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S.L.C.

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—113th Cong., 1st Sess.**S. 718**

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

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by _____

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Increasing American

5 Jobs Through Greater Exports to Africa Act of 2013”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—Congress makes the following find-

8 ings:

9 (1) Export growth helps United States busi-

10 nesses grow and create American jobs. In 2011,

11 United States exports supported 9,700,000 jobs and

1 97.8 percent of United States exports came from
2 small- and medium-sized businesses in 2010.

3 (2) The more than 20 Federal agencies that are
4 involved in export promotion and financing are not
5 sufficiently coordinated to adequately expand United
6 States commercial exports to Africa.

7 (3) The President has taken steps to improve
8 how the United States Government supports Amer-
9 ican businesses by mandating an executive review
10 across agencies and a new Doing Business in Africa
11 initiative, but a substantially greater high-level focus
12 on Africa is needed.

13 (4) Many other countries have trade promotion
14 programs that aggressively compete against United
15 States exports in Africa and around the world. For
16 example, in 2010, medium- and long-term official ex-
17 port credit general volumes from the Group of 7
18 countries (Canada, France, Germany, Italy, Japan,
19 the United Kingdom, and the United States) totaled
20 \$65,400,000,000. Germany provided the largest level
21 of support at \$22,500,000,000, followed by France
22 at \$17,400,000,000 and the United States at
23 \$13,000,000,000. Official export credit support by
24 emerging market economies such as Brazil, China,
25 and India are significant as well.

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

8 (6) The Export-Import Bank of the United
9 States substantially increased lending to United
10 States businesses focused on Africa from
11 \$400,000,000 in 2009 to \$1,400,000,000 in 2011,
12 but the Export-Import Bank of China dwarfed this
13 effort with an estimated \$12,000,000,000 worth of
14 financing. Overall, China is outpacing the United
15 States in selling goods to Africa at a rate of 3 to
16 1.

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

21 (8) The Chinese practice of concessional financ-
22 ing runs contrary to the principles of the Organiza-
23 tion of Economic Co-operation and Development re-
24 lated to open market rates, undermines naturally
25 competitive rates, and can allow governments in Af-

1 rica to overlook the troubling record on labor prac-
2 tices, human rights, and environmental impact.

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

9 (10) The African continent is undergoing a pe-
10 riod of rapid growth and middle class development,
11 as seen from major indicators such as Internet use,
12 clean water access, and real income growth. In the
13 last decade alone, the percentage of the population
14 with access to the Internet has doubled. Seventy-
15 eight percent of Africa’s rural population now has
16 access to clean water. Over the past 10 years, real
17 income per person in Africa has grown by more than
18 30 percent. Such economic growth will expand even
19 faster if more reliable energy production is
20 achieved—a business sector in which American in-
21 dustry excels.

22 (11) Economists have designated Africa as the
23 “next frontier market”, with profitability of many
24 African firms and growth rates of African countries
25 exceeding global averages in recent years. Countries

1 in Africa have a collective spending power of almost
2 \$9,000,000,000 and a gross domestic product of
3 \$1,600,000,000,000, which are projected to double
4 in the next 10 years.

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

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

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

23 (b) PURPOSE.—The purpose of this Act is to create
24 jobs in the United States by expanding programs that will

1 result in increasing United States exports to Africa by 200
2 percent in real dollar value within 10 years.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

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

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

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

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

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

24 (B) the Committee on Appropriations, the
25 Committee on Energy and Commerce, the Com-

1 committee on Financial Services, the Committee on
2 Foreign Affairs, and the Committee on Ways
3 and Means of the House of Representatives.

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

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

21 (7) MULTILATERAL DEVELOPMENT BANKS.—
22 The term “multilateral development banks” has the
23 meaning given that term in section 1701(e)(4) of the
24 International Financial Institutions Act (22 U.S.C.

1 262r(c)(4)) and includes the African Development
2 Foundation.

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

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

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

19 **SEC. 4. STRATEGY.**

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

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

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

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

8 (3) developing relationships between the govern-
9 ments of countries in Africa and United States busi-
10 nesses that have an expertise in such issues as crit-
11 ical energy security, infrastructure development,
12 technology, telecommunications, and agriculture;

13 (4) improving the competitiveness of United
14 States businesses in Africa, including by encour-
15 aging the adoption of United States construction
16 codes and product standards, with emphasis on
17 those designated as American National Standards by
18 the American National Standards Institute where
19 applicable;

20 (5) exploring the role the African diaspora can
21 play in enhancing competitiveness of United States
22 businesses in African and ways that African dias-
23 pora remittances can help communities in Africa
24 tackle economic, development, and infrastructure fi-
25 nancing needs;

1 (6) promoting economic integration in Africa
2 through working with the subregional economic com-
3 munities, supporting efforts for deeper integration
4 through the development of customs unions within
5 western and central Africa and within eastern and
6 southern Africa, eliminating time-consuming border
7 formalities into and within these areas, and sup-
8 porting regionally based infrastructure projects;

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

13 (8) fostering partnership opportunities between
14 United States and African small- and medium-sized
15 enterprises;

16 (9) supporting African entrepreneurship and
17 private sector development as a means to sustainable
18 economic growth and security; and

19 (10) monitoring—

20 (A) market loan rates and the availability
21 of capital for United States business investment
22 in Africa;

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

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

4 (e) CONSULTATIONS.—In developing the strategy re-
5 quired by subsection (a), the President shall consult
6 with—

7 (1) Congress;

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

10 (3) the relevant multilateral development banks,
11 in coordination with the Secretary of the Treasury
12 and the respective United States Executive Directors
13 of such banks;

14 (4) each agency that participates in the Trade
15 Policy Staff Committee;

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

17 (6) each of the development agencies;

18 (7) any other Federal agencies with responsi-
19 bility for export promotion or financing and develop-
20 ment; and

21 (8) the private sector, including businesses,
22 nongovernmental organizations, and African dias-
23 pora groups.

24 (d) SUBMISSION TO CONGRESS.—

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

5 (2) PROGRESS REPORT.—Not later than 3
6 years after the date of the enactment of this Act, the
7 President shall submit to Congress a report on the
8 implementation of the strategy required by sub-
9 section (a).

10 (3) CONTENT OF REPORT.—The report re-
11 quired by paragraph (2) shall include an accounting
12 of all current United States Government programs
13 to promote exports to and trade with Africa and to
14 assist United States businesses competing in the Af-
15 rican market as well as an assessment of the extent
16 to which the strategy required by subsection (a)—

17 (A) has been successful in developing crit-
18 ical analyses of policies to increase exports to
19 Africa;

20 (B) has been successful in increasing the
21 competitiveness of United States businesses in
22 Africa;

23 (C) has been successful in creating jobs in
24 the United States, including the nature and
25 sustainability of such jobs;

1 (D) has provided sufficient United States
2 Government support to meet third country com-
3 petition in the region;

4 (E) has been successful in helping the Af-
5 rican diaspora in the United States participate
6 in economic growth in Africa;

7 (F) has been successful in promoting eco-
8 nomic integration in Africa;

9 (G) has encouraged specific policies and
10 programs in Africa which provide a stable, safe,
11 and transparent environment in which business
12 and entrepreneurship can thrive; and

13 (H) has made a meaningful contribution to
14 the transformation of Africa and its full inte-
15 gration into the 21st century world economy,
16 not only as a supplier of primary products but
17 also as full participant in international supply
18 and distribution chains and as a consumer of
19 international goods and services.

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

21 The President shall designate an individual to serve
22 as Special Africa Export Strategy Coordinator—

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

1 (2) to coordinate with the Trade Promotion Co-
2 ordinating Committee, (the interagency AGOA com-
3 mittees), and development agencies with respect to
4 developing and implementing the strategy.

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

6 It is the sense of Congress that, not later than 1 year
7 after the date of the enactment of this Act, the Secretary
8 of Commerce and other high-level officials of the United
9 States Government with responsibility for export pro-
10 motion, financing, and development should conduct a joint
11 trade mission to Africa.

12 **SEC. 7. PERSONNEL.**

13 (a) UNITED STATES AND FOREIGN COMMERCIAL
14 SERVICE.—

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

21 (2) ASSIGNMENT.—The Secretary shall, in con-
22 sultation with the Trade Promotion Coordinating
23 Committee and the Special Africa Export Strategy
24 Coordinator, assign the United States and Foreign
25 Commercial Service officers described in paragraph

1 (1) to United States embassies in Africa after con-
2 ducting a timely resource allocation analysis that
3 represents a forward-looking assessment of future
4 United States trade opportunities in Africa.

5 (3) MULTILATERAL DEVELOPMENT BANKS.—

6 (A) IN GENERAL.—As soon as practicable
7 after the date of the enactment of this Act, the
8 Secretary of Commerce shall, using existing
9 staff, assign not less than 1 full-time United
10 States and Foreign Commercial Service officer
11 to the office of the United States Executive Di-
12 rector at the World Bank and the African De-
13 velopment Bank.

14 (B) RESPONSIBILITIES.—Each United
15 States and Foreign Commercial Service officer
16 assigned under subparagraph (A) shall be re-
17 sponsible for—

18 (i) increasing the access of United
19 States businesses to procurement contracts
20 with the multilateral development bank to
21 which the officer is assigned; and

22 (ii) facilitating the access of United
23 States businesses to risk insurance, equity
24 investments, consulting services, and lend-
25 ing provided by that bank.

1 (b) EXPORT-IMPORT BANK OF THE UNITED
2 STATES.—Of the amounts collected by the Export-Import
3 Bank that remain after paying the expenses the Bank is
4 authorized to pay from such amounts for administrative
5 expenses, the Bank shall use sufficient funds to do the
6 following:

7 (1) Increase the number of staff dedicated to
8 expanding business development for Africa, including
9 increasing the number of business development trips
10 the Bank conducts to Africa and the amount of time
11 staff spends in Africa to meet the goals set forth in
12 section 9 and paragraph (4) of section 6(a) of the
13 Export-Import Bank of 1945, as added by section
14 9(a)(2).

15 (2) Maintain an appropriate number of employ-
16 ees of the Bank assigned to United States field of-
17 fices of the Bank to be distributed as geographically
18 appropriate through the United States. Such offices
19 shall coordinate with the related export efforts un-
20 dertaken by the Small Business Administration re-
21 gional field offices.

22 (3) Upgrade the Bank's equipment and soft-
23 ware to more expeditiously, effectively, and effi-
24 ciently process and track applications for financing
25 received by the Bank.

1 (c) OVERSEAS PRIVATE INVESTMENT CORPORA-
2 TION.—

3 (1) STAFFING.—Of the net offsetting collections
4 collected by the Overseas Private Investment Cor-
5 poration used for administrative expenses, the Cor-
6 poration shall use sufficient funds to increase by not
7 more than 5 the staff needed to promote stable and
8 sustainable economic growth and development in Af-
9 rica, to strengthen and expand the private sector in
10 Africa, and to facilitate the general economic devel-
11 opment of Africa, with a particular focus on helping
12 United States businesses expand into African mar-
13 kets.

14 (2) REPORT.—The Corporation shall report to
15 the appropriate congressional committees on whether
16 recent technology upgrades have resulted in more ef-
17 fective and efficient processing and tracking of appli-
18 cations for financing received by the Corporation.

19 (3) CERTAIN COSTS NOT CONSIDERED ADMINIS-
20 TRATIVE EXPENSES.—For purposes of this sub-
21 section, systems infrastructure costs associated with
22 activities authorized by title IV of chapter 2 of part
23 I of the Foreign Assistance Act of 1961 (22 U.S.C.
24 231 et seq.) shall not be considered administrative
25 expenses.

1 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed as permitting the reduction of De-
3 partment of Commerce, Department of State, Export Im-
4 port Bank, or Overseas Private Investment Corporation
5 personnel or the alteration of planned personnel increases
6 in other regions, except where a personnel decrease was
7 previously anticipated or where decreased export opportu-
8 nities justify personnel reductions.

9 **SEC. 8. TRAINING.**

10 The President shall develop a plan—

11 (1) to standardize the training received by
12 United States and Foreign Commercial Service offi-
13 cers, economic officers of the Department of State,
14 and economic officers of the United States Agency
15 for International Development with respect to the
16 programs and procedures of the Export-Import
17 Bank of the United States, the Overseas Private In-
18 vestment Corporation, the Small Business Adminis-
19 tration, and the United States Trade and Develop-
20 ment Agency; and

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

23 (A) all United States and Foreign Com-
24 mercial Service officers that are stationed over-

1 seas receive the training described in paragraph
2 (1); and

3 (B) in the case of a country to which no
4 United States and Foreign Commercial Service
5 officer is assigned, any economic officer of the
6 Department of State stationed in that country
7 shall receive that training.

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

9 (a) FINANCING FOR PROJECTS IN AFRICA.—

10 (1) SENSE OF CONGRESS.—It is the sense of
11 Congress that foreign export credit agencies are pro-
12 viding non-OECD arrangement compliant financing
13 in Africa, which is trade distorting and threatens
14 United States jobs.

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

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

1 (3) REPORT.—Not later than 1 year after the
2 date of the enactment of this Act, and annually
3 thereafter for 5 years, the Export-Import Bank shall
4 report to the Committee on Banking, Housing, and
5 Urban Affairs, the Committee on Foreign Relations,
6 and the Committee on Appropriations of the Senate
7 and the Committee on Financial Services, the Com-
8 mittee on Foreign Affairs, and the Committee on
9 Appropriations of the House of Representatives if
10 the Bank has not used at least 10 percent of its
11 lending capabilities for projects in Africa as de-
12 scribed in paragraph (4) of section 6(a) of the Ex-
13 port-Import Bank of 1945, as added by paragraph
14 (2). The report shall include the reasons why the
15 Bank failed to reach this goal and a description of
16 all final applications for projects in Africa that were
17 deemed unworthy of Bank support.

18 (b) AVAILABILITY OF PORTION OF CAPITALIZATION
19 TO COMPETE AGAINST FOREIGN CONCESSIONAL
20 LOANS.—

21 (1) IN GENERAL.—The Bank shall make avail-
22 able annually such amounts as are necessary for
23 loans that counter trade distorting non-OECD ar-
24 rangement compliant financing or preferential, tied
25 aid, or other related non-market loans offered by

1 other nations for which United States companies are
2 also competing or interested in competing.

3 (2) REPORT.—Not later than 1 year after the
4 date of the enactment of this Act, and annually
5 thereafter for 5 years, the Export-Import Bank shall
6 submit to the Committee on Banking, Housing, and
7 Urban Affairs, the Committee on Foreign Relations,
8 and the Committee on Appropriations of the Senate
9 and the Committee on Financial Services, the Com-
10 mittee on Foreign Affairs, and the Committee on
11 Appropriations of the House of Representatives a re-
12 port on all loans made or rejected that were consid-
13 ered to counter non-OECD arrangement compliant
14 financing offered by other nations to its firms. The
15 report shall not disclose any information that is con-
16 fidential or business proprietary, or that would vio-
17 late section 1905 of title 18, United States Code
18 (commonly referred to as the “Trade Secrets Act”).
19 The report shall include a description of trade dis-
20 torting non-OECD arrangement compliant financing
21 loans made by other countries during that fiscal year
22 to firms that competed against the United States
23 firms.

1 **SEC. 10. SMALL BUSINESS ADMINISTRATION.**

2 Section 22(b) of the Small Business Act (15 U.S.C.
3 649(b)) is amended—

4 (1) in the matter preceding paragraph (1), by
5 inserting “the Trade Promotion Coordinating Com-
6 mittee,” after “Director of the United States Trade
7 and Development Agency,”; and

8 (2) in paragraph (3), by inserting “regional of-
9 fices of the Export-Import Bank,” after “Retired
10 Executives,”.

11 **SEC. 11. BILATERAL, SUBREGIONAL AND REGIONAL, AND**
12 **MULTILATERAL AGREEMENTS.**

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