

106TH CONGRESS
1ST SESSION

H. R. 1164

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1999

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

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

6 (2) The bombing in Omagh on August 15,
7 1998, is a clear example of a small town that des-
8 perately needs immediate relief and assistance for
9 reconstruction. The pace and scale of aid and invest-
10 ment in Omagh and other towns recently bombed—
11 Banbridge, Markethill, and Newtownhamilton—
12 could determine whether the Good Friday Peace
13 Agreement holds.

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

24 (4) The United States can continue its crucial
25 role in the peace process by creating and promoting

1 economic growth through trade and investment in
2 the region's severely economically deprived areas. In
3 addition to promoting trade and investment in
4 Northern Ireland and the Republic of Ireland, the
5 United States should consider grant assistance to
6 aid communities in the area suffering terrorist at-
7 tacks.

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

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

22 (a) EQUITY FUNDS.—The Overseas Private Invest-
23 ment Corporation shall establish equity funds, with total
24 assets of at least \$300,000,000, for the purpose of pro-
25 viding insurance, financing, and other assistance under

1 title IV of chapter 2 of part I of the Foreign Assistance
2 Act of 1961 for business development and infrastructure
3 projects in Northern Ireland and the border counties of
4 the Irish Republic.

5 (b) ASSISTANCE CONSISTENT WITH PRINCIPLES OF
6 FAIR EMPLOYMENT.—The Overseas Private Investment
7 Corporation shall provide insurance, financing, and other
8 assistance under subsection (a) only to individuals or enti-
9 ties in Northern Ireland and the Republic of Ireland which
10 employ practices consistent with the principles of fair em-
11 ployment.

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

17 (1) businesses in Northern Ireland and the Re-
18 public of Ireland that are owned and managed by
19 women;

20 (2) new businesses to be owned and managed
21 by women; and

22 (3) women who provide training and vocational
23 education for women.

24 (d) PRIORITY TO PROJECTS INVOLVING NEW TECH-
25 NOLOGIES.—Not less than \$10,000,000 of the equity

1 funds established under subsection (a) shall be dedicated
2 for financing, insurance, and other assistance to projects
3 involving the development of new technologies, including
4 biomedical and bioengineering projects.

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

6 (a) INCREASED FUNDING.—In addition to amounts
7 otherwise available for such purposes, there are authorized
8 to be appropriated for United States contributions to the
9 International Fund for Ireland \$30,000,000 for fiscal year
10 2000 and not less than \$40,000,000 for each of the fiscal
11 years 2001 through 2004.

12 (b) USE OF FUNDS.—

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

15 (A) at least 50 percent of the annual con-
16 tributions of the United States to the Inter-
17 national Fund for Ireland are used for projects,
18 in the areas of greatest need based upon levels
19 of unemployment, that—

20 (i) are most likely to produce jobs and
21 economic expansion; and

22 (ii) are selected by the Directors of
23 the International Fund for Ireland in con-
24 sultation with members of the Economic
25 Development Committee of the Northern

1 Ireland Assembly and members of the
2 Cross Border Economic Committee from
3 the Republic of Ireland; and

4 (B) projects targeted at or located in
5 Northern Ireland and the border counties of the
6 Irish Republic receive priority consideration by
7 the Directors of the International Fund for Ire-
8 land in using the funds described in subpara-
9 graph (A).

10 (2) FUNDING FOR PROJECTS USING PRINCIPLES
11 OF FAIR EMPLOYMENT.—The President shall take
12 the necessary steps to ensure that funding for
13 projects be provided by the International Fund for
14 Ireland only to individuals or entities in Northern
15 Ireland and the Republic of Ireland which employ
16 practices consistent with the principles of fair em-
17 ployment.

18 (3) REPORT TO CONGRESS.—The President, by
19 no later than December 1 of each year, shall trans-
20 mit to the Congress a list of those projects the
21 President believes should be funded under paragraph
22 (1).

23 (4) PRIORITY PROJECTS IN FISCAL YEAR
24 1999.—The President shall take the necessary steps
25 to ensure that the following projects are given first

1 consideration for use of funds contributed by the
2 United States in fiscal year 2000 to the Inter-
3 national Fund for Ireland:

4 (A) \$8,000,000 in financing for Omagh
5 Memorial Science Park and other science parks
6 located near existing scientific research centers
7 and university campuses, to supplement support
8 of the United Kingdom for the business devel-
9 opment of scientific research discoveries.

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

15 (C) \$250,000 over 2 fiscal years toward
16 the strengthening of existing ties between hand-
17 made in America and the Northern Ireland
18 craft sector.

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

22 (E) \$13,000,000 for the Springvale
23 Project, a university campus in an economically
24 depressed area of West Belfast, supported in
25 conjunction with the Government of the United

1 Kingdom, the University of Ulster, and the Bel-
2 fast Institute of Further and Higher Education.

3 (F) \$1,000,000 for setting up an entrepre-
4 neurial learning center in Northern Ireland and
5 the border counties of the Irish Republic by the
6 Centre for Innovation and Entrepreneurship in
7 partnership with Enterprise Ireland, the Train-
8 ing and Employment Agency, and private sector
9 companies.

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

11 The Secretary of Commerce shall consolidate its cur-
12 rent activities with respect to promotion of business oppor-
13 tunities in Northern Ireland and the border counties of
14 the Irish Republic to focus on promoting awareness of
15 business opportunities in those counties, encouraging joint
16 ventures with businesses in those counties, and promoting
17 the development of businesses owned by women.

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

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

1 **“SEC. 506A. DESIGNATION OF NORTHERN IRELAND AND**
2 **THE BORDER COUNTIES OF THE IRISH RE-**
3 **PUBLIC.**

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

14 “(b) OBLIGATIONS OF UNITED STATES.—The
15 United States Trade Representative shall seek the waiver
16 described in subsection (a) within 1 year after the date
17 of the enactment of this section, and shall seek the co-
18 operation of the European Community, the United King-
19 dom, and Ireland in acquiring the waiver.

20 “(c) REQUIREMENTS FOR ELIGIBILITY OF ARTI-
21 CLES.—

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

24 “(A) the article is wholly the growth, prod-
25 uct, or manufacture of the qualifying counties
26 or is a new or different article of commerce that

1 has been grown, produced, or manufactured in
2 the qualifying counties; and

3 “(B) the article is imported directly from
4 qualifying counties; and

5 “(C) the sum of—

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

8 “(ii) the direct costs of processing op-
9 erations performed in the qualifying coun-
10 ties,

11 is not less than 35 percent of the appraised
12 value of the product at the time it is entered
13 into the United States.

14 For purposes of determining the 35 percent content
15 requirement contained in subparagraph (C), the cost
16 or value of materials which are used in the produc-
17 tion of an article in the qualifying counties, and are
18 the products of the United States, may be counted
19 in an amount up to 15 percent of the appraised
20 value of the article.

21 “(2) NONQUALIFYING OPERATIONS.—No article
22 shall be considered a new or different article of com-
23 merce under this subsection, and no material shall
24 be included for purposes of determining the 35 per-

1 cent requirement of paragraph (1)(C), by virtue of
2 having merely undergone—

3 “(A) simple combining or packaging oper-
4 ations; or

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

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

13 “(4) COST OR VALUE OF MATERIALS.—(A) For
14 purposes of paragraph (1), the cost or value of ma-
15 terials produced in the qualifying counties
16 includes—

17 “(i) the manufacturer’s actual cost for the
18 materials;

19 “(ii) when not included in the manufactur-
20 er’s actual cost for the materials, the freight,
21 insurance, packing, and all other costs incurred
22 in transporting the materials to the manufac-
23 turer’s plant;

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

1 “(iv) taxes or duties imposed on the mate-
2 rials by the Republic of Ireland, the United
3 Kingdom, or the European Union if such taxes
4 or duties are not remitted on exportation.

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

9 “(i) all expenses incurred in the growth,
10 production, or manufacture of the material, in-
11 cluding general expenses;

12 “(ii) an amount for profit; and

13 “(iii) freight, insurance, packing, and all
14 other costs incurred in transporting the mate-
15 rial to the manufacturers plant.

16 If the information necessary to compute the cost or
17 value of a material is not available, the Customs
18 Service may ascertain or estimate the value thereof
19 using all reasonable methods.

20 “(5) DIRECT COSTS OF PROCESSING OPER-
21 ATIONS.—(A) For purposes of this subsection, the
22 direct costs of processing operations performed in
23 the qualifying counties with respect to an article are
24 those costs either directly incurred in, or which can
25 be reasonably allocated to, the growth, production,

1 manufacture, or assembly, of that article. Such costs
2 include, but are not limited to, the following to the
3 extent that they are includible in the appraised value
4 of articles imported into the United States:

5 “(i) All actual labor costs involved in the
6 growth, production, manufacture, or assembly
7 of the article, including fringe benefits, on-the-
8 job training, and costs of engineering, super-
9 visory, quality control, and similar personnel.

10 “(ii) Dies, molds, tooling, and depreciation
11 on machinery and equipment which are alloca-
12 ble to the article.

13 “(iii) Research, development, design, engi-
14 neering, and blueprint costs insofar as they are
15 allocable to the article.

16 “(iv) Costs of inspecting and testing the
17 article.

18 “(B) Those items that are not included as di-
19 rect costs of processing operations with respect to an
20 article are those which are not directly attributable
21 to the article or are not costs of manufacturing the
22 article. Such items include, but are not limited to—

23 “(i) profit; and

24 “(ii) general expenses of doing business
25 which are either not allocable to the article or

1 are not related to the growth, production, man-
2 ufacture, or assembly of the article, such as ad-
3 ministrative salaries, casualty and liability in-
4 surance, advertising and salesmen's salaries,
5 commissions, or expenses.

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

8 “(A) articles are imported directly if—

9 “(i) the articles are shipped directly
10 from the qualifying counties into the
11 United States without passing through the
12 territory of any intermediate country; or

13 “(ii) if shipment is through the terri-
14 tory of an intermediate country, the arti-
15 cles in the shipment do not enter into the
16 commerce of any intermediate country and
17 the invoices, bills of lading, and other ship-
18 ping documents specify the United States
19 as the final destination; or

20 “(B) if articles are shipped through an in-
21 termediate country and the invoices and other
22 documents do not specify the United States as
23 the final destination, then the articles in the
24 shipment, upon arrival in the United States, are
25 imported directly only if they—

1 “(i) remain under the control of the
2 customs authority in an intermediate coun-
3 try;

4 “(ii) do not enter into the commerce
5 of an intermediate country except for the
6 purpose of a sale other than at retail, but
7 only if the articles are imported as a result
8 of the original commercial transactions be-
9 tween the importer and the producer or
10 the producer’s sales agent; and

11 “(iii) have not been subjected to oper-
12 ations other than loading, unloading, or
13 other activities necessary to preserve the
14 article in good condition.

15 “(7) DOCUMENTATION REQUIRED.—An article
16 is eligible for the duty exemption under this sub-
17 section only if—

18 “(A) the importer certifies that the article
19 meets the conditions for the duty exemption;
20 and

21 “(B) when requested by the Customs Serv-
22 ice, the importer, manufacturer, or exporter
23 submits a declaration setting forth all pertinent
24 information with respect to the article, includ-
25 ing the following:

1 “(i) A description of the article, quan-
2 tity, numbers and marks of packages, in-
3 voice numbers, and bills of lading.

4 “(ii) A description of the operation
5 performed in the production of the article
6 in the qualifying counties and identifica-
7 tion of the direct costs of processing oper-
8 ations.

9 “(iii) A description of any materials
10 used in production of the article which are
11 wholly the growth, product, or manufac-
12 ture of the qualifying counties or the
13 United States, and a statement as to the
14 cost or value of such materials.

15 “(iv) A description of the operations
16 performed on, and a statement as to the
17 origin and cost or value of, any foreign
18 materials used in the article which are
19 claimed to have been sufficiently processed
20 in the qualifying counties so as to be mate-
21 rials produced in the qualifying counties.

22 “(v) A description of the origin and
23 cost or value of any foreign materials used
24 in the article which have not been substan-

1 tially transformed in the qualifying coun-
2 ties.

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

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

17 (c) DEFINITIONS.—Section 507 of the Trade Act of
18 1974 (19 U.S.C. 2467) is amended by adding at the end
19 the following:

20 “(6) NORTHERN IRELAND AND THE BORDER
21 COUNTIES OF THE IRISH REPUBLIC; QUALIFYING
22 COUNTIES.—The terms ‘Northern Ireland and the
23 border counties of the Irish Republic’ and ‘qualifying
24 counties’ mean any county, district, city, or county
25 council or geographic area that—

1 “(A) is in Northern Ireland, or is in the
2 Republic of Ireland and contiguous to Northern
3 Ireland; and

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

13 “(I) in Northern Ireland, the counties
14 of Derry, Armagh, Antrim, Tyrone, Fer-
15 managh, and Down; and

16 “(II) in the Republic of Ireland, the
17 border counties of Donegal, Sligo, Leitrim,
18 Cavan, Monaghan, and Louth; or

19 “(ii) has a rate of unemployment higher
20 than the local or urban average of unemploy-
21 ment in Northern Ireland.

22 “(7) GATT 1994.—The term ‘GATT 1994’ has
23 the meaning given that term in section 2(1)(B) of
24 the Uruguay Round Agreements Act (19 U.S.C.
25 3501(1)(B)).

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

5 **SEC. 7. DEFINITIONS.**

6 As used in this Act:

7 (1) NORTHERN IRELAND AND THE BORDER
8 COUNTIES OF THE IRISH REPUBLIC.—The term
9 “Northern Ireland and the border counties of the
10 Irish Republic” means a county, district, city, or
11 county council or geographic area that—

12 (A) is in Northern Ireland, or is in the Re-
13 public of Ireland and contiguous to Northern
14 Ireland; and

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

1 (I) in Northern Ireland, the counties
2 of Derry, Armagh, Antrim, Tyrone, Fer-
3 managh, and Down; and

4 (II) in the Republic of Ireland, the
5 border counties of Donegal, Sligo, Leitrim,
6 Cavan, Monaghan, and Louth; or

7 (ii) has a rate of unemployment higher
8 than the local or urban average of unemploy-
9 ment in Northern Ireland.

10 (2) INTERNATIONAL FUND FOR IRELAND.—The
11 term “International Fund for Ireland” has the
12 meaning given the term “International Fund” in
13 section 8 of the Anglo-Irish Agreement Support Act
14 of 1986 (Public Law 99–415).

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

18 (A) Increasing the representation of indi-
19 viduals from underrepresented religious groups
20 in the workforce, including managerial, super-
21 visory, administrative, clerical, and technical
22 jobs.

23 (B) Providing adequate security for the
24 protection of minority employees at the work-
25 place.

1 (C) Banning provocative sectarian or polit-
2 ical emblems from the workplace.

3 (D) Providing that all job openings be ad-
4 vertised publicly and providing that special re-
5 cruitment efforts be made to attract applicants
6 from underrepresented religious groups.

7 (E) Providing that layoff, recall, and ter-
8 mination procedures do not favor a particular
9 religious group.

10 (F) Abolishing job reservations, appren-
11 ticeship restrictions, and differential employ-
12 ment criteria which discriminate on the basis of
13 religion.

14 (G) Providing for the development of train-
15 ing programs that will prepare substantial num-
16 bers of minority employees for skilled jobs, in-
17 cluding the expansion of existing programs and
18 the creation of new programs to train, upgrade,
19 and improve the skills of minority employees.

20 (H) Establishing procedures to assess,
21 identify, and actively recruit minority employees
22 with the potential for further advancement.

23 (I) Providing for the appointment of a sen-
24 ior management staff member to be responsible
25 for the employment efforts of the entity and,

1 within a reasonable period of time, the imple-
2 mentation of the principles described in sub-
3 paragraphs (A) through (H).

○