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(Original Signature of Member)

111TH CONGRESS
1ST SESSION

H. R.

To amend the African Growth and Opportunity Act and the Trade Act of 1974 to provide improved duty-free treatment for certain articles from certain least-developed countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. McDERMOTT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the African Growth and Opportunity Act and the Trade Act of 1974 to provide improved duty-free treatment for certain articles from certain least-developed countries, and for other purposes.

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

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “New Partnership for Trade Development Act of 2009”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Expanded benefits and alternative rule of origin for articles of sub-Saharan African countries.
- Sec. 3. Expanded benefits and rule of origin for articles of other least-developed beneficiary countries.
- Sec. 4. Review of import-restricted articles under Generalized System of Preferences.
- Sec. 5. Factors affecting country designation under Generalized System of Preferences.
- Sec. 6. Rule of origin under Generalized System of Preferences.
- Sec. 7. Extension of Generalized System of Preferences.
- Sec. 8. Office of Trade and Competitiveness for Least Developed and African Countries.

1 **SEC. 2. EXPANDED BENEFITS AND ALTERNATIVE RULE OF**
2 **ORIGIN FOR ARTICLES OF SUB-SAHARAN AF-**
3 **RICAN COUNTRIES.**

4 (a) IN GENERAL.—The African Growth and Oppor-
5 tunity Act (19 U.S.C. 3701 et seq.) is amended by insert-
6 ing after section 112 the following new section:

7 **“SEC. 112A. EXPANDED BENEFITS AND ALTERNATIVE RULE**
8 **OF ORIGIN FOR ARTICLES OF SUB-SAHARAN**
9 **AFRICAN COUNTRIES.**

10 “(a) DUTY-FREE-TREATMENT.—The President shall,
11 subject to section 503(b) of the Trade Act of 1974 (19
12 U.S.C. 2463(b)), provide duty-free treatment in accord-
13 ance with this section for all articles from qualified bene-
14 ficiary sub-Saharan African countries designated under
15 subsection (b), and such articles shall not be subject to
16 any quantitative limitation.

17 “(b) DESIGNATED COUNTRIES.—The President shall
18 designate as a qualified beneficiary sub-Saharan African
19 country for purposes of this section any country that is

1 designated as an eligible sub-Saharan African country
2 under section 104 of this Act.

3 “(c) RULE OF ORIGIN.—The rule of origin require-
4 ments described in section 503(a)(2) of the Trade Act of
5 1974 (19 U.S.C. 2463(a)(2)) shall apply with respect to
6 a determination to provide duty-free treatment under this
7 section to any article from a qualified beneficiary sub-Sa-
8 haran African country designated under subsection (b) to
9 the same extent and in the same manner as the rule of
10 origin requirements described in such section 503(a)(2)
11 apply with respect to a determination to provide duty-free
12 treatment under title V of the Trade Act of 1974 (19
13 U.S.C. 2461 et seq.) to any article from a beneficiary de-
14 veloping country.

15 “(d) TERMINATION.—

16 “(1) IN GENERAL.—The preferential treatment
17 under this section shall terminate—

18 “(A) at the close of December 31, 2015; or

19 “(B) except as provided in paragraph (2),
20 if the President makes a determination and cer-
21 tification to Congress that there is a successful
22 conclusion to the World Trade Organization’s
23 Doha Development Agenda Round of Negotia-
24 tions on or before the date specified in subpara-
25 graph (A), at the close of December 31, 2019.

1 “(2) EXCEPTION.—The preferential treatment
2 under this section shall apply with respect to all arti-
3 cles from a qualified beneficiary sub-Saharan Afri-
4 can country designated under subsection (b) after
5 December 31, 2019, as follows:

6 “(A) For the 5-year period beginning on
7 January 1, 2020, such country is determined by
8 the Economic and Social Council of the United
9 Nations to be ‘Least Developed’, as of March
10 31, 2019.

11 “(B) For each successive 5-year period
12 thereafter, such country is determined by the
13 Economic and Social Council of the United Na-
14 tions to be ‘Least Developed’, as of March 31
15 of the last year of the preceding 5-year pe-
16 riod.”.

17 (b) LESSER DEVELOPED COUNTRIES.—Section
18 112(c)(1) of the African Growth and Opportunity Act (19
19 U.S.C. 3721(c)(1)) is amended—

20 (1) in the heading, by striking “SEPTEMBER 30,
21 2012” and inserting “SEPTEMBER 30, 2015”;

22 (2) in subparagraph (A), by striking “Sep-
23 tember 30, 2012” and inserting “September 30,
24 2015”; and

1 (3) in subparagraph (B)(ii), by striking “Sep-
2 tember 30, 2012” and inserting “September 30,
3 2015”.

4 (c) EFFECTIVE DATE; TRANSITION RULE.—

5 (1) EFFECTIVE DATE.—The amendments made
6 by subsection (a) and (b) take effect on the date of
7 the enactment of this Act.

8 (2) TRANSITION RULE.—During the period be-
9 ginning on the date of the enactment of this Act and
10 ending at the close of September 30, 2015, any arti-
11 cle to which section 112A of the African Growth and
12 Opportunity Act (as added by subsection (a) of this
13 section) applies may be entered, at the option of the
14 importer, pursuant to—

15 (A) section 112A of the African Growth
16 and Opportunity Act; or

17 (B) section 503 or 506A of the Trade Act
18 of 1974 or section 112 of the African Growth
19 and Opportunity Act, as the case may be.

20 (d) REPEAL.—Effective October 1, 2015, section 112
21 of the African Growth and Opportunity Act (19 U.S.C.
22 3721) is repealed.

23 (e) CLERICAL AMENDMENTS.—

24 (1) IN GENERAL.—The table of contents for the
25 Trade and Development Act of 2000 is amended by

1 inserting after the item relating to section 112 the
2 following:

“112A. Expanded benefits and alternative rule of origin for articles of sub-Saharan African countries.”.

3 (2) REPEALS.—Effective October 1, 2015, the
4 item relating to section 112 of the African Growth
5 and Opportunity Act (19 U.S.C. 3721) in the table
6 of contents for that Act is repealed.

7 **SEC. 3. EXPANDED BENEFITS AND RULE OF ORIGIN FOR**
8 **ARTICLES OF OTHER LEAST-DEVELOPED**
9 **BENEFICIARY COUNTRIES.**

10 (a) IN GENERAL.—Title V of the Trade Act of 1974
11 (19 U.S.C. 2461 et seq.) is amended by inserting after
12 section 506B the following new section:

13 **“SEC. 506C. EXPANDED BENEFITS AND RULE OF ORIGIN**
14 **FOR ARTICLES OF OTHER LEAST-DEVELOPED**
15 **BENEFICIARY COUNTRIES.**

16 “(a) DUTY-FREE-TREATMENT.—The President shall,
17 subject to section 503(b), provide duty-free treatment in
18 accordance with this section for all articles from qualified
19 least-developed beneficiary countries designated under
20 subsection (b), and such articles shall not be subject to
21 any quantitative limitation.

22 “(b) DESIGNATED COUNTRIES.—The President shall
23 designate as a qualified beneficiary country for purposes

1 of this section any country that meets the following re-
2 quirements:

3 “(1) For the period beginning on the date of
4 the enactment of this section and ending at the close
5 of December 31, 2014, the country is determined by
6 the Economic and Social Council of the United Na-
7 tions to be ‘Least Developed’, as of March 31, 2009.
8 For the period beginning on January 1, 2015, and
9 ending at the close of December 31, 2019, the coun-
10 try is determined by the Economic and Social Coun-
11 cil of the United Nations to be ‘Least Developed’, as
12 of March 31, 2014.

13 “(2) The country is not eligible for designation
14 as an eligible sub-Saharan African country under
15 section 104 of the African Growth and Opportunity
16 Act because the country is not listed under section
17 107 of that Act, but otherwise meets the require-
18 ments of such section 104.

19 “(3) The country otherwise meets the eligibility
20 criteria set forth in section 502, subject to the au-
21 thority granted to the President under subsections
22 (a), (d), and (e) of such section.

23 “(c) RULE OF ORIGIN.—The rule of origin require-
24 ments described in section 503(a)(2) shall apply with re-
25 spect to a determination to provide duty-free treatment

1 under this section to any article from a qualified least-
2 developed beneficiary country designated under subsection
3 (b) to the same extent and in the same manner as the
4 rule of origin requirements described in such section
5 503(a)(2) apply with respect to a determination to provide
6 duty-free treatment under this title to any article from a
7 beneficiary developing country.

8 “(d) ADJUSTMENT RULE FOR DUTY-FREE TREAT-
9 MENT FOR ARTICLES OF SIGNIFICANT APPAREL SUP-
10 PLIERS.—

11 “(1) IN GENERAL.—In each applicable 1-year
12 period, in the case of an article described in para-
13 graph (2) that is the growth, product, or manufac-
14 ture of a qualified least-developed beneficiary coun-
15 try that is a significant apparel supplier, the pref-
16 erential treatment under subsection (a) shall be lim-
17 ited to 50 percent of the aggregate square meter
18 equivalent of the combined product categories of
19 such products that entered from that country in cal-
20 endar year 2007.

21 “(2) ARTICLES.—The articles referred to in
22 paragraph (1) are the following:

23 “(A) Men’s and boys’ trousers, breeches,
24 and shorts made with cotton or manmade fibers

1 (textile and apparel category numbers 347 and
2 647).

3 “(B) Women’s and girls’ trousers, slacks,
4 breeches, and shorts made with cotton or man-
5 made fibers (textile and apparel category num-
6 bers 348 and 648).

7 “(C) Men’s and boys’ knit shirts made
8 from cotton or man-made fibers (textile and ap-
9 parel category numbers 338 and 638).

10 “(D) Women’s and girls’ knit shirts and
11 blouses made from cotton or man made fibers
12 (textile and apparel category numbers 339 and
13 639).

14 “(E) Men’s and boys’ shirts, not knit,
15 made from cotton or man-made fibers (textile
16 and apparel category numbers 340 and 640).

17 “(F) Women’s and girls’ shirts and
18 blouses, non-knit, made from cotton or man-
19 made fibers (textile and apparel category num-
20 bers 341 and 641).

21 “(G) Men’s and boys’ coats made from cot-
22 ton or man-made fibers (textile and apparel cat-
23 egory numbers 333, 334, 633, 634, and 643).

1 “(H) Women’s and girls’ coats made from
2 cotton or man-made fibers (textile and apparel
3 category numbers 335, 635, and 644).

4 “(3) ALTERNATIVE ADJUSTMENT RULE FOR
5 SIGNIFICANT APPAREL SUPPLIERS.—

6 “(A) IN GENERAL.—If a qualified least-de-
7 veloped beneficiary country that is a significant
8 apparel supplier qualifies under subparagraph
9 (B) for the integration incentive for a fiscal
10 year after fiscal year 2010, then the quan-
11 titative limitation under paragraph (1) for that
12 calendar year shall be increased by 10 percent-
13 age points over the quantitative limitation that
14 applied to that country in the preceding fiscal
15 year.

16 “(B) INTEGRATION INCENTIVE.—A signifi-
17 cant apparel supplier qualifies for the integra-
18 tion incentive if not less than 50 percent of the
19 aggregate square meter equivalents of the arti-
20 cles listed in paragraph (2)(A) that entered
21 from that country in the preceding fiscal year
22 are composed of yarns or fabrics or components
23 made of yarns or fabrics that originate in bene-
24 ficiary developing countries under this title or

1 are in countries that are party to a free trade
2 agreement with the United States.

3 “(C) REPORT.—The International Trade
4 Commission shall submit to Congress annually
5 by December 31 of each year a report on the
6 aggregate textile and apparel imports of each
7 qualified least-developed beneficiary country
8 that is a significant apparel supplier from each
9 country that is ‘Least Developed’ (as deter-
10 mined by the Economic and Social Council of
11 the United Nations) and publish such report in
12 the Federal Register.

13 “(4) DEFINITIONS.—In this subsection:

14 “(A) APPLICABLE 1-YEAR PERIOD.—The
15 term ‘applicable 1-year period’ means the 1-
16 year period beginning January 1, 2010, and
17 each 1-year period thereafter until December
18 31, 2019.

19 “(B) SIGNIFICANT APPAREL SUPPLIER.—
20 The term ‘significant apparel supplier’ means a
21 qualified least-developed beneficiary country
22 from which total apparel imports in a calendar
23 year exceed 2 percent of the aggregate square
24 meter equivalents of all apparel imports in such
25 year.

1 “(C) TEXTILE AND APPAREL CATEGORY
2 NUMBER.—The term ‘textile and apparel cat-
3 egory number’ means the number assigned
4 under the U.S. Textile and Apparel Category
5 System of the Office of Textiles and Apparel of
6 the Department of Commerce, as listed in the
7 Harmonized Tariff Schedule of the United
8 States under the applicable heading or sub-
9 heading (as in effect on September 1, 2007).

10 “(5) TERMINATION.—The adjustment rule pro-
11 visions of this subsection shall terminate—

12 “(A) at the close of December 31, 2015; or

13 “(B) if the President makes a determina-
14 tion and certification to Congress in accordance
15 with subsection (e)(1)(B), at the close of De-
16 cember 31, 2019.

17 “(e) TERMINATION.—

18 “(1) IN GENERAL.—The preferential treatment
19 under this section shall terminate—

20 “(A) at the close of December 31, 2015; or

21 “(B) except as provided in paragraph (2),
22 if the President makes a determination and cer-
23 tification to Congress that there is a successful
24 conclusion to the World Trade Organization’s
25 Doha Development Agenda Round of Negotia-

1 tions on or before the date specified in subpara-
2 graph (A), at the close of December 31, 2019.

3 “(2) EXCEPTION.—The preferential treatment
4 under this section shall apply with respect to all arti-
5 cles from a qualified least-developed beneficiary
6 country designated under subsection (b) after De-
7 cember 31, 2019, as follows:

8 “(A) For the 5-year period beginning on
9 January 1, 2020, such country is determined by
10 the Economic and Social Council of the United
11 Nations to be ‘Least Developed’, as of March
12 31, 2019.

13 “(B) For each successive 5-year period
14 thereafter, such country is determined by the
15 Economic and Social Council of the United Na-
16 tions to be ‘Least Developed’, as of March 31
17 of the last year of the preceding 5-year pe-
18 riod.”.

19 (b) CLERICAL AMENDMENT.—The table of contents
20 for the Trade Act of 1974 is amended by inserting after
21 the item relating to section 506B the following:

 “506C. Expanded benefits and rule of origin for articles of other least-developed
 beneficiary countries.”.

22 **SEC. 4. REVIEW OF IMPORT-RESTRICTED ARTICLES UNDER**
23 **GENERALIZED SYSTEM OF PREFERENCES.**

24 (a) TRADE AND DEVELOPMENT REVIEW PANEL.—

1 (1) IN GENERAL.—The President shall establish
2 a Trade and Development Review Panel (in this sec-
3 tion referred to as the “Panel”).

4 (2) MEMBERSHIP.—The Panel shall be com-
5 prised of not more than ten members, including the
6 heads of the United States Agency for International
7 Development, the Department of State, the United
8 States Trade Representative, the International
9 Trade Commission, and such other individuals se-
10 lected pursuant to paragraph (3).

11 (3) OTHER MEMBERS.—The President shall se-
12 lect members of the Panel (other than the heads of
13 the agencies referred to in paragraph (2)), from
14 among individuals of the general public with sub-
15 stantive expertise in the matters to be carried out by
16 the Panel, after consultation with the Chairman and
17 Ranking Member of the Committees on Ways and
18 Means and Foreign Affairs of the House of Rep-
19 resentatives and the Committees on Finance and
20 Foreign Relations of the Senate.

21 (4) CHAIRPERSONS.—The Panel shall be co-
22 chaired by the United States Trade Representative
23 and the Administrator of the United States Agency
24 for International Development.

25 (5) DUTIES.—

1 (A) IN GENERAL.—The Panel shall carry
2 out the duties described in subparagraph (C) of
3 section 503(d)(1) of the Trade Act of 1974 (19
4 U.S.C. 2463(d)(1)), as amended by subsection
5 (b)(1) of this section.

6 (B) METHODOLOGY.—The Panel shall em-
7 ploy procedures that provide a maximum
8 amount of transparency into the decision-mak-
9 ing process of the Panel, and to the extent
10 practicable establish quantitative benchmarks
11 that are used for decision-making purposes.

12 (6) TERMS.—Members shall serve five-year
13 terms and may be reappointed.

14 (7) COOPERATION.—The Panel, at its request,
15 is authorized to request and obtain information and
16 analysis from any Federal department or agency.

17 (b) RECOMMENDATIONS TO THE PRESIDENT.—Sec-
18 tion 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d))
19 is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (B), by striking
22 “and” at the end;

23 (B) by redesignating subparagraph (C) as
24 subparagraph (E);

1 (C) by inserting after subparagraph (B)
2 the following new subparagraphs:

3 “(C) receives the advice of the Trade and De-
4 velopment Review Panel established in accordance
5 with section 4(a) of the New Partnership for Trade
6 Development Act on whether denying such waiver
7 would improve the development, with an emphasis
8 on job creation, in beneficiary developing countries
9 with lower indicators of development, as determined
10 by the President,

11 “(D) determines, based on the advice described
12 in subparagraph (C), that denying such waiver is in
13 the national economic interest of the United States
14 or in the economic interest of such other beneficiary
15 developing countries, and”; and

16 (D) in subparagraph (E), as redesignated
17 pursuant to subparagraph (B) of this para-
18 graph, by striking “subparagraph (B)” and in-
19 serting “subparagraphs (B) and (D)”;

20 (2) by striking paragraph (4); and

21 (3) by redesignating paragraph (5) as para-
22 graph (4).

23 (c) DESIGNATION OF ARTICLES AS ELIGIBLE FOR
24 PREFERENTIAL TREATMENT.—Section 503(b) of the
25 Trade Act of 1974 (19 U.S.C. 2463(b)) is amended—

1 (1) in paragraph (1), by striking “The Presi-
2 dent” and inserting “Except as provided in para-
3 graph (5), the President”;

4 (2) in paragraph (3), by striking “No quantity”
5 and inserting “Except as provided in paragraph (5),
6 no quantity”; and

7 (3) by adding at the end the following new
8 paragraph:

9 “(5) DESIGNATION OF ARTICLES AS ELIGIBLE
10 FOR PREFERENTIAL TREATMENT.—

11 “(A) IN GENERAL.—The President may
12 designate an article described in paragraph (1)
13 or (3) as an eligible article under subsection (a)
14 if the article meets the requirements of sub-
15 paragraph (B).

16 “(B) REQUIREMENTS.—An article meets
17 the requirements of this subparagraph if the
18 Secretary of Commerce and the International
19 Trade Commission determine, not later than
20 three years after the date of the enactment of
21 this paragraph, that—

22 “(i) the application of duty-free treat-
23 ment under this title to the article would
24 not cause or threaten to cause material
25 harm to a United States producer of the

1 same or a like article or to a United States
2 supplier of inputs or components to the
3 same or a like article; and

4 “(ii) not applying such duty free
5 treatment to the article would cause or
6 threaten to cause material harm to pro-
7 ducers of the article in any of the countries
8 described in clauses (i) through (iv) of sub-
9 paragraph (A).”.

10 **SEC. 5. FACTORS AFFECTING COUNTRY DESIGNATION**
11 **UNDER GENERALIZED SYSTEM OF PREF-**
12 **ERENCES.**

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

15 (1) in paragraph (6)(B), by striking “and” at
16 the end;

17 (2) in paragraph (7), by striking the period at
18 the end and inserting “; and”; and

19 (3) by adding at the end the following new
20 paragraph:

21 “(8) with respect to a country that is des-
22 ignated as ‘Upper Middle-Income’ by the Inter-
23 national Bank for Reconstruction and Development
24 and the International Development Association or
25 that has a gross national income of at least

1 \$1,000,000,000,000, the extent to which such coun-
2 try provides meaningful preferential market access
3 to articles from countries that are ‘Least Developed’
4 (as determined by the Economic and Social Council
5 of the United Nations) or are designated as an eligi-
6 ble sub-Saharan African country under section 104
7 of the African Growth and Opportunity Act.”.

8 (b) BENCHMARKS AND PUBLIC TRANSPARENCY.—In
9 making a determination of whether or not to designate
10 a country as a beneficiary developing country under sec-
11 tion 502 of the Trade Act of 1974, or as an eligible sub-
12 Saharan African country under section 104 of the African
13 Growth and Opportunity Act, the President shall establish
14 and publish in the Federal Register clear and consistent
15 benchmarks that will be used to determine the basis of
16 eligibility for a country at issue, as well as a timeline for
17 regular reviews. The President shall also implement proce-
18 dures to ensure that the analysis and decision-making be-
19 hind any such determination is transparent to the public.

20 (c) EFFECTIVE DATE.—The amendments made by
21 subsection (a) shall apply with respect to the designation
22 of a country as a “beneficiary developing country” under
23 title V of the Trade Act of 1974 on or after the date of
24 the enactment of this Act.

1 **SEC. 6. RULE OF ORIGIN UNDER GENERALIZED SYSTEM OF**
2 **PREFERENCES.**

3 (a) IN GENERAL.—Paragraph (2) of section 503(a)
4 of the Trade Act of 1974 (19 U.S.C. 2463(a) is amended
5 to read as follows:

6 “(2) RULE OF ORIGIN.—

7 “(A) IN GENERAL.—The duty-free treat-
8 ment provided under this title shall apply to
9 any article that is the growth, product, or man-
10 ufacture of a beneficiary developing country
11 if—

12 “(i) the article is imported directly
13 from such country into the customs terri-
14 tory of the United States; and

15 “(ii) the sum of—

16 “(I) the cost or value of the ma-
17 terials produced in 1 or more bene-
18 ficiary developing countries, plus

19 “(II) the direct costs of proc-
20 essing operations performed in 1 or
21 more beneficiary developing countries,
22 is not less than 35 percent of the ap-
23 praised value of the article at the time it
24 is entered.

1 “(B) DETERMINATION OF PERCENTAGE.—

2 For purposes of determining the percentage re-
3 ferred to in subparagraph (A)(ii)—

4 “(i) with respect to a textile or ap-
5 parel article, the cost or value of materials
6 produced in a beneficiary developing coun-
7 try includes the full value of any material,
8 regardless of the origin of the material, if
9 the material is both cut (or knit to shape)
10 and sewn or otherwise assembled into such
11 article in one or more beneficiary devel-
12 oping countries; and

13 “(ii) the term ‘beneficiary developing
14 country’ includes the Commonwealth of
15 Puerto Rico and the United States Virgin
16 Islands. If the cost or value of materials
17 produced in the customs territory of the
18 United States (other than the Common-
19 wealth of Puerto Rico) is included with re-
20 spect to an article to which this paragraph
21 applies, an amount not to exceed 15 per-
22 cent of the appraised value of the article at
23 the time it is entered that is attributed to
24 such United States cost or value may be

1 applied toward determining the percentage
2 referred to in subparagraph (A)(ii).

3 “(C) EXCLUSIONS.—An article shall not be
4 treated as the growth, product, or manufacture
5 of a beneficiary developing country by virtue of
6 having merely undergone—

7 “(i) simple combining or packaging
8 operations; or

9 “(ii) mere dilution with water or mere
10 dilution with another substance that does
11 not materially alter the characteristics of
12 the article.

13 “(D) SETS.—Notwithstanding the other
14 provisions of this paragraph, textile or apparel
15 articles classifiable under General Rule of Inter-
16 pretation 3 of the Harmonized Schedule of the
17 United States as articles put up in sets for re-
18 tail sale shall not be eligible for duty-free treat-
19 ment under this title unless each of the articles
20 in the set is an eligible article for purposes of
21 this title or the total value of the ineligible arti-
22 cles in the set does not exceed ten percent of
23 the appraised value of the set.

24 “(E) DEFINITIONS.—In this subsection:

1 “(i) DIRECT COSTS OF PROCESSING
2 OPERATIONS.—The term ‘direct costs of
3 processing operations’—

4 “(I) includes—

5 “(aa) all actual labor costs
6 involved in the growth, produc-
7 tion, manufacture, or assembly of
8 the article concerned, including
9 fringe benefits, on-the-job train-
10 ing, and the cost of engineering,
11 supervisory, quality control, and
12 similar personnel; and

13 “(bb) dies, molds, tooling,
14 and depreciation on machinery
15 and equipment that are allocable
16 to the article; and

17 “(II) does not include costs that
18 are not directly attributable to the ar-
19 ticle concerned or are not costs of
20 manufacturing the article, such as—

21 “(aa) profit; and

22 “(bb) general expenses of
23 doing business that are either not
24 allocable to the article or are not
25 related to the growth, production,

1 manufacture, or assembly of the
2 article, such as administrative
3 salaries, casualty and liability in-
4 surance, advertising, interest,
5 and salaries, commissions, or ex-
6 penses of sales personnel.

7 “(ii) TEXTILE OR APPAREL ARTI-
8 CLE.—The term ‘textile or apparel article’
9 means any article classifiable under any of
10 the following provisions of the Harmonized
11 Tariff Schedule of the United States:

12 “(I) Chapters 50 through 63.

13 “(II) Headings 6501, 6502,
14 6503, or 6504.

15 “(III) Subheadings 6406.99 or
16 6505.90.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall apply with respect to the entry, or
19 withdrawal from warehouse for consumption, of eligible
20 articles from a beneficiary developing country on or after
21 the date of the enactment of this Act.

1 **SEC. 7. EXTENSION OF GENERALIZED SYSTEM OF PREF-**
2 **ERENCES.**

3 Section 505 of the Trade Act of 1974 (19 U.S.C.
4 2465) is amended by striking “December 31, 2009” and
5 inserting “December 31, 2019”.

6 **SEC. 8. OFFICE OF TRADE AND COMPETITIVENESS FOR**
7 **LEAST DEVELOPED AND AFRICAN COUN-**
8 **TRIES.**

9 (a) ESTABLISHMENT OF OFFICE.—

10 (1) IN GENERAL.—There shall be established
11 within the Executive Office of the President an Of-
12 fice of Trade and Competitiveness for Least Devel-
13 oped and African Countries (hereafter referred to as
14 the “Office”) that will be responsible for planning,
15 developing, and coordinating trade capacity building
16 and private sector competitiveness programs for
17 Least Developed and African countries.

18 (2) LEAST DEVELOPED AND AFRICAN COUN-
19 TRIES DEFINED.—For purposes of this section, the
20 term “Least Developed and African countries”
21 means a qualified beneficiary sub-Saharan African
22 country designated under section 112A of the Afri-
23 can Growth and Opportunity Act (as added by sec-
24 tion 2 of this Act) or a qualified least-developed ben-
25 eficiary country designated under section 506C of

1 the Trade Act of 1974 (as added by section 3 of this
2 Act).

3 (b) DIRECTOR AND STAFF.—The head of the Office
4 shall be a Director of Trade and Competitiveness for Least
5 Developed and African Countries who shall report to the
6 President. The Director may hire staff with expertise on
7 international development, foreign aid, and international
8 trade. The President shall appoint the Director to be a
9 member of the National Security Council.

10 (c) DUTIES.—

11 (1) IN GENERAL.—Not later than June 30,
12 2010, and not less often than once every three years
13 thereafter, the Director, in consultation with the
14 heads of appropriate Federal departments and agen-
15 cies and nongovernmental organizations, donor gov-
16 ernments, and private enterprise located within each
17 Least Developed and African country, shall submit
18 to Congress a study on the private sector competi-
19 tiveness of Least Developed and African countries.

20 (2) MATTERS TO BE INCLUDED.—The study re-
21 quired under paragraph (1) shall include a detailed
22 description for each Least Developed and African
23 country that identifies the barriers that exist to—

1 (A) economic growth and poverty reduc-
2 tion, in part through utilization of the tariff
3 preferences;

4 (B) women fully participating in the for-
5 mal economy of each such country; and

6 (C) small farmers, food producers, and
7 small and medium enterprises to expanding
8 their businesses in each such country, in part
9 for the purpose of increasing exports.

10 (d) COORDINATING COMMITTEE.—The President
11 shall establish a Trade Capacity Coordinating Committee
12 for Least Developed and African Countries (referred to
13 in this section as the “Committee”) for the purpose of co-
14 ordinating implementation of trade capacity building pro-
15 grams that are carried out by Federal departments and
16 agencies in Least Developed and African countries. The
17 committee shall be composed of the following individuals
18 or their designees:

19 (1) The Director, who shall serve as the chair-
20 person of the Committee.

21 (2) The United States Trade Representative.

22 (3) The Secretaries of Agriculture, Commerce,
23 Treasury, State, and Defense.

1 (4) The head of any other Federal department
2 or agency that the President determines is appro-
3 priate.

4 (e) MISSION.—

5 (1) IDENTIFICATION AND ASSISTANCE.—The
6 President, acting through the Director and the Com-
7 mittee, shall provide assistance to the Least Devel-
8 oped and African countries to dismantle the barriers
9 identified in the study required under subsection (c).

10 (2) PURPOSES.—Assistance provided pursuant
11 to paragraph (1) shall assist in the following:

12 (A) Developing the necessary infrastruc-
13 ture needed to foster commerce, with a focus on
14 regional integration and means to expand value-
15 added production.

16 (B) Improving labor conditions and en-
17 hancing environmental sustainability.

18 (C) Addressing market barriers such as
19 trade facilitation and storage of goods, and
20 complying with international standards such as
21 sanitary and phytosanitary principles.

22 (D) Assisting small and medium enter-
23 prises to increase the capability and capacity of
24 such enterprises.

1 (E) Enhancing economic opportunity for
2 individuals facing the greatest economic chal-
3 lenges, such as individuals living in poverty, es-
4 pecially women and small farmers.

5 (F) Aligning United States activities to
6 synchronize with the activities of nongovern-
7 mental organizations, donor governments, and
8 the private enterprise located within the country
9 at issue.

10 (3) INTERNATIONAL CONSULTATION AND CO-
11 OPERATION.—The President, acting through the Di-
12 rector and the Committee, shall consult with African
13 and American business persons to fully understand
14 the barriers and opportunities to expanded trade and
15 investment between the United States and Least De-
16 veloped and African countries. In doing so, the Di-
17 rector should consider establishing a private sector
18 advisory panel that consists of small, medium, and
19 large African and American businesses.