in that Organization;

(C) make financial and fiscal reforms; and

(D) promote greater agribusiness linkages;

(3) addressing such critical agricultural policy issues as market liberalization, agricultural export development, and agribusiness investment in processing and transporting agricultural commodities;

(4) increasing the number of reverse trade missions to growth-oriented countries in sub-Saharan Africa;

(5) increasing trade in services; and

(6) encouraging greater sub-Saharan African participation in future negotiations in the World Trade Organization on services and making further commitments in their schedules to the General Agreement on Trade in Services in order to encourage the removal of tariff and nontariff barriers.

SEC. 123. OVERSEAS PRIVATE INVESTMENT CORPORATION INITIATIVES. 19 USC 3733.

(a) INITIATION OF FUNDS.—It is the sense of the Congress that the Overseas Private Investment Corporation should exercise the authorities it has to initiate an equity fund or equity funds in support of projects in the countries in sub-Saharan Africa, in addition to the existing equity fund for sub-Saharan Africa created by the Corporation.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) should 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 should 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) INFRASTRUCTURE FUND.—One or more of the funds, with combined assets of up to $500,000,000, should be used in support of infrastructure projects in countries of sub-Saharan Africa.

(4) EMPHASIS.—The Corporation shall ensure that the funds are used to provide support in particular to women entrepreneurs and to innovative investments that expand opportunities for women and maximize employment opportunities for poor individuals.

(c) OVERSEAS PRIVATE INVESTMENT CORPORATION.—

22 USC 2193.

(1) INVESTMENT ADVISORY COUNCIL.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(e) INVESTMENT ADVISORY COUNCIL.—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the use of an investment advisory council to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa. In addition, the investment advisory council shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa. The investment advisory council shall terminate 4 years after the date of the enactment of this subsection.".

Termination date.

Deadline.

(2) REPORTS TO CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Overseas Private Investment Corporation shall submit to Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 (as added by paragraph (1)) and any recommendations of the investment advisory council established pursuant to such section.

19 USC 3734.

SEC. 124. EXPORT-IMPORT BANK INITIATIVES.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Board of Directors of the Bank shall continue to take comprehensive measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee and insurance programs of the Bank.

(b) SUB-SAHARAN AFRICA ADVISORY COMMITTEE.—The sub-Saharan Africa Advisory Committee (SAAC) is to be commended for aiding the Bank in advancing the economic partnership between the United States and the nations of sub-Saharan Africa by doubling the number of sub-Saharan African countries in which the Bank is open for traditional financing and by increasing by tenfold the Bank's support for sales to sub-Saharan Africa from fiscal year 1998 to fiscal year 1999. The Board of Directors of the Bank and its staff shall continue to review carefully the sub-Saharan Africa Advisory Committee recommendations on the development and implementation of new and innovative policies and programs designed to promote the Bank's expansion in sub-Saharan Africa.

19 USC 3735.

SEC. 125. EXPANSION OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE IN SUB-SAHARAN AFRICA.

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

(1) The United States and Foreign Commercial Service (hereafter in this section referred to as the "Commercial Service") plays an important role in helping United States businesses identify export opportunities and develop reliable sources of information on commercial prospects in foreign countries.

(2) During the 1980s, the presence of the Commercial Service in sub-Saharan Africa consisted of 14 professionals providing services in eight countries. By early 1997, that presence had been reduced by half to seven professionals in only four countries.

(3) Since 1997, the Department of Commerce has slowly begun to increase the presence of the Commercial Service in sub-Saharan Africa, adding five full-time officers to established posts.

(4) Although the Commercial Service Officers in these countries have regional responsibilities, this kind of coverage does not adequately service the needs of United States businesses attempting to do business in sub-Saharan Africa.

(5) The Congress has, on several occasions, encouraged the Commercial Service to focus its resources and efforts in countries or regions in Europe or Asia to promote greater United States export activity in those markets, and similar encouragement should be provided for countries in sub-Saharan Africa as well.

(6) Because market information is not widely available in many sub-Saharan African countries, the presence of additional Commercial Service Officers and resources can play a significant role in assisting United States businesses in markets in those countries.

(b) APPOINTMENTS.—Subject to the availability of appropriations, by not later than December 31, 2001, the Secretary of Commerce, acting through the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, shall take steps to ensure that— Deadline.

(1) at least 20 full-time Commercial Service employees are stationed in sub-Saharan Africa; and

(2) full-time Commercial Service employees are stationed in not less than 10 different sub-Saharan African countries.

(c) INITIATIVE FOR SUB-SAHARAN AFRICA.—In order to encourage the export of United States goods and services to sub-Saharan African countries, the International Trade Administration shall make a special effort to—

(1) identify United States goods and services which are the best prospects for export by United States companies to sub-Saharan Africa;

(2) identify, where appropriate, tariff and nontariff barriers that are preventing or hindering sales of United States goods and services to, or the operation of United States companies in, sub-Saharan Africa;

(3) hold discussions with appropriate authorities in sub-Saharan Africa on the matters described in paragraphs (1) and (2) with a view to securing increased market access for United States exporters of goods and services;

(4) identify current resource allocations and personnel levels in sub-Saharan Africa for the Commercial Service and consider plans for the deployment of additional resources or personnel to that region; and

(5) make available to the public, through printed and electronic means of communication, the information derived pursuant to paragraphs (1) through (4) for each of the 4 years after the date of the enactment of this Act. Public information.

SEC. 126. DONATION OF AIR TRAFFIC CONTROL EQUIPMENT TO ELIGIBLE SUB-SAHARAN AFRICAN COUNTRIES. 19 USC 3736.

It is the sense of the Congress that, to the extent appropriate, the United States Government should make every effort to donate to governments of sub-Saharan African countries determined to

be eligible under section 104 air traffic control equipment that is no longer in use, including appropriate related reimbursable technical assistance.

19 USC 3737.

SEC. 127. ADDITIONAL AUTHORITIES AND INCREASED FLEXIBILITY TO PROVIDE ASSISTANCE UNDER THE DEVELOPMENT FUND FOR AFRICA.

(a) USE OF SUSTAINABLE DEVELOPMENT ASSISTANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is the sense of the Congress that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment, and that to achieve this objective the United States Agency for International Development should continue to support programs which help to create this environment. Investments in human resources, development, and implementation of free market policies, including policies to liberalize agricultural markets and improve food security, and the support for the rule of law and democratic governance should continue to be encouraged and enhanced on a bilateral and regional basis.

(b) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The Development Fund for Africa established under chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) has been an effective tool in providing development assistance to sub-Saharan Africa since 1988.

(2) The Development Fund for Africa will complement the other provisions of this title and lay a foundation for increased trade and investment opportunities between the United States and sub-Saharan Africa.

(3) Assistance provided through the Development Fund for Africa will continue to support programs and activities that promote the long term economic development of sub-Saharan Africa, such as programs and activities relating to the following:

(A) Strengthening primary and vocational education systems, especially the acquisition of middle-level technical skills for operating modern private businesses and the introduction of college level business education, including the study of international business, finance, and stock exchanges.

(B) Strengthening health care systems.

(C) Supporting democratization, good governance and civil society and conflict resolution efforts.

(D) Increasing food security by promoting the expansion of agricultural and agriculture-based industrial production and productivity and increasing real incomes for poor individuals.

(E) Promoting an enabling environment for private sector-led growth through sustained economic reform, privatization programs, and market-led economic activities.

(F) Promoting decentralization and local participation in the development process, especially linking the rural production sectors and the industrial and market centers throughout Africa.

(G) Increasing the technical and managerial capacity of sub-Saharan African individuals to manage the economy of sub-Saharan Africa.

(H) Ensuring sustainable economic growth through environmental protection.

(4) The African Development Foundation has a unique congressional mandate to empower the poor to participate fully in development and to increase opportunities for gainful employment, poverty alleviation, and more equitable income distribution in sub-Saharan Africa. The African Development Foundation has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, cooperatives, artisans, and traders into the programs and initiatives established under this title.

(c) ADDITIONAL AUTHORITIES.—

(1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

"(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section may also include program assistance—

"(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

"(B) to strengthen conflict resolution capabilities of governmental, intergovernmental, and nongovernmental entities in sub-Saharan Africa.".

(2) CONFORMING AMENDMENT.—Section 496(h)(4) of such Act, as amended by paragraph (1), is further amended by striking "paragraphs (1) and (2)" in the first sentence and inserting "paragraphs (1), (2), and (3)".

SEC. 128. ASSISTANCE FROM UNITED STATES PRIVATE SECTOR TO PREVENT AND REDUCE HIV/AIDS IN SUB-SAHARAN AFRICA. 19 USC 3738.

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 businesses 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.

SEC. 129. SENSE OF THE CONGRESS RELATING TO HIV/AIDS CRISIS IN SUB-SAHARAN AFRICA. 19 USC 3739.

(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) Eighty-three 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.

19 USC 3740.

SEC. 130. STUDY ON IMPROVING AFRICAN AGRICULTURAL PRACTICES.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with American Land Grant Colleges and Universities and not-for-profit international organizations, is authorized to conduct a 2-year study on ways to improve the flow of American farming techniques and practices to African farmers. The study shall include an examination of ways of improving or utilizing—

(1) knowledge of insect and sanitation procedures;

(2) modern farming and soil conservation techniques;

(3) modern farming equipment (including maintaining the equipment);

(4) marketing crop yields to prospective purchasers; and

(5) crop maximization practices.

Deadline.

The Secretary of Agriculture shall submit the study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives not later than September 30, 2001.

(b) LAND GRANT COLLEGES AND NOT-FOR-PROFIT INSTITUTIONS.—In conducting the study under subsection (a), the Secretary of Agriculture is encouraged to consult with American Land Grant Colleges and not-for-profit international organizations that have firsthand knowledge of current African farming practices.

19 USC 3741.

SEC. 131. SENSE OF THE CONGRESS REGARDING EFFORTS TO COMBAT DESERTIFICATION IN AFRICA AND OTHER COUNTRIES.

(a) FINDINGS.—The Congress finds that—

(1) desertification affects approximately one-sixth of the world's population and one-quarter of the total land area;

(2) over 1,000,000 hectares of Africa are affected by desertification;

(3) dryland degradation is an underlying cause of recurrent famine in Africa;

(4) the United Nations Environment Programme estimates that desertification costs the world $42,000,000,000 a year, not including incalculable costs in human suffering; and

(5) the United States can strengthen its partnerships throughout Africa and other countries affected by desertification, help alleviate social and economic crises caused by misuse of natural resources, and reduce dependence on foreign aid, by taking a leading role to combat desertification.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should expeditiously work with the international community, particularly Africa and other countries affected by desertification, to—

(1) strengthen international cooperation to combat desertification;

(2) promote the development of national and regional strategies to address desertification and increase public awareness of this serious problem and its effects;

(3) develop and implement national action programs that identify the causes of desertification and measures to address it; and

(4) recognize the essential role of local governments and nongovernmental organizations in developing and implementing measures to address desertification.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

United States-Caribbean Basin Trade Partnership Act.

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

19 USC 2701 note.

This title may be cited as the "United States-Caribbean Basin Trade Partnership Act".

SEC. 202. FINDINGS AND POLICY.

19 USC 2701 note.

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

(1) The Caribbean Basin Economic Recovery Act (in this title referred to as "CBERA") represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) In 1998, Hurricane Mitch and Hurricane Georges devastated areas in the Caribbean Basin region, killing more than 10,000 people and leaving 3,000,000 homeless.

(3) The total direct impact of Hurricanes Mitch and Georges on Honduras, Nicaragua, the Dominican Republic, El Salvador, and Guatemala amounts to $4,200,000,000, representing a severe loss to income levels in this underdeveloped region.

(4) In addition to short term disaster assistance, United States policy toward the region should focus on expanding

international trade with the Caribbean Basin region as an enduring solution for successful economic growth and recovery.

(5) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (in this title referred to as "FTAA") by the year 2005.

(6) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(7) Offering temporary benefits to Caribbean Basin countries will preserve the United States commitment to Caribbean Basin beneficiary countries, promote the growth of free enterprise and economic opportunity in these neighboring countries, and thereby enhance the national security interests of the United States.

(8) Given the greater propensity of countries located in the Western Hemisphere to use United States components and to purchase United States products compared to other countries, increased trade and economic activity between the United States and countries in the Western Hemisphere will create new jobs in the United States as a result of expanding export opportunities.

(b) POLICY.—It is the policy of the United States—

(1) to offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or another free trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) to seek the participation of Caribbean Basin beneficiary countries in the FTAA or another free trade agreement at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

19 USC 2701 note.

SEC. 203. DEFINITIONS.

In this title:

(1) NAFTA.—The term "NAFTA" means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(2) NAFTA COUNTRY.—The term "NAFTA country" means any country with respect to which the NAFTA is in force.

(3) WTO AND WTO MEMBER.—The terms "WTO" and "WTO member" have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

"(b) IMPORT-SENSITIVE ARTICLES.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

"(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

"(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(C) tuna, prepared or preserved in any manner, in airtight containers;

"(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

"(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

"(F) articles to which reduced rates of duty apply under subsection (h).

"(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

"(A) ARTICLES COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles:

"(i) APPAREL ARTICLES ASSEMBLED IN ONE OR MORE CBTPA BENEFICIARY COUNTRIES.—Apparel articles assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are—

"(I) entered under subheading 9802.00.80 of the HTS; or

"(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes.

"(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN ONE OR MORE CBTPA BENEFICIARY COUNTRIES.—Apparel articles cut in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States), if such articles are assembled in one or more such countries with thread formed in the United States.

"(iii) CERTAIN KNIT APPAREL ARTICLES.—(I) Apparel articles knit to shape (other than socks provided for in heading 6115 of the HTS) in a CBTPA beneficiary country from yarns wholly formed in the United States,

and knit apparel articles (other than t-shirts described in subclause (III)) cut and wholly assembled in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries or the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in one or more CBTPA beneficiary countries), in an amount not exceeding the amount set forth in subclause (II).

"(II) The amount referred to in subclause (I) is—

"(aa) 250,000,000 square meter equivalents during the 1-year period beginning on October 1, 2000, increased by 16 percent, compounded annually, in each succeeding 1-year period through September 30, 2004; and

"(bb) in each 1-year period thereafter through September 30, 2008, the amount in effect for the 1-year period ending on September 30, 2004, or such other amount as may be provided by law.

"(III) T-shirts, other than underwear, classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTS, made in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (IV).

"(IV) the amount referred to in subclause (III) is—

"(aa) 4,200,000 dozen during the 1-year period beginning on October 1, 2000, increased by 16 percent, compounded annually, in each succeeding 1-year period through September 30, 2004; and

"(bb) in each 1-year period thereafter, the amount in effect for the 1-year period ending on September 30, 2004, or such other amount as may be provided by law.

"(V) It is the sense of the Congress that the Congress should determine, based on the record of expansion of exports from the United States as a result of the preferential treatment of articles under this clause, the percentage by which the amount provided in subclauses (II) and (IV) should be compounded for the 1-year periods occurring after the 1-year period ending on September 30, 2004.

"(iv) CERTAIN OTHER APPAREL ARTICLES.—(I) Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the CBTPA beneficiary countries, or both.

"(II) During the 1-year period beginning on October 1, 2001, and during each of the six succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall

be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(III) The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity in the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(v) APPAREL ARTICLES ASSEMBLED FROM FABRICS OR YARN NOT WIDELY AVAILABLE IN COMMERCIAL QUANTITIES.—(I) Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries, from fabrics or yarn that is not formed in the United States or in one or more CBTPA beneficiary countries, to the extent that apparel articles of such fabrics or yarn would be eligible for preferential treatment, without regard to the source of the fabrics or yarn, under Annex 401 of the NAFTA.

"(II) At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under subclause (I) if—

"(aa) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

"(bb) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

"(cc) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under division (bb);

Deadline.
Reports.

"(dd) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of division (cc), has expired; and

"(ee) the President has consulted with such committees regarding the proposed action during the period referred to in division (cc).

"(vi) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTPA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

"(vii) SPECIAL RULES.—

"(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, 'bow buds', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

"(bb) In the case of an article described in clause (ii) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

"(II) CERTAIN INTERLINING.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

"(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, 'hymo' piece, or 'sleeve header', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

"(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

"(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains fibers or yarns not wholly formed in the United States or in one or more CBTPA beneficiary countries shall not be ineligible for such treatment if the total weight of all such fibers or yarns is

not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

"(IV) SPECIAL ORIGIN RULE.—An article otherwise eligible for preferential treatment under clause (i) or (ii) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995.

"(viii) TEXTILE LUGGAGE.—Textile luggage—

"(I) assembled in a CBTPA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

"(II) assembled from fabric cut in a CBTPA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

"(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles to which this subparagraph applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

"(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A)(vi), the President shall consult with representatives of the CBTPA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

"(D) PENALTIES FOR TRANSSHIPMENTS.—

"(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from a CBTPA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

"(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTPA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions

President.

to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

"(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

"(E) BILATERAL EMERGENCY ACTIONS.—

"(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTPA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

"(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

"(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

"(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

"(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the CBTPA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

"(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

"(A) EQUIVALENT TARIFF TREATMENT.—

"(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that is a CBTPA originating good shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

"(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

"(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

"(4) CUSTOMS PROCEDURES.—

"(A) IN GENERAL.—

"(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

"(ii) DETERMINATION.—

"(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)— President.

"(aa) has implemented and follows; or

"(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

"(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTPA beneficiary country—

"(aa) from which the article is exported; or

"(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

"(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

"(C) REPORT BY USTR ON COOPERATION OF OTHER COUNTRIES CONCERNING CIRCUMVENTION.—The United States Commissioner of Customs shall conduct a study analyzing the extent to which each CBTPA beneficiary country—

"(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable, transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

"(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

"(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

Deadline.
Reports.

The Trade Representative shall submit to Congress, not later than October 1, 2001, a report on the study conducted under this subparagraph.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

"(B) CBTPA BENEFICIARY COUNTRY.—The term 'CBTPA beneficiary country' means any 'beneficiary country', as defined in section 212(a)(1)(A) of this title, which the President designates as a CBTPA beneficiary country, taking into account the criteria contained in subsections (b) and (c) of section 212 and other appropriate criteria, including the following:

"(i) Whether the beneficiary country has demonstrated a commitment to—

"(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

"(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

"(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

"(iii) The extent to which the country provides internationally recognized worker rights, including—

"(I) the right of association;

"(II) the right to organize and bargain collectively;

"(III) a prohibition on the use of any form of forced or compulsory labor;

"(IV) a minimum age for the employment of children; and

"(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

"(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

"(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

"(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

"(vii) The extent to which the country—

"(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

"(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

"(C) CBTPA ORIGINATING GOOD.—

"(i) IN GENERAL.—The term 'CBTPA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

"(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 of the NAFTA with respect to a CBTPA beneficiary country for purposes of this subsection—

"(I) no country other than the United States and a CBTPA beneficiary country may be treated as being a party to the NAFTA;

"(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTPA beneficiary country;

"(III) any reference to a party shall be deemed to refer to a CBTPA beneficiary country or the United States; and

"(IV) any reference to parties shall be deemed to refer to any combination of CBTPA beneficiary countries or to the United States and one or more CBTPA beneficiary countries (or any combination thereof).

"(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to a CBTPA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

"(i) September 30, 2008; or

"(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the CBTPA beneficiary country.

"(E) CBTPA.—The term 'CBTPA' means the United States-Caribbean Basin Trade Partnership Act.

"(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.".

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting "(A)" after "(1)"; and

(C) by adding at the end the following:

"(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

"(i) withdraw or suspend the designation of any country as a CBTPA beneficiary country; or

"(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b)(2) and (3) to any article of any country,

if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B)."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) If preferential treatment under section 213(b)(2) and (3) is withdrawn, suspended, or limited with respect to a CBTPA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.".

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

"(f) REPORTING REQUIREMENTS.—

Deadline.

"(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

"(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

"(B) the performance of each beneficiary country or CBTPA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B).

Federal Register, publication.

"(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B).".

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking "TRIENNIAL REPORT" in the heading and inserting "REPORT"; and

(B) by striking "On or before" and all that follows through "enactment of this title" and inserting "Not later than January 31, 2001".

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

"(a) REPORTING REQUIREMENT.—

"(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers and on the economy of the beneficiary countries.

"(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001. Deadline.

"(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.".

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

"(a) REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

"(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

"(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting "(or other preferential treatment)" after "treatment".

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting "and except as provided in subsection (b)(2) and (3)," after "Tax Reform Act of 1986,".

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

"(D) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

"(E) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).".

SEC. 212. DUTY-FREE TREATMENT FOR CERTAIN BEVERAGES MADE WITH CARIBBEAN RUM.

Section 213(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)) is amended—

(1) in paragraph (5), by striking "chapter" and inserting "title"; and

(2) by adding at the end the following new paragraph:

"(6) Notwithstanding paragraph (1), the duty-free treatment provided under this title shall apply to liqueurs and spirituous beverages produced in the territory of Canada from rum if—

"(A) such rum is the growth, product, or manufacture of a beneficiary country or of the Virgin Islands of the United States;

"(B) such rum is imported directly from a beneficiary country or the Virgin Islands of the United States into the territory of Canada, and such liqueurs and spirituous beverages are imported directly from the territory of Canada into the customs territory of the United States;

"(C) when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.90 or 2208.40 of the HTS; and

"(D) such rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.".

19 USC 2701 note.
President.

SEC. 213. MEETINGS OF TRADE MINISTERS AND USTR.

(a) SCHEDULE OF MEETINGS.—The President shall take the necessary steps to convene a meeting with the trade ministers of the CBTPA beneficiary countries in order to establish a schedule of regular meetings, to commence as soon as is practicable, of the trade ministers and the Trade Representative, for the purpose set forth in subsection (b).

(b) PURPOSE.—The purpose of the meetings scheduled under subsection (a) is to reach agreement between the United States and CBTPA beneficiary countries on the likely timing and procedures for initiating negotiations for CBTPA beneficiary countries to enter into mutually advantageous free trade agreements with the United States that contain provisions comparable to those in the NAFTA and would make substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)).

(c) DEFINITION.—In this section, the term "CBTPA beneficiary country" has the meaning given that term in section 213(b)(5)(B) of the Caribbean Basin Economic Recovery Act.

TITLE III—NORMAL TRADE RELATIONS

19 USC 2434 note.

SEC. 301. NORMAL TRADE RELATIONS FOR ALBANIA.

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

(1) Albania has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974.

(2) Since its emergence from communism, Albania has made progress toward democratic rule and the creation of a free-market economy.

(3) Albania has concluded a bilateral investment treaty with the United States.

(4) Albania has demonstrated a strong desire to build a friendly relationship with the United States and has been very cooperative with NATO and the international community during and after the Kosova crisis.

(5) The extension of unconditional normal trade relations treatment to the products of Albania will enable the United States to avail itself of all rights under the World Trade Organization with respect to Albania when that country becomes a member of the World Trade Organization.

(b) TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ALBANIA.—

(1) PRESIDENTIAL DETERMINATIONS AND EXTENSIONS OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Albania; and

(B) after making a determination under subparagraph (A) with respect to Albania, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Albania, title IV of the Trade Act of 1974 shall cease to apply to that country.

SEC. 302. NORMAL TRADE RELATIONS FOR KYRGYZSTAN.

19 USC 2434 note.

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

(1) Kyrgyzstan has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974.

(2) Since its independence from the Soviet Union in 1991, Kyrgyzstan has made great progress toward democratic rule and toward creating a free-market economic system.

(3) Kyrgyzstan concluded a bilateral investment treaty with the United States in 1994.

(4) Kyrgyzstan has demonstrated a strong desire to build a friendly and cooperative relationship with the United States.

(5) The extension of unconditional normal trade relations treatment to the products of Kyrgyzstan will enable the United States to avail itself of all rights under the World Trade Organization with respect to Kyrgyzstan.

(b) TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO KYRGYZSTAN.—

(1) PRESIDENTIAL DETERMINATIONS AND EXTENSIONS OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Kyrgyzstan; and

(B) after making a determination under subparagraph (A) with respect to Kyrgyzstan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Kyrgyzstan, title IV of the Trade Act of 1974 shall cease to apply to that country.

TITLE IV—OTHER TRADE PROVISIONS

SEC. 401. REPORT ON EMPLOYMENT AND TRADE ADJUSTMENT ASSISTANCE.

Deadline.

(a) IN GENERAL.—Not later than 9 months after the date of the enactment of this section, the Comptroller General of the United States shall submit to Congress a report regarding the efficiency and effectiveness of Federal and State coordination of employment and retraining activities associated with the following programs and legislation:

(1) Trade adjustment assistance (including NAFTA trade adjustment assistance) provided for under title II of the Trade Act of 1974.

(2) The Job Training Partnership Act.

(3) The Workforce Investment Act of 1998.

(4) Unemployment insurance.

(b) PERIOD COVERED.—The report shall cover the activities involved in the programs and legislation listed in subsection (a) from January 1, 1994, to December 31, 1999.

(c) DATA AND RECOMMENDATIONS.—The report shall at a minimum include specific data and recommendations regarding—

(1) the compatibility of program requirements related to the employment and retraining of dislocated workers in the United States, with particular emphasis on the trade adjustment assistance programs provided for under title II of the Trade Act of 1974;

(2) the compatibility of application procedures related to the employment and retraining of dislocated workers in the United States;

(3) the capacity of the programs in addressing foreign trade and the transfer of production to other countries on workers in the United States measured in terms of loss of employment and wages;

(4) the capacity of the programs in addressing foreign trade and the transfer of production to other countries on secondary workers in the United States measured in terms of loss of employment and wages;

(5) how the impact of foreign trade and the transfer of production to other countries would have changed the number of beneficiaries covered under the trade adjustment assistance program if the trade adjustment assistance program covered secondary workers in the United States; and

(6) the effectiveness of the programs described in subsection (a) in achieving reemployment of United States workers and

maintaining wage levels of United States workers who have been dislocated as a result of foreign trade and the transfer of production to other countries.

SEC. 402. TRADE ADJUSTMENT ASSISTANCE.

(a) CERTIFICATION OF ELIGIBILITY FOR WORKERS REQUIRED FOR DECOMMISSIONING OR CLOSURE OF FACILITY.—

(1) IN GENERAL.—Notwithstanding any other provision of law or any decision by the Secretary of Labor denying certification or eligibility for certification for adjustment assistance under title II of the Trade Act of 1974, a qualified worker described in paragraph (2) shall be certified by the Secretary as eligible to apply for adjustment assistance under such title II.

(2) QUALIFIED WORKER.—For purposes of this subsection, a "qualified worker" means a worker who—

(A) was determined to be covered under Trade Adjustment Assistance Certification TA–W–28,438; and

(B) was necessary for the decommissioning or closure of a nuclear power facility.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 403. RELIQUIDATION OF CERTAIN NUCLEAR FUEL ASSEMBLIES.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the Secretary of the Treasury not later than 90 days after the date of the enactment of this Act, the Secretary shall— Deadline.

(1) reliquidate as free of duty the entries listed in subsection (b); and

(2) refund any duties paid with respect to such entries as shown on Customs Service Collection Receipt Number 527006753.

(b) ENTRIES.—The entries referred to in subsection (a) are as follows:

Entry number	Date of entry
062–2320014–5	January 16, 1996
062–2320085–5	February 13, 1996
839–4030989–7	November 25, 1996
839–4031053–1	December 2, 1996
839–4031591–0	January 21, 1997.

SEC. 404. REPORTS TO THE FINANCE AND WAYS AND MEANS COMMITTEES.

(a) REPORTS REGARDING INITIATIVES TO UPDATE THE INTERNATIONAL MONETARY FUND.—Section 607 of the Foreign Operations, Export Financing, and Related Appropriations Act, 1999 (as contained in section 101(d) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999) (Public Law 105–277; 112 Stat. 2681–224), relating to international financial programs and reform, is amended— 22 USC 262r note.

(1) by inserting "Finance," after "Foreign Relations,"; and

(2) by inserting ", Ways and Means," before "and Banking and Financial Services".

(b) REPORTS ON FINANCIAL STABILIZATION PROGRAMS.—Section 1704(b) of the International Financial Institutions Act (22 U.S.C. 262r–3(b)) is amended to read as follows:

Deadline.

"(b) TIMING.—Not later than March 15, 1999, and semiannually thereafter, the Secretary of the Treasury shall submit to the Committees on Banking and Financial Services, Ways and Means, and International Relations of the House of Representatives and the Committees on Finance, Foreign Relations, and Banking, Housing, and Urban Affairs of the Senate a report on the matters described in subsection (a).".

(c) ANNUAL REPORT ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM, IMF REFORM, AND COMPLIANCE WITH IMF AGREEMENTS.—Section 1705(a) of the International Financial Institutions Act (22 U.S.C. 262r–4(a)) is amended by striking "Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate" and inserting "Committees on Banking and Financial Services and on Ways and Means of the House of Representatives and the Committees on Finance and on Foreign Relations of the Senate".

(d) AUDITS OF THE IMF.—Section 1706(a) of the International Financial Institutions Act (22 U.S.C. 262r–5(a)) is amended by striking "Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate" and inserting "Committees on Banking and Financial Services and on Ways and Means of the House of Representatives and the Committees on Finance and on Foreign Relations of the Senate".

(e) REPORT ON PROTECTION OF BORDERS AGAINST DRUG TRAFFIC.—Section 629 of the Treasury and General Government Appropriations Act, 1999 (as contained in section 101(h) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999) (Public Law 105–277; 112 Stat. 2681–522), relating to general provisions, is amended by adding at the end the following new paragraph:

"(3) For purposes of paragraph (1), the term 'appropriate congressional committees' includes the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.".

SEC. 405. CLARIFICATION OF SECTION 334 OF THE URUGUAY ROUND AGREEMENTS ACT.

(a) IN GENERAL.—Section 334(b)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3592(b)(2)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) in the matter preceding clause (i) (as redesignated), by striking "Notwithstanding paragraph (1)(D)" and inserting "(A) Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (B) and (C)"; and

(3) by adding at the end the following:

"(B) Notwithstanding paragraph (1)(C), fabric classified under the HTS as of silk, cotton, man-made fiber, or vegetable fiber shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching,

shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.

"(C) Notwithstanding paragraph (1)(D), goods classified under HTS heading 6117.10, 6213.00, 6214.00, 6302.22, 6302.29, 6302.52, 6302.53, 6302.59, 6302.92, 6302.93, 6302.99, 6303.92, 6303.99, 6304.19, 6304.93, 6304.99, 9404.90.85, or 9404.90.95, except for goods classified under such headings as of cotton or of wool or consisting of fiber blends containing 16 percent or more by weight of cotton, shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.".

(b) EFFECTIVE DATE.—The amendments made by this section apply to goods entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act.

Applicability. 19 USC 3592 note.

SEC. 406. CHIEF AGRICULTURAL NEGOTIATOR.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171) is amended—

(1) by amending subsection (b)(2) to read as follows:

"(2) There shall be in the Office three Deputy United States Trade Representatives and one Chief Agricultural Negotiator who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of a Deputy United States Trade Representative or the Chief Agricultural Negotiator submitted to the Senate for its advice and consent, and referred to a committee, shall be referred to the Committee on Finance. Each Deputy United States Trade Representative and the Chief Agricultural Negotiator shall hold office at the pleasure of the President and shall have the rank of Ambassador."; and

President.

(2) in subsection (c), by adding at the end the following new paragraph:

"(5) The principal function of the Chief Agricultural Negotiator shall be to conduct trade negotiations and to enforce trade agreements relating to United States agricultural products and services. The Chief Agricultural Negotiator shall be a vigorous advocate on behalf of United States agricultural interests. The Chief Agricultural Negotiator shall perform such other functions as the United States Trade Representative may direct.".

SEC. 407. REVISION OF RETALIATION LIST OR OTHER REMEDIAL ACTION.

Section 306(b)(2) of the Trade Act of 1974 (19 U.S.C. 2416(b)(2)) is amended—

(1) by striking "If the" and inserting the following:

"(A) FAILURE TO IMPLEMENT RECOMMENDATION.—If the"; and

(2) by adding at the end the following:

"(B) REVISION OF RETALIATION LIST AND ACTION.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the event that the United States initiates a retaliation list or takes any other action described in

section 301(c)(1)(A) or (B) against the goods of a foreign country or countries because of the failure of such country or countries to implement the recommendation made pursuant to a dispute settlement proceeding under the World Trade Organization, the Trade Representative shall periodically revise the list or action to affect other goods of the country or countries that have failed to implement the recommendation.

"(ii) EXCEPTION.—The Trade Representative is not required to revise the retaliation list or the action described in clause (i) with respect to a country, if—

"(I) the Trade Representative determines that implementation of a recommendation made pursuant to a dispute settlement proceeding described in clause (i) by the country is imminent; or

"(II) the Trade Representative together with the petitioner involved in the initial investigation under this chapter (or if no petition was filed, the affected United States industry) agree that it is unnecessary to revise the retaliation list.

Deadline.

"(C) SCHEDULE FOR REVISING LIST OR ACTION.—The Trade Representative shall, 120 days after the date the retaliation list or other section 301(a) action is first taken, and every 180 days thereafter, review the list or action taken and revise, in whole or in part, the list or action to affect other goods of the subject country or countries.

"(D) STANDARDS FOR REVISING LIST OR ACTION.—In revising any list or action against a country or countries under this subsection, the Trade Representative shall act in a manner that is most likely to result in the country or countries implementing the recommendations adopted in the dispute settlement proceeding or in achieving a mutually satisfactory solution to the issue that gave rise to the dispute settlement proceeding. The Trade Representative shall consult with the petitioner, if any, involved in the initial investigation under this chapter.

"(E) RETALIATION LIST.—The term 'retaliation list' means the list of products of a foreign country or countries that have failed to comply with the report of the panel or Appellate Body of the WTO and with respect to which the Trade Representative is imposing duties above the level that would otherwise be imposed under the Harmonized Tariff Schedule of the United States.

"(F) REQUIREMENT TO INCLUDE RECIPROCAL GOODS ON RETALIATION LIST.—The Trade Representative shall include on the retaliation list, and on any revised lists, reciprocal goods of the industries affected by the failure of the foreign country or countries to implement the recommendation made pursuant to a dispute settlement proceeding under the World Trade Organization, except in cases where existing retaliation and its corresponding preliminary retaliation list do not already meet this requirement.".

SEC. 408. REPORT ON TRADE ADJUSTMENT ASSISTANCE FOR AGRICULTURAL COMMODITY PRODUCERS.

Deadline.

(a) IN GENERAL.—Not later than 4 months after the date of the enactment of this Act, the Secretary of Labor, in consultation

with the Secretary of Agriculture and the Secretary of Commerce, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that—

(1) examines the applicability to agricultural commodity producers of trade adjustment assistance programs established under title II of the Trade Act of 1974; and

(2) sets forth recommendations to improve the operation of those programs as the programs apply to agricultural commodity producers or to establish a new trade adjustment assistance program for agricultural commodity producers.

(b) CONTENTS.—In preparing the report required by subsection (a), the Secretary of Labor shall—

(1) assess the degree to which the existing trade adjustment assistance programs address the adverse effects on agricultural commodity producers due to price suppression caused by increased imports of like or directly competitive agricultural commodities; and

(2) examine the effectiveness of the program benefits authorized under subchapter B of chapter 2 and chapter 3 of title II of the Trade Act of 1974 in remedying the adverse effects, including price suppression, caused by increased imports of like or directly competitive agricultural commodities.

(c) DEFINITIONS.—In this section:

(1) AGRICULTURAL COMMODITY.—The term "agricultural commodity" means any agricultural commodity, including livestock, fish or harvested seafood in its raw or natural state.

(2) AGRICULTURAL COMMODITY PRODUCER.—The term "agricultural commodity producer" means any person who is engaged in the production and sale of an agricultural commodity in the United States and who owns or shares the ownership and risk of loss of the agricultural commodity.

SEC. 409. AGRICULTURAL TRADE NEGOTIATING OBJECTIVES AND CONSULTATIONS WITH CONGRESS.

7 USC 1736r note.

(a) FINDINGS.—Congress finds that—

(1) United States agriculture contributes positively to the United States balance of trade and United States agricultural exports support in excess of 1,000,000 United States jobs;

(2) United States agriculture competes successfully worldwide despite the fact that United States producers are at a competitive disadvantage because of the trade distorting support and subsidy practices of other countries and despite the fact that significant tariff and nontariff barriers exist to United States exports; and

(3) a successful conclusion of the current World Trade Organization agricultural negotiations is critically important to the United States agricultural sector.

(b) OBJECTIVES.—The agricultural trade negotiating objectives of the United States with respect to the current World Trade Organization agricultural negotiations include as matters of the highest priority—

(1) the expeditious elimination of all export subsidies worldwide while maintaining bona fide food aid and preserving United States market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(2) leveling the playing field for United States producers of agricultural products by eliminating blue box subsidies and disciplining domestic supports in a way that forces producers to face world prices on all production in excess of domestic food security needs while allowing the preservation of nontrade distorting programs to support family farms and rural communities;

(3) the elimination of state trading enterprises or the adoption of rigorous disciplines that ensure operational transparency, competition, and the end of discriminatory pricing practices, including policies supporting cross-subsidization and price undercutting in export markets;

(4) affirming that the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures applies to new technologies, including biotechnology, and that labeling requirements to allow consumers to make choices regarding biotechnology products or other regulatory requirements may not be used as disguised barriers to trade;

(5) increasing opportunities for United States exports of agricultural products by reducing tariffs to the same levels that exist in the United States or to lower levels and by eliminating all nontariff barriers, including—

(A) restrictive or trade distorting practices, including those that adversely impact perishable or cyclical products;

(B) restrictive rules in the administration of tariff-rate quotas; and

(C) other barriers to agriculture trade, including unjustified restrictions or commercial requirements affecting new technologies, including biotechnology;

(6) eliminating government policies that create price-depressing surpluses; and

(7) strengthening dispute settlement procedures to ensure prompt compliance by foreign governments with their World Trade Organization obligations including commitments not to maintain unjustified restrictions on United States exports.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—

(1) CONSULTATION BEFORE OFFER MADE.—In developing and before submitting an initial or revised negotiating proposal that would reduce United States tariffs on agricultural products or require a change in United States agricultural law, the United States Trade Representative shall consult with the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate and the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives.

(2) CONSULTATION WITH CONGRESSIONAL TRADE ADVISERS.—Prior to and during the course of current negotiations on agricultural trade, the United States Trade Representative shall consult closely with the congressional trade advisers.

(3) CONSULTATION BEFORE AGREEMENT INITIALED.—Not less than 48 hours before initialing an agreement reached as part of current World Trade Organization agricultural negotiations, the United States Trade Representative shall consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement.

(4) DISCLOSURE OF COMMITMENTS.—Any agreement or other understanding addressing agricultural trade with a foreign government or governments (whether oral or in writing) that relates to a trade agreement with respect to which Congress must enact implementing legislation and that is not disclosed to Congress before legislation implementing that agreement is introduced in either House of Congress shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

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

(1) granting the President trade negotiating authority is essential to the successful conclusion of the new round of World Trade Organization agricultural negotiations;

(2) reaching a successful agreement on agriculture should be the top priority of United States negotiators; and

(3) if by the conclusion of the negotiations, the primary agricultural competitors of the United States do not agree to reduce their trade distorting domestic supports and eliminate export subsidies in accordance with the negotiating objectives expressed in this section, the United States should take steps to increase the leverage of United States negotiators and level the playing field for United States producers.

SEC. 410. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

"(2) OTHER REQUIREMENTS.—The Secretary of the Treasury may require that the operator or user of the zone—

"(A) use an electronic data interchange approved by the Customs Service—

"(i) to file the entries described in paragraph (1); and

"(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

"(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

"(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

"(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms 'foreign trade zone' and 'zone' mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).".

19 USC 1484 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of the enactment of this Act.

SEC. 411. GOODS MADE WITH FORCED OR INDENTURED CHILD LABOR.

(a) IN GENERAL.—Section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) is amended by adding at the end the following new sentence: "For purposes of this section, the term 'forced labor or/and indentured labor' includes forced or indentured child labor.".

19 USC 1307 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 412. WORST FORMS OF CHILD LABOR.

(a) IN GENERAL.—Section 502(b)(2) of the Trade Act of 1974 (19 U.S.C. 2462(b)(2)) is amended—

(1) by inserting after subparagraph (G) the following new subparagraph:

"(H) Such country has not implemented its commitments to eliminate the worst forms of child labor."; and

(2) in the flush paragraph at the end, by striking "and (G)" and inserting "(G), and (H) (to the extent described in section 507(6)(D))".

(b) DEFINITION OF WORST FORMS OF CHILD LABOR.—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following new paragraph:

"(6) WORST FORMS OF CHILD LABOR.—The term 'worst forms of child labor' means—

"(A) all forms of slavery or practices similar to slavery, such as the sale or trafficking of children, debt bondage and serfdom, or forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;

"(B) the use, procuring, or offering of a child for prostitution, for the production of pornography or for pornographic purposes;

"(C) the use, procuring, or offering of a child for illicit activities in particular for the production and trafficking of drugs; and

"(D) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

The work referred to in subparagraph (D) shall be determined by the laws, regulations, or competent authority of the beneficiary developing country involved.".

(c) ANNUAL REPORT.—Section 504 of the Trade Act of 1974 (19 U.S.C. 2464) is amended by inserting ", including the findings of the Secretary of Labor with respect to the beneficiary country's implementation of its international commitments to eliminate the worst forms of child labor" before the end period.

TITLE V—IMPORTS OF CERTAIN WOOL ARTICLES

SEC. 501. TEMPORARY DUTY REDUCTIONS.

(a) CERTAIN WORSTED WOOL FABRICS WITH AVERAGE FIBER DIAMETERS GREATER THAN 18.5 MICRON.—

(1) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.51.11	Fabrics, of worsted wool, with average fiber diameters greater than 18.5 micron, all the foregoing certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (provided for in subheading 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	19.3%	No change	No change	On or before 12/31/2003	".

(2) STAGED RATE REDUCTIONS.—Any staged rate reduction of a rate of duty set forth in subheading 6203.31.00 of the Harmonized Tariff Schedule of the United States that is proclaimed by the President shall also apply to the corresponding rate of duty set forth in heading 9902.51.11 of such Schedule, as added by paragraph (1). Applicability.

(b) CERTAIN WORSTED WOOL FABRICS WITH AVERAGE FIBER DIAMETERS OF 18.5 MICRON OR LESS.—

(1) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.51.12	Fabrics, of worsted wool, with average fiber diameters of 18.5 micron or less, all the foregoing certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (provided for in subheading 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	6%	No change	No change	On or before 12/31/2003	".

(2) EQUALIZATION WITH CANADIAN DUTY RATES.—The President is authorized to proclaim a reduction in the rate of duty applicable to imports of worsted wool fabrics classified under subheading 9902.51.12 of the Harmonized Tariff Schedule of the United States, as added by paragraph (1), that is necessary to equalize such rate of duty with the most favored nation

rate of duty applicable to imports of worsted wool fabrics of the kind described in such subheading imported into Canada.

(c) DEFINITIONS.—The U.S. Notes to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States are amended by adding at the end the following:

"13. For purposes of headings 9902.51.11 and 9902.51.12, the term 'suit' has the meaning given such term under note 3(a) of chapter 62 for purposes of headings 6203 and 6204.

"14. For purposes of headings 9902.51.11 and 9902.51.12, the term 'making' means cut and sewn in the United States.".

(d) LIMITATION ON QUANTITY OF IMPORTS.—The U.S. Notes to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as amended by subsection (c), are further amended by adding at the end the following:

"15. The aggregate quantity of worsted wool fabrics entered under heading 9902.51.11 from January 1 to December 31 of each year, inclusive, shall be limited to 2,500,000 square meter equivalents, or such other quantity proclaimed by the President pursuant to section 504(b)(3) of the Trade and Development Act of 2000.

"16. The aggregate quantity of worsted wool fabrics entered under subheading 9902.51.12 from January 1 to December 31 of each year, inclusive, shall be limited to 1,500,000 square meter equivalents, or such other quantity proclaimed by the President pursuant to section 504(b)(3) of the Trade and Development Act of 2000.".

President.

(e) ALLOCATION OF TARIFF-RATE QUOTAS.—In implementing the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States, as required by U.S. Notes 15 and 16 of subchapter II of chapter 99 of such Schedule, respectively, for the entry, or withdrawal from warehouse for consumption, the President, consistent with United States international obligations, shall take such action as determined appropriate by the President to ensure that such fabrics are fairly allocated to persons (including firms, corporations, or other legal entities) who cut and sew men's and boys' worsted wool suits and suit-like jackets and trousers in the United States and who apply for an allocation based on the amount of such suits cut and sewn during the prior calendar year.

Applicability.

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2001.

SEC. 502. TEMPORARY DUTY SUSPENSIONS.

(a) WOOL YARN WITH AVERAGE FIBER DIAMETERS OF 18.5 MICRON OR LESS.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.51.13	Yarn, of combed wool, not put up for retail sale, containing 85 percent or more by weight of wool, formed with wool fibers having diameters of 18.5 micron or less (provided for in subheading 5107.10.00)	Free	No change	No change	On or before 12/31/2003	"

(b) WOOL FIBER AND WOOL TOP WITH AVERAGE DIAMETERS OF 18.5 MICRON OR LESS.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.51.14	Wool fiber, waste, garnetted stock, combed wool, or wool top, having average fiber diameters of 18.5 micron or less (provided for in subheading 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, or 5105.29)	Free	No change	No change	On or before 12/31/2003	".

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2001. Applicability.

SEC. 503. SEPARATE TARIFF LINE TREATMENT FOR WOOL YARN AND MEN'S OR BOYS' SUITS AND SUIT-TYPE JACKETS AND TROUSERS OF WORSTED WOOL FABRIC. President.

(a) SEPARATE TARIFF LINE TREATMENT.—The President shall proclaim 8-digit tariff categories, without changes in existing duty rates, in chapters 51 and 62 of the Harmonized Tariff Schedule of the United States in order to provide separate tariff treatment for—

(1) wool yarn made of wool fiber with an average fiber diameter of 18.5 micron or less, and wool fabrics made from yarns with an average fiber diameter of 18.5 micron or less; and

(2) men's or boys' suits, suit-type jackets, and trousers of worsted wool fabric, made of wool yarn having an average diameter of 18.5 micron or less.

(b) CONFORMING CHANGES.—The President is authorized to make conforming changes in headings 9902.51.11, 9902.51.12, 9902.51.13, and 9902.51.14 of the Harmonized Tariff Schedule of the United States to take into account the new permanent tariff categories proclaimed under subsection (a).

SEC. 504. MONITORING OF MARKET CONDITIONS AND AUTHORITY TO MODIFY TARIFF REDUCTIONS.

(a) MONITORING OF MARKET CONDITIONS.—Beginning on the date of the enactment of this Act, the President shall monitor market conditions in the United States, including domestic demand, domestic supply, and increases in domestic production, of worsted wool fabrics and their components in the market for— President. Effective date.

(1) men's or boys' worsted wool suits, suit-type jackets, and trousers;

(2) worsted wool fabric and yarn used in the manufacture of such suits, jackets, and trousers; and

(3) wool used in the production of such fabrics and yarn.

(b) AUTHORITY TO MODIFY LIMITATION ON QUANTITY OF WORSTED WOOL FABRICS SUBJECT TO TARIFF REDUCTION.—

(1) IN GENERAL.—The President shall, on an annual basis, consider requests made by United States manufacturers of apparel products made of worsted wool fabrics described in subsection (a) to modify the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and

9902.51.12 of the Harmonized Tariff Schedule of the United States, as required by U.S. Notes 15 and 16 of subchapter II of chapter 99 of such Schedule, respectively.

(2) CONSIDERATION OF CERTAIN MARKET CONDITIONS.—In determining whether to modify the limitation on the quantity of imports of worsted wool fabrics described in paragraph (1), the President shall consider the following United States market conditions:

(A) Increases or decreases in sales of the domestically-produced worsted wool fabrics described in subsection (a).

(B) Increases or decreases in domestic production of such fabrics.

(C) Increases or decreases in domestic production and consumption of the apparel items described in subsection (a).

(D) The ability of domestic producers of worsted wool fabrics described in subsection (a) to meet the needs of domestic manufacturers of the apparel items described in subsection (a) in terms of quantity and ability to meet market demands for the apparel items.

(E) Evidence that domestic manufacturers of worsted wool fabrics have lost sales due to the temporary duty reductions on certain worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States (as added by subsections (a) and (b) of section 501).

(F) Evidence that domestic manufacturers of apparel items described in subsection (a) have lost sales due to the inability to purchase adequate supplies of worsted wool fabrics on a cost competitive basis.

(G) Price per square meter of imports and domestic sales of worsted wool fabrics.

(3) MODIFICATION OF LIMITATION ON QUANTITY OF FABRICS.—

(A) IN GENERAL.—If the President determines that the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States should be modified, the President shall proclaim such changes to U.S. Note 15 or 16 to subchapter II of chapter 99 of such Schedule (as added by section 501(d)), as the President determines to be appropriate.

(B) ADDITIONAL REQUIREMENT.—In any calendar year, any modification of the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States shall not exceed—

(i) 1,000,000 square meter equivalents for worsted wool fabrics under heading 9902.51.11; and

(ii) 1,000,000 square meter equivalents for worsted wool fabrics under heading 9902.51.12.

Regulations.

(c) IMPLEMENTATION.—The President shall issue regulations necessary to implement the provisions of this section.

SEC. 505. REFUND OF DUTIES PAID ON IMPORTS OF CERTAIN WOOL ARTICLES.

(a) WORSTED WOOL FABRICS.—In each of the calendar years 2000, 2001, and 2002, a manufacturer of men's or boys' suits, suit-type jackets, or trousers (not a broker or other individual acting on behalf of the manufacturer to process the import) of imported worsted wool fabrics of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such fabrics in each such calendar year in an amount equal to one-third of the amount of duties paid by the importer on such worsted wool fabrics (without regard to micron level) imported in calendar year 1999.

(b) WOOL YARN.—In each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such wool yarn in each such calendar year in an amount equal to one-third of the amount of duties paid by the manufacturer on such wool yarn (without regard to micron level) imported in calendar year 1999.

(c) WOOL FIBER AND WOOL TOP.—In each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such wool fiber in each such calendar year in an amount equal to one-third of the amount of duties paid by the manufacturer on such wool fiber (without regard to micron level) imported in calendar year 1999.

(d) PROPER IDENTIFICATION AND APPROPRIATE CLAIM.—Any person applying for a rebate under this section shall properly identify and make appropriate claim to the United States Customs Service for each entry involved.

SEC. 506. WOOL RESEARCH, DEVELOPMENT, AND PROMOTION TRUST FUND. 7 USC 7101 note.

(a) ESTABLISHMENT.—There is hereby established within the Treasury of the United States a trust fund to be known as the Wool Research, Development, and Promotion Trust Fund (hereafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred to the Trust Fund under subsection (b)(1) and any amounts as may be credited to the Trust Fund under subsection (c)(2).

(b) TRANSFER OF AMOUNTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into such general fund that are attributable to the duty received on articles under chapters 51 and 52 of the Harmonized Tariff Schedule of the United States, subject to the limitation in paragraph (2).

(2) LIMITATION.—The Secretary shall not transfer more than $2,250,000 to the Trust Fund in any fiscal year.

(3) TRANSFERS BASED ON ESTIMATES.—The amounts required to be transferred under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the amounts required to be transferred.

(c) INVESTMENT OF TRUST FUND.—

(1) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in the Secretary's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price or by purchase of outstanding obligations at the market price. Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(2) INTEREST AND PROCEEDS FROM SALE OR REDEMPTION OF OBLIGATIONS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) AVAILABILITY OF AMOUNTS FROM TRUST FUND.—From amounts available in the Trust Fund (including any amounts not obligated in previous fiscal years), the Secretary of Agriculture is authorized to provide grants to a nationally-recognized council established for the development of the United States wool market for the following purposes:

(1) Assist United States wool producers to improve the quality of wool produced in the United States, including to improve wool production methods.

(2) Disseminate information on improvements described in paragraph (1) to United States wool producers generally.

(3) Assist United States wool producers in the development and promotion of the wool market.

(e) REPORTS TO CONGRESS.—The Secretary of the Treasury, in consultation with the Secretary of Agriculture, shall prepare and submit to Congress an annual report on the financial condition and the results of the operations of the Trust Fund, including a description of the use of amounts of grants provided under subsection (d), during the preceding fiscal year and on its expected condition and operations during the next fiscal year.

Effective date.

(f) SUNSET PROVISION.—Effective January 1, 2004, the Trust Fund shall be abolished and all amounts in the Trust Fund on such date shall be transferred to the general fund of the Treasury of the United States.

TITLE VI—REVENUE PROVISIONS

SEC. 601. APPLICATION OF DENIAL OF FOREIGN TAX CREDIT REGARDING TRADE AND INVESTMENT WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.

(a) IN GENERAL.—Section 901(j) of the Internal Revenue Code of 1986 (relating to denial of foreign tax credit, etc., regarding trade and investment with respect to certain foreign countries) is amended by adding at the end the following new paragraph: 26 USC 901.

"(5) WAIVER OF DENIAL.—

"(A) IN GENERAL.—Paragraph (1) shall not apply with respect to taxes paid or accrued to a country if the President—

"(i) determines that a waiver of the application of such paragraph is in the national interest of the United States and will expand trade and investment opportunities for United States companies in such country; and

"(ii) reports such waiver under subparagraph (B).

"(B) REPORT.—Not less than 30 days before the date on which a waiver is granted under this paragraph, the President shall report to Congress— Deadline.

"(i) the intention to grant such waiver; and

"(ii) the reason for the determination under subparagraph (A)(i).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply on or after February 1, 2001. Deadline. 26 USC 901 note.

SEC. 602. ACCELERATION OF COVER OVER PAYMENTS TO PUERTO RICO AND VIRGIN ISLANDS.

(a) INITIAL PAYMENT.—Section 512(b) of the Ticket to Work and Work Incentives Improvement Act of 1999 is amended— 26 USC 7652 note.

(1) by striking "October 1, 2000," in the matter preceding paragraph (1) and inserting "the first day of the month within which the date of the enactment of the Trade and Development Act of 2000 occurs,"; and

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

"(2) SECOND TRANSFER OF INCREMENTAL INCREASE IN COVER OVER ATTRIBUTABLE TO PERIODS BEFORE RESUMPTION OF REGULAR PAYMENTS.—The Secretary of the Treasury shall transfer on the first payment date after the date of the enactment of the Trade and Development Act of 2000 an amount equal to the excess of—

"(A) the amount of such increase otherwise required to be covered over after June 30, 1999, and before the first day of the month within which such date of enactment occurs, over

"(B) the amount of the transfer described in paragraph (1).".

(b) CLARIFICATION OF DISPOSITION OF TAXES TO VIRGIN ISLANDS.—So much of paragraph (3) of section 7652(b) of the Internal Revenue Code of 1986 (relating to Virgin Islands) as precedes subparagraph (B) thereof is amended to read as follows: 26 USC 7652.

"(3) DISPOSITION OF INTERNAL REVENUE COLLECTIONS.—The Secretary shall determine the amount of all taxes imposed

by, and collected under the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

"(A) The payment of an estimated amount shall be made to the government of the Virgin Islands before the commencement of each fiscal year as set forth in section 4(c)(2) of the Act entitled 'An Act to authorize appropriations for certain insular areas of the United States, and for other purposes', approved August 18, 1978 (48 U.S.C. 1645), as in effect on the date of the enactment of the Trade and Development Act of 2000. The payment so made shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine.".

26 USC 7652.

(c) RESOLUTION OF STATUTORY CONFLICT.—Section 7652 of the Internal Revenue Code of 1986 (relating to shipments to the United States) is amended by adding at the end the following new subsection:

"(h) MANNER OF COVER OVER OF TAX MUST BE DERIVED FROM THIS TITLE.—No amount shall be covered into the treasury of Puerto Rico or the Virgin Islands with respect to taxes for which cover over is provided under this section unless made in the manner specified in this section without regard to—

"(1) any provision of law which is not contained in this title or in a revenue Act; and

"(2) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.".

Applicability. 26 USC 7652 note.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to transfers or payments made after the date of the enactment of this Act.

Approved May 18, 2000.

LEGISLATIVE HISTORY—H.R. 434 (S. 1387):

HOUSE REPORTS: Nos. 106–19, Pt. 1 (Comm. on International Relations) and, Pt. 2 (Comm. on Ways and Means), and 106–606 (Comm. of Conference).

SENATE REPORTS: No. 106–112 accompanying S. 1387 (Comm. on Finance).

CONGRESSIONAL RECORD:

Vol. 145 (1999): July 16, considered and passed House.
Oct. 27–29, Nov. 1–3, considered and passed Senate, amended.

Vol. 146 (2000): May 4, House agreed to conference report.
May 10, 11, Senate considered and agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 36 (2000): May 18, Presidential remarks.