

109TH CONGRESS
1ST SESSION

H. R. 3175

To implement measures to help alleviate the poor living conditions in Africa.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2005

Mr. McDERMOTT (for himself, Mr. RANGEL, Mr. PAYNE, Ms. MCCOLLUM of Minnesota, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. McNULTY, Mrs. CHRISTENSEN, Mr. MEEKS of New York, and Ms. MILLENDER-McDONALD) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To implement measures to help alleviate the poor living conditions in Africa.

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 “Answer Africa’s Call
5 Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) African poverty and stagnation are the
2 greatest tragedy of our time and demand a forceful
3 response by the United States.

4 (2) The world, especially the United States, is
5 awash with wealth on a scale that has never been
6 seen in human history.

7 (3) We live in a world where new medicines and
8 medical techniques have eradicated many of the dis-
9 eases and ailments that plagued the rich world.

10 (4) In Africa, some 4,000,000 children under
11 the age of five die each year, two-thirds of them
12 from illnesses that cost very little to treat; malaria
13 is the biggest single killer of African children, and
14 half of those deaths could be avoided if the parents
15 of these children had access to diagnosis and drugs
16 that cost little more than \$1 per dose.

17 (5) We live in a world where scientists can map
18 the human genome and have the technology to clone
19 a human being.

20 (6) In Africa, we allow more than 250,000
21 women die each year from complications in preg-
22 nancy or childbirth.

23 (7) We live in a world where the Internet in the
24 blink of an eye can transfer more information than
25 any human brain could hold.

1 (8) In Africa each day, some 40,000,000 chil-
2 dren are not able to go to school.

3 (9) We live in a world which, faced by one of
4 the most devastating diseases ever seen, AIDS, has
5 developed the antiretroviral drugs to control its ad-
6 vance.

7 (10) In Africa, where 25,000,000 people are in-
8 fected with AIDS, antiretroviral drugs are not made
9 generally available; as a result, 2,000,000 people will
10 die of AIDS in 2005.

11 (11) We live in a world where rich nations
12 spend as much as the entire income of all the people
13 in Africa subsidizing the unnecessary production of
14 unwanted food, in an amount of almost
15 \$1,000,000,000 each day.

16 (12) In Africa, hunger is a key factor in more
17 deaths than those caused by all of the continent's in-
18 fectious diseases combined.

19 (13) We live in a world where every cow in Eu-
20 rope receives almost \$2 each day in government sub-
21 sidies.

22 (14) In Africa the average daily income is ap-
23 proximately \$1.

1 (15) The contrast between the lives led by those
2 who live in rich countries and those of poor people
3 in Africa is the greatest scandal of our age.

4 (16) One in six children in Africa dies before
5 reaching the age of 5.

6 (17) Two-thirds of all the African children who
7 die under the age of 5 could be saved by low-cost
8 treatments such as vitamin A, and a tenth of all the
9 diseases suffered by African children are caused by
10 intestinal worms that infect 200,000,000 people and
11 could be treated for just 25 cents per child.

12 (18) More than 300,000,000 Africans—42 per-
13 cent of Africa’s population—still do not have access
14 to safe water, and 60 percent do not have access to
15 basic sanitation.

16 (19) 62 percent of all people aged 15–24 years
17 who live with HIV are found in Africa.

18 (20) Africa had 43,000,000 orphans in 2003, of
19 which AIDS was responsible for 12,000,000.

20 (21) In Zambia, 71 percent of child prostitutes
21 are orphans.

22 **SEC. 3. STATEMENT OF POLICY.**

23 The Congress supports implementing the rec-
24 ommendations of the Commission for Africa, which call
25 for rich nations to increase foreign assistance to Africa,

1 provide debt relief, eliminate trade distorting agricultural
2 subsidies, and remove insidious trade barriers that impede
3 economic opportunity in sub-Saharan Africa.

4 **SEC. 4. IMPOSITION OF INDIVIDUAL INCOME TAX SUR-**
5 **CHARGE TO FUND INTERNATIONAL FINANCE**
6 **FACILITY.**

7 (a) IMPOSITION OF TAX.—Section 1 of the Internal
8 Revenue Code of 1986 (relating to imposition of tax on
9 individuals) is amended by adding at the end the following
10 new subsection:

11 “(j) ADDITIONAL INCOME TAX.—

12 “(1) IN GENERAL.—If the adjusted gross in-
13 come of an individual exceeds the threshold amount,
14 the tax imposed by this section (determined without
15 regard to this subsection) shall be increased by an
16 amount equal to 0.8 percent of so much of the ad-
17 justed gross income as exceeds the threshold
18 amount.

19 “(2) THRESHOLD AMOUNTS.—For purposes of
20 this subsection, the term ‘threshold amount’
21 means—

22 “(A) \$1,000,000 in the case of a joint re-
23 turn, and

24 “(B) \$500,000 in the case of any other re-
25 turn.

1 “(3) TAX NOT TO APPLY TO ESTATES AND
2 TRUSTS.—This subsection shall not apply to an es-
3 tate or trust.

4 “(4) TERMINATION.—This subsection shall not
5 apply to taxable years beginning after December 31,
6 2010.”.

7 (b) ESTABLISHMENT OF UNITED STATES INTER-
8 NATIONAL FINANCE FACILITY TRUST FUND.—

9 (1) IN GENERAL.—Subchapter A of chapter 98
10 of such Code (relating to trust fund code) is amend-
11 ed by adding at the end the following:

12 **“SEC. 9511. UNITED STATES INTERNATIONAL FINANCE FA-
13 CILITY TRUST FUND.**

14 “(a) CREATION OF TRUST FUND.—There is estab-
15 lished in the Treasury of the United States a trust fund
16 to be known as the ‘United States International Finance
17 Facility Trust Fund’ (referred to in this section as the
18 ‘Trust Fund’), consisting of such amounts as may be ap-
19 propriated or credited to the Trust Fund as provided in
20 this section or section 9602(b).

21 “(b) TRANSFERS TO TRUST FUND.—There is hereby
22 appropriated to the Trust Fund an amount equivalent to
23 the increase in revenues received in the Treasury as the
24 result of the surtax imposed under section 1(j).

1 “(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—
 2 Amounts in the Trust Fund shall be available without fur-
 3 ther appropriation to make expenditures in connection
 4 with United States commitments to the International Fi-
 5 nance Facility.”.

6 (2) CONFORMING AMENDMENT.—The table of
 7 sections for subchapter A of chapter 98 of such
 8 Code is amended by adding at the end the following:
 “Sec. 9511. United States International Finance Facility Trust Fund.”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2005.

12 (d) SECTION 15 NOT TO APPLY.—The amendment
 13 made by subsection (a) shall not be treated as a change
 14 in a rate of tax for purposes of section 15 of the Internal
 15 Revenue Code of 1986.

16 **SEC. 5. MODIFICATIONS TO PREFERENTIAL TRADE TREAT-**
 17 **MENT FOR PRODUCTS OF SUB-SAHARAN AF-**
 18 **RICAN COUNTRIES.**

19 (a) REMOVAL OF AGRICULTURE TARIFF-RATE
 20 QUOTA LIMITATION; AGRICULTURAL SAFEGUARD.—Sec-
 21 tion 503(b) of the Trade Act of 1974 (19 U.S.C. 2463(b))
 22 is amended by striking paragraph (3) and inserting the
 23 following:

24 “(3) AGRICULTURAL PRODUCTS.—

1 “(A) IN GENERAL.—No quantity of an ag-
2 ricultural product subject to a tariff-rate quota
3 that exceeds the in-quota amount shall be eligi-
4 ble for duty-free treatment under this title, ex-
5 cept as provided in subparagraph (B).

6 “(B) IMPORTS FROM COUNTRIES DES-
7 IGNATED UNDER SECTION 506A.—Subparagraph
8 (A) shall not apply to over-quota imports of ag-
9 ricultural products subject to a tariff-rate quota
10 that are the growth, product, or manufacture of
11 a country designated as a beneficiary sub-Saha-
12 ran African country under section 506A(a)(1).

13 “(4) SAFEGUARD FOR AGRICULTURAL PROD-
14 UCTS.—

15 “(A) IN GENERAL.—The President shall
16 assess a duty, in the amount prescribed under
17 subparagraph (B), on over-quota imports of any
18 agricultural product described in paragraph
19 (3)(B) for which preferential treatment is
20 claimed, if the President determines that the
21 unit import price of the product when it enters
22 the United States, determined on an F.O.B.
23 basis, is less than the annual trigger price de-
24 termined in accordance with subparagraph (D).

1 “(B) CALCULATION OF ADDITIONAL DU-
2 TIES.—The amount of the additional duty as-
3 sessed under this subsection shall be deter-
4 mined as follows:

5 “(i) If the difference between the unit
6 import price and the trigger price is less
7 than, or equal to, 10 percent of the trigger
8 price, no additional duty shall be imposed.

9 “(ii) If the difference between the unit
10 import price and the trigger price is great-
11 er than 10 percent, but less than or equal
12 to 40 percent, of the trigger price, the ad-
13 ditional duty shall be equal to 30 percent
14 of the difference between the preferential
15 tariff rate and the column 1 general rate
16 of duty imposed under the HTS on like ar-
17 ticles at the time the additional duty is im-
18 posed.

19 “(iii) If the difference between the
20 unit import price and the trigger price is
21 greater than 40 percent, but less than or
22 equal to 60 percent, of the trigger price,
23 the additional duty shall be equal to 50
24 percent of the difference between the pref-
25 erential tariff rate and the column 1 gen-

1 eral rate of duty imposed under the HTS
2 on like articles at the time the additional
3 duty is imposed.

4 “(iv) If the difference between the
5 unit import price and the trigger price is
6 greater than 60 percent, but less than or
7 equal to 75 percent, of the trigger price,
8 the additional duty shall be equal to 70
9 percent of the difference between the pref-
10 erential tariff rate and the column 1 gen-
11 eral rate of duty imposed under the HTS
12 on like articles at the time the additional
13 duty is imposed.

14 “(v) If the difference between the unit
15 import price and the trigger price is great-
16 er than 75 percent of the trigger price, the
17 additional duty shall be equal to 100 per-
18 cent of the difference between the pref-
19 erential tariff rate and the column 1 gen-
20 eral rate of duty imposed under the HTS
21 on like articles at the time the additional
22 duty is imposed.

23 “(C) EXCEPTIONS.—No additional duty
24 under this paragraph shall be assessed on an
25 agricultural product if, at the time of entry into

1 the customs territory of the United States, the
2 product is subject to import relief under chap-
3 ter 1 of title II of the Trade Act of 1974 (19
4 U.S.C. 2251 et seq.).

5 “(D) CALCULATION OF TRIGGER PRICE.—

6 (i) Not later than 60 days after the date of the
7 enactment of the Answer Africa’s Call Act, and
8 annually thereafter, the President shall, in con-
9 sultation with the Secretary of Agriculture, es-
10 tablish the annual trigger price for each over-
11 quota agricultural product described in para-
12 graph (3)(B), and shall publish such prices in
13 the Federal Register. The President shall estab-
14 lish the trigger price for a product at a level not
15 below the 3-year average import price for that
16 product.

17 “(ii) Not later than 30 days before pub-
18 lishing the trigger prices in the Federal Reg-
19 ister under clause (i), the President shall notify
20 and consult with the Committees on Ways and
21 Means and Agriculture of the House of Rep-
22 resentatives and the Committees on Finance
23 and Agriculture of the Senate on the proposed
24 trigger prices.

1 “(E) NOTICE TO COUNTRY CONCERNED.—
2 Not later than 60 days after the President first
3 assesses additional duties under this paragraph
4 on over-quota imports of agricultural products
5 described in paragraph (3)(B), the President
6 shall notify the beneficiary sub-Saharan African
7 country where the product was grown, manufac-
8 tured, or produced, in writing of such action
9 and shall provide to the country data sup-
10 porting the assessment of the additional duties.

11 “(F) DEFINITIONS.—In this paragraph:

12 “(i) F.O.B.—The term ‘F.O.B.’
13 means free on board, regardless of the
14 mode of transportation, at the point of di-
15 rect shipment by the seller to the buyer.

16 “(ii) HTS.—The term ‘HTS’ means
17 the Harmonized Tariff Schedule of the
18 United States.

19 “(iii) UNIT IMPORT PRICE.—The term
20 ‘unit import price’ means the price ex-
21 pressed in dollars per kilogram.”.

22 (b) SHORT SUPPLY PROVISIONS.—Section 112(b)(5)
23 of the African Growth and Opportunity Act (19 U.S.C.
24 3721(b)(5)) is amended—

1 (1) by amending subparagraph (A) to read as
2 follows:

3 “(A) IN GENERAL.—Articles that are both
4 cut (or knit-to-shape) and sewn or otherwise as-
5 sembled in one or more beneficiary sub-Saharan
6 African countries—

7 “(i) from fabric or yarn which need
8 not be originating under General Note
9 12(t) of the Harmonized Tariff Schedule
10 of the United States for the apparel article
11 to qualify as originating under that Note;
12 or

13 “(ii) from fabric or yarn which—

14 “(I) is the component that deter-
15 mines the classification of the articles
16 under the Harmonized Tariff Sched-
17 ule of the United States;

18 “(II) is not commercially avail-
19 able; and

20 “(III) which the President pro-
21 claims as eligible for use under this
22 paragraph without regard to where
23 the fabric or yarn is formed pursuant
24 to the procedures set forth in sub-
25 paragraph (B).”; and

1 (2) in subparagraph (B), in the matter pre-
2 ceding clause (i), by striking “not described in sub-
3 paragraph (A)” and inserting “and thus eligible for
4 use in the production of cut components or knit-to-
5 shape components described in subparagraph
6 (A)(ii)”.

7 (c) USER DEVELOPED BENEFICIARY SUB-SAHARAN
8 AFRICAN COUNTRIES.—Section 112(b)(3)(B) of the Afri-
9 can Growth and Opportunity Act (19 U.S.C.
10 3721(b)(3)(B)) is amended—

11 (1) in clause (ii)—

12 (A) in subclause (II), by inserting “and”
13 after the semicolon; and

14 (B) by striking subclauses (III) and (IV)
15 and inserting the following:

16 “(III) 2.9285 percent for the 1-
17 year period beginning October 2,
18 2005, and for each 1-year period
19 thereafter through September 30,
20 2015.”;

21 (2) in clause (iii)—

22 (A) in subclause (II), by striking “and”;

23 (B) in subclause (III), by striking the pe-
24 riod and inserting “; and”; and

1 (C) by adding after subclause (III) the fol-
2 lowing:

3 “(IV) Mauritius, except that the
4 applicable percentage with respect to
5 Mauritius shall be 5 percent of the
6 applicable percentage described in
7 clause (ii)(III).”; and

8 (3) by striking clause (iv).

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