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**Conference Report to Accompany
Food, Agriculture, Conservation, and Trade
Act of 1990**

H.R. Rep. No. 101-916 (1990)

Part 4 of 14

Title XV- Agricultural Trade (pp. 287-360)

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Animal Plant Health Inspection Service; the Cooperative State Research Service in conjunction with the system of State agricultural experiment stations; the Economic Research Service; the Extension Service, in conjunction with State and county cooperative extension services; the Forest Service; the National Agricultural Library; the National Agricultural Statistics Service; the Soil Conservation Service; and other agencies within the Department deemed appropriate by the Secretary.

TITLE XV—AGRICULTURAL TRADE

SEC. 1501. SHORT TITLE.

This title may be cited as the "Agricultural Development and Trade Act of 1990".

Subtitle A—Agricultural Trade Development and Assistance Act of 1954

SEC. 1511. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1512. AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Development and Assistance Act of 1954'.

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.

"SEC. 3. GLOBAL FOOD AID NEEDS.

"In view of the principal findings of the National Research Council of the National Academy of Sciences that doubling food aid above 1990 levels of about 10,000,000 metric tons per year would be necessary to meet projected global food needs throughout the decade of the nineties, it is the sense of Congress that the President should—

"(1) increase the contributions of food aid by the United States, and encourage other donor countries to increase their contributions toward meeting new food aid requirements; and

"(2) encourage other advanced nations to make increased food aid contributions to combat world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs.

"TITLE I—TRADE AND DEVELOPMENT ASSISTANCE

"SEC. 101. TRADE AND DEVELOPMENT ASSISTANCE.

"(a) **IN GENERAL.**—The President shall establish a program under this title to provide for the sale of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under this title. Such program shall be implemented by the Secretary.

"(b) **GENERAL AUTHORITY.**—To carry out the policies and accomplish the objectives described in section 2, the Secretary may negotiate and execute agreements with developing countries to finance the sale and exportation of agricultural commodities to such countries.

"SEC. 102. ELIGIBLE COUNTRIES.

"(a) **IN GENERAL.**—A country shall be considered to be a developing country and eligible for assistance under this title if such country has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels, as determined by the Secretary.

"(b) **PRIORITY.**—In determining whether and to what extent agricultural commodities will be made available to developing countries under this title, the Secretary shall give priority to developing countries that—

"(1) demonstrate the greatest need for food;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities.

"SEC. 103. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) **DOLLARS.**—Except as provided in paragraph (2), agreements under this title shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—

"(A) **IN GENERAL.**—The Secretary may permit a recipient country to make payment under an agreement under this title in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) **RATES OF EXCHANGE.**—Payments in local currency shall be at rates of exchange that are no less favorable

than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) **INTEREST.**—Such agreements shall provide that interest accrue on the payment deferred under such agreement at a concessional rate as determined appropriate by the Secretary.

"(c) **DURATION.**—Payments required under such agreements may be made in reasonable annual amounts over the period (not less than 10 nor more than 30 years from the date of the last delivery of commodities in each year under such agreement) specified in the agreement.

"(d) **DEFERRAL OF PAYMENTS.**—The Secretary may defer the date on which the recipient country is required to begin making payment, under such agreements, for a period of not in excess of 7 years after the date of the last delivery of commodities in each year under the agreement, and interest shall be computed from the date of such last delivery.

"(e) **DELIVERY OF COMMODITIES.**—Delivery of the commodities shall be made in accordance with the terms of the agreement.

"SEC. 104. USE OF LOCAL CURRENCY PAYMENT.

"(a) **IN GENERAL.**—Agreements under this title may provide that the Secretary shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) **SPECIAL ACCOUNT.**—Foreign currencies received by the Secretary under this title shall be deposited in a separate account, that may be interest-bearing, to the credit of the United States and such currencies and interest thereon shall be used as provided for in this section.

"(c) **ACTIVITIES.**—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) **TRADE DEVELOPMENT.**—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) **AGRICULTURAL DEVELOPMENT.**—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing of agricultural commodities, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development;

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services; and

"(D) programs to control rodents, insects, weeds, and other animal or plant pests.

"(3) **AGRICULTURAL BUSINESS DEVELOPMENT LOANS.**—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion in such recipient countries.

"(4) **AGRICULTURAL FACILITIES LOANS.**—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribu-

tion of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(5) **TRADE PROMOTION.**—To promote agricultural trade development, under procedures established by the Secretary, by making loans or through other activities (including trade fairs) that the Secretary determines to be appropriate.

"(6) **PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.**—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the Secretary.

"(7) **RESEARCH.**—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) **UNITED STATES OBLIGATIONS.**—To make payments of United States obligations (including obligations entered into pursuant to other laws).

"(d) **FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.**—

"(1) **EXEMPTION.**—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (c).

"(2) **USE OF CURRENCIES BY OTHER AGENCIES.**—Any department or agency of the Federal Government other than the Department of Agriculture using any such local currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"**SEC. 105. VALUE-ADDED FOODS.**

"(a) **POLICY.**—Congress declares it to be the policy of the United States to assist developing countries that are or have been recipients of high protein, blended, or fortified foods under title II to continue to combat hunger and malnutrition among the lower income segments of the population of such countries, especially children, through the continued provision of such foods under this title.

"(b) **PARTIAL WAIVER OF REPAYMENT.**—In implementing the policy declared in subsection (a), the Secretary, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries that—

"(1) provide assurances that the benefits of any waiver granted under this subsection will be passed on to the individual recipients of such foods; and

"(2) have a reasonable potential for transferring benefits of such waiver to commercial purchasers of such foods;

may make provisions for a waiver of payment of not to exceed an amount equal to the value of that part of the product that is attributable to the costs of processing, enrichment, or fortification of such product.

"(c) **MINIMIZE IMPACT.**—In implementing this section, the Secretary shall, to the extent practicable, minimize the impact of this section on other commercial and concessional sales of whole grains.

"TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

"SEC. 201. GENERAL AUTHORITY.

"The President shall establish a program under this title to provide agricultural commodities to foreign countries on behalf of the people of the United States to—

- "(1) address famine or other urgent or extraordinary relief requirements;
- "(2) combat malnutrition, especially in children and mothers;
- "(3) carry out activities that attempt to alleviate the causes of hunger, mortality and morbidity;
- "(4) promote economic and community development;
- "(5) promote sound environmental practices; and
- "(6) carry out feeding programs.

Such program shall be implemented by the Administrator.

"SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

"(a) **EMERGENCY ASSISTANCE.**—Notwithstanding any other provision of law, the Administrator may provide agricultural commodities to meet emergency food needs under this title through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations, in such manner and on such terms and conditions as the Administrator determines appropriate to respond to the emergency.

"(b) **NON-EMERGENCY ASSISTANCE.**—The Administrator may provide agricultural commodities for non-emergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use such commodities in accordance with this title.

"(c) **USES OF ASSISTANCE.**—Agricultural commodities provided under this title may be made available for direct distribution, sale, barter, or other appropriate disposition.

"(d) **ELIGIBLE ORGANIZATIONS.**—To be eligible to receive assistance under subsection (b) an organization shall be—

- "(1) a private voluntary organization or cooperative that is, to the extent practicable, registered with the Administrator; or
- "(2) an intergovernmental organization, such as the World Food Program.

"(e) **SUPPORT FOR PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.**—

"(1) **IN GENERAL.**—Of the funds made available in each fiscal year under this title to private voluntary organizations and cooperatives, not less than \$10,000,000 and not more than \$13,500,000 shall be made available by the Administrator to assist such organizations and cooperatives in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) REQUEST FOR FUNDS.—In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the Administrator) when submitting a proposal to the Administrator for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(3) ASSISTANCE WITH RESPECT TO SALE.—Upon the request of a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.

"(f) EFFECTIVE USE OF COMMODITIES.—To ensure that agricultural commodities made available under this title are used effectively and in the areas of greatest need, organizations or cooperatives through which such commodities are distributed shall—

"(1) to the extent feasible, work with indigenous institutions and employ indigenous workers;

"(2) assess and take into account nutritional and other needs of beneficiary groups;

"(3) help such beneficiary groups design and carry out mutually acceptable projects;

"(4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;

"(5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and

"(6) periodically evaluate the effectiveness of projects undertaken under this title.

"(g) LABELING.—Commodities provided under this title shall, to the extent practicable, be clearly identified with appropriate markings on the package or container of such commodity in the language of the locality in which such commodities are distributed, as being furnished by the people of the United States of America.

"SEC. 203. GENERATION AND USE OF FOREIGN CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

"(a) LOCAL SALE AND BARTER OF COMMODITIES.—An agreement entered into between the Administrator and a private voluntary organization or cooperative to provide food assistance through such organization or cooperative under this title may provide for the sale or barter in the recipient country of the commodities to be provided under such agreement.

"(b) MINIMUM LEVEL OF LOCAL SALES.—In carrying out agreements of the type referred to in subsection (a), the Administrator shall permit private voluntary organizations and cooperatives to sell, in recipient countries, an amount of commodities equal to not

less than 10 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate foreign currency proceeds to be used as provided in this section.

"(c) **DESCRIPTION OF INTENDED USES.**—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any foreign currency proceeds that may be generated through the sale, in the recipient country, of any commodities provided under an agreement entered into between the Administrator and the organization or cooperative.

"(d) **USE.**—Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under a non-emergency food assistance agreement under this title may—

"(1) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(2) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(3) be invested and any interest earned on such investment may be used for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.

"SEC. 204. LEVELS OF ASSISTANCE.

"(a) **MINIMUM LEVELS.**—

"(1) **MINIMUM ASSISTANCE.**—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,950,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons;

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) **MINIMUM NON-EMERGENCY ASSISTANCE.**—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) **EXCEPTION.**—The Administrator may waive the requirements of paragraphs (1) and (2) for any fiscal year if the Administrator determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency. In making a waiver under this paragraph, the Administrator shall prepare and submit to the Committee on Foreign Affairs and Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver.

"(b) **USE OF VALUE-ADDED COMMODITIES.**—

"(1) **MINIMUM LEVELS.**—Except as provided in paragraph (2), in making agricultural commodities available under this title, the Administrator shall ensure that not less than 75 percent of the quantity of such commodities required to be distributed during each fiscal year under subsection (a)(2) be in the form of processed, fortified, or bagged commodities.

"(2) **WAIVER OF MINIMUM.**—The Administrator may waive the requirement of paragraph (1) for any fiscal year in which the Administrator determines that the requirements of the programs established under this title will not be best served by the enforcement of such requirement under such paragraph.

"**SEC. 205. FOOD AID CONSULTATIVE GROUP.**

"(a) **ESTABLISHMENT.**—There is established a Food Aid Consultative Group (hereinafter referred to in this section as the 'Group') that shall meet regularly to review and address issues concerning the effectiveness of the regulations and procedures that govern food assistance programs established and implemented under this title, and the implementation of other provisions of this title that may involve private voluntary organizations, cooperatives and indigenous non-governmental organizations.

"(b) **MEMBERSHIP.**—The Group shall be composed of—

"(1) the Administrator;

"(2) the Under Secretary for International Affairs and Commodity Programs;

"(3) the Inspector General of the Agency for International Development;

"(4) a representative of each private voluntary organization and cooperative participating in a program under this title, or receiving planning assistance funds from the Agency to establish programs under this title; and

"(5) representatives from African, Asian and Latin American indigenous non-governmental organizations determined appropriate by the Administrator.

"(c) **CHAIRPERSON.**—The Administrator shall be the chairperson of the Group.

"(d) **CONSULTATIONS.**—In preparing regulations, handbooks, or guidelines implementing this title, or significant revisions thereto, the Administrator shall provide such proposals to the Group for review and comment. The Administrator shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to the issuance of such.

"(e) **ADVISORY COMMITTEE ACT.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Group.

"(f) **TERMINATION.**—The Group shall terminate on December 31, 1995.

"SEC. 206. MAXIMUM LEVEL OF EXPENDITURES.

"(a) **MAXIMUM EXPENDITURES.**—Except as provided in subsection (b), programs of assistance shall not be undertaken under this title during any fiscal year if such programs necessitate an appropriation of more than \$1,000,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available).

"(b) **WAIVER BY PRESIDENT.**—The President may waive the limitation contained in subsection (a) if the President determines that such waiver is necessary to undertake programs of assistance to meet urgent humanitarian or emergency needs.

"SEC. 207. ADMINISTRATION.

"(a) **PROPOSALS.**—

"(1) **TIME FOR DECISION.**—Not later than 45 days after the receipt by the Administrator of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, the Administrator shall make a decision concerning such proposal.

"(2) **DENIAL.**—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial and the conditions that must be met for the approval of such proposal.

"(b) **NOTICE AND COMMENT.**—Not later than 30 days prior to the issuance of a final guideline to carry out this title, the Administrator shall—

"(1) provide notice of the existence of a proposed guideline, and that such guideline is available for review and comment, to private voluntary organizations and cooperatives that participate in programs under this title, and to other interested persons;

"(2) make the proposed guideline available, on request, to the organizations, cooperatives, and other persons referred to in paragraph (1); and

"(3) take any comments received into consideration prior to the issuance of the final guideline.

"(c) **REGULATIONS.**—

"(1) **IN GENERAL.**—The Administrator shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of the program established under this title.

"(2) **REQUIREMENTS.**—The Administrator shall develop regulations with the intent of—

"(A) simplifying procedures for participation in the programs established under this title;

"(B) reducing paperwork requirements under such programs;

"(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in the programs established under this title, taking into consideration the problems associated with carrying out programs in developing countries; and

"(D) providing flexibility for carrying out programs under this title.

"(3) **HANDBOOKS.**—Handbooks developed by the Administrator to assist in carrying out the program under this title shall be designed to foster the development of programs under this title by eligible organizations.

"(d) **DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.**—Not later than 15 days after receipt from a United States field mission of a call forward for agricultural commodities for programs that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities or products shall be transmitted to the Commodity Credit Corporation.

"TITLE III—FOOD FOR DEVELOPMENT

"SEC. 301. BILATERAL GRANT PROGRAM.

"(a) **IN GENERAL.**—The President shall establish a program under which agricultural commodities are donated in accordance with this title to least developed countries. The revenue generated by the sale of such commodities in the recipient country may be utilized for economic development activities. Such program shall be implemented by the Administrator.

"(b) **GENERAL AUTHORITY.**—To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis.

"SEC. 302. ELIGIBLE COUNTRIES.

"(a) **LEAST DEVELOPED COUNTRIES.**—A country shall be considered to be a least developed country and eligible for the donation of agricultural commodities under this title if—

"(1) such country meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance; or

"(2) such country is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population, as determined by the Administrator under subsection (b).

"(b) INDICATORS OF FOOD DEFICIT COUNTRIES.—To make a finding under subsection (a)(2) that a country is a food deficit country and is characterized by high levels of malnutrition, the Administrator must determine that the country meets all of the following indicators of national food deficit and malnutrition:

"(1) CALORIE CONSUMPTION.—That the daily per capita calorie consumption of the country is less than 2300 calories.

"(2) FOOD SECURITY REQUIREMENTS.—That the country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(3) CHILD MORTALITY RATE.—That the mortality rate of children under 5 years of age in the country is in excess of 100 per 1000 births.

"(c) PRIORITY.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this title, the Administrator shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long-term plan for broad-based, equitable, and sustainable development.

"SEC. 303. GRANT PROGRAMS.

"To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis either through the Commodity Credit Corporation or through private trade channels.

"SEC. 304. DIRECT USES OR SALES OF COMMODITIES.

"Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund; or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the Administrator (or their designees) as provided in the agreement, and the proceeds of such sale used in accordance with this title.

"SEC. 305. LOCAL CURRENCY ACCOUNTS.

"(a) RETENTION OF PROCEEDS.—To the extent determined to be appropriate by the Administrator, revenues generated from the sale, under section 304(2), of agricultural commodities provided under this title shall be deposited into a separate account (that may be in-

interest bearing) in the recipient country to be disbursed for the benefit of such country in accordance with local currency agreements entered into between the recipient country and the Administrator. The Administrator may determine not to deposit such revenues in a separate account if—

"(1) local currencies are to be programmed for specific economic development purposes listed in section 306(a); and

"(2) the recipient country programs an equivalent amount of money for such purposes as specified in an agreement entered into by the Administrator and the recipient country.

"(b) OWNERSHIP AND PROGRAMMING OF ACCOUNTS.—The proceeds of sales pursuant to section 304(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the Administrator and the government of the recipient country, and shall be disbursed for the benefit of such country in accordance with local currency agreements between the Administrator and that government.

"(c) OVERALL DEVELOPMENT STRATEGY.—The Administrator shall consider the local currency proceeds as an integral part of the overall development strategy of the Agency for International Development and the recipient country.

"SEC. 306. USE OF LOCAL CURRENCY PROCEEDS.

"(a) IN GENERAL.—The local currency proceeds of sales pursuant to section 304(2) shall be used in the recipient country for specific economic development purposes, including—

"(1) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(2) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, and promote family planning, maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund;

"(3) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(4) the promotion of free and open markets through specific policies and programs;

"(5) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(6) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(A) to meet urgent or extraordinary relief requirements in the country or in neighboring countries; or

"(B) to develop emergency food reserves;

"(7) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(8) the payment, to the extent practicable, of the costs of carrying out the program authorized in title V;

"(9) private sector development activities designed to further the policies set forth in section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(10) activities of the Peace Corps that relate to agricultural production;

"(11) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(12) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(13) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this subsection of local currency proceeds that are owned by the United States.

"(b) **SUPPORT OF INDIGENOUS NON-GOVERNMENTAL ORGANIZATIONS.**—To the extent practicable, not less than 10 percent of the amounts contained in an account established for a recipient country under section 305(a) shall be used by such country to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist poor people, and environmental protection projects within such country.

"(c) **INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.**—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under subsection (a), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(d) **SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.**—If the Administrator determines that local currencies deposited in a special account pursuant to this title are not needed for any of the activities prescribed in paragraphs (1) through (13) of subsection (a) or for any other specific economic development purpose in the recipient country, the Administrator may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

"SEC. 401. COMMODITY DETERMINATIONS.

"(a) AVAILABLE COMMODITIES.—After consulting with other agencies of the Federal Government affected and within policies established by the President for implementing this Act, and after taking into consideration productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carry-over, the Secretary shall determine, prior to the beginning of each fiscal year, the agricultural commodities and quantities thereof available for disposition under this Act.

"(b) MODIFICATION.—The Secretary may, during the fiscal year, modify a determination made under subsection (a) if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).

"(c) COMMODITIES NOT AVAILABLE.—No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary, unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.

"(d) POLICIES FOR IMPLEMENTING ACT.—The Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements entered into under this Act.

"(e) INELIGIBLE COMMODITIES.—

"(1) ALCOHOLIC BEVERAGES.—Alcoholic beverages shall not be made available for disposition under this Act.

"(2) TOBACCO.—Tobacco or the products thereof shall not be made available under section 303 of title II of this Act.

"(f) MARKET DEVELOPMENT ACTIVITIES.—Subsection (e)(1) shall not be construed to prohibit representatives of the United States wine, beer, distilled spirits, or other alcoholic beverage industry from participating in agricultural market development activities carried out by the Secretary with foreign currencies made available under title I of this Act.

"SEC. 402. DEFINITIONS.

"As used in this Act:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity', unless otherwise provided for in this Act, includes any agricultural commodity or the products thereof produced in the United States, including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products. Effective beginning on October 1,

1991, for purposes of title II, a product of an agricultural commodity shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices.

"(3) **COOPERATIVE**.—The term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(4) **DEVELOPING COUNTRY**.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(5) **FOOD SECURITY**.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(6) **INDIGENOUS NONGOVERNMENTAL ORGANIZATION**.—The term 'indigenous nongovernmental organization' means an organization that operates under the laws of the recipient country, or that has its principal place of activity in such country, and that works at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(7) **PRIVATE VOLUNTARY ORGANIZATION**.—The term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).

"(8) **SECRETARY**.—The term 'Secretary' means the Secretary of Agriculture, unless otherwise specified in this Act.

"SEC. 403. GENERAL PROVISIONS.

"(a) **PROHIBITION**.—No agricultural commodity shall be made available under this Act unless it is determined that—

"(1) adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and

"(2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

"(b) **CONSULTATIONS**.—The Secretary or the Administrator, as appropriate, shall consult with representatives from the International Monetary Fund, the International Bank for Reconstruction and Development, the World Bank, and other donor organizations to ensure that the importation of United States agricultural commodities and the use of local currencies for development purposes will

not have a disruptive impact on the farmers or the local economy of the recipient country.

"(c) **TRANSSHIPMENT.**—The Secretary or the Administrator, as appropriate, shall, under such terms and conditions as are determined to be appropriate, require commitments from countries designed to prevent or restrict the resale or transshipment to other countries, for use for other than domestic purposes, of agricultural commodities donated or purchased under this Act.

"(d) **PRIVATE TRADE CHANNELS AND SMALL BUSINESS.**—Private trade channels shall be used under this Act to the maximum extent practicable in the United States and in the recipient countries with respect to—

"(1) sales from privately owned stocks;

"(2) sales from stocks owned by the Commodity Credit Corporation; and

"(3) donations.

Small businesses shall be provided adequate and fair opportunity to participate in such sales.

"(e) **WORLD PRICES.**—In carrying out this Act, reasonable precautions shall be taken to assure that sales or donations of agricultural commodities will not unduly disrupt world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.

"(f) **PUBLICITY.**—Commitments shall be obtained from countries receiving commodities under this Act that such countries will widely publicize, to the extent practicable, through the use of the public media and through other means, that such commodities are being provided through the friendship of the American people as food for peace.

"(g) **PARTICIPATION OF PRIVATE SECTOR.**—The Secretary or the Administrator, as appropriate, shall encourage the private sector of the United States and private importers in developing countries to participate in the programs established under this Act.

"(h) **SAFEGUARD USUAL MARKETINGS.**—In carrying out this Act, reasonable precautions shall be taken to safeguard the usual marketings of the United States and to avoid displacing any sales of the United States agricultural commodities that the Secretary or Administrator determines would otherwise be made.

"(i) **MILITARY DISTRIBUTION OF FOOD AID.**—

"(1) **IN GENERAL.**—The Secretary or the Administrator, as appropriate, shall attempt to ensure that agricultural commodities made available under this Act will be provided without regard to the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient or without regard to other extraneous factors.

"(2) **PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (B), the Secretary or the Administrator, as appropriate, shall not enter into an agreement under this Act to provide agricultural commodities if such agreement requires or permits the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Administrator, as appropriate, may authorize the handling or distribution of commodities by the military forces of a country in exceptional circumstances in which—

"(i) nonmilitary channels are not available for such handling or distribution;

"(ii) such action is consistent with the requirements of paragraph (1); and

"(iii) the Secretary or the Administrator, as appropriate, determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) REPORT.—Not later than 30 days after an authorization is provided under subparagraph (B), the Secretary or the Administrator, as appropriate, shall prepare and submit to the appropriate Committees of Congress a report concerning such authorization and include in any such report the reason for the authorization, including an explanation of why no alternatives to such handling or distribution were available.

"(3) ENCOURAGEMENT OF SAFE PASSAGE.—When entering into agreements under this Act that involve areas within recipient countries that are experiencing protracted warfare or civil strife, the Secretary or the Administrator, as appropriate, shall, to the extent practicable, encourage all parties to the conflict to permit safe passage of the commodities and other relief supplies and to establish safe zones for medical and humanitarian treatment and evacuation of injured persons.

"(j) VIOLATIONS OF HUMAN RIGHTS.—

"(1) INELIGIBLE COUNTRIES.—The Secretary or the Administrator, as appropriate, shall not enter into any agreement under this Act to provide agricultural commodities, or to finance the sale of agricultural commodities, to the government of any country determined by the President to engage in a consistent pattern of gross violations of internationally recognized human rights, including—

"(A) the torture or cruel, inhuman, or degrading treatment or punishment of individuals;

"(B) the prolonged detention of individuals without charges;

"(C) the responsibility for causing the disappearance of individuals through the abduction and clandestine detention of such individuals; or

"(D) other flagrant denials of the right to life, liberty, and the security of persons.

"(2) WAIVER.—Paragraph (1) shall not prohibit the provision of assistance to such a country if the assistance is targeted to the most needy people in such country and is made available in such country through channels other than the government.

"(k) ABORTION PROHIBITION.—Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"SEC. 404. AGREEMENTS.

"(a) IN GENERAL.—Before entering into agreements under titles I and III for the provision of commodities, the Secretary or the Administrator, as appropriate, shall consider the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development.

"(b) TERMS OF AGREEMENT.—An agreement entered into under this Act shall—

"(1) include an estimate of the annual value or volume of agricultural commodities proposed to be made available to the country or eligible organization under the agreement;

"(2) with respect to agreements entered into under titles I and III, include a statement of the manner in which the agricultural commodities provided under the agreement or the revenues generated by the sale of such commodities (if such commodities are sold), will be integrated into the overall development plans of the country to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable agriculture;

"(3) with respect to agreements entered into under titles I and III, include a statement of the manner in which competitive private sector participation within the recipient country in the storage, marketing, transportation, and distribution of agricultural commodities made available under this Act will be encouraged;

"(4) include a statement that such agreement shall be subject to the availability, during each fiscal year to which the agreement applies, of the necessary appropriations and agricultural commodities; and

"(5) contain such other terms and conditions as the Secretary or the Administrator, as appropriate, determines to be necessary.

"(c) MULTI-YEAR AGREEMENTS.—

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis under this Act shall be made available to recipient countries or to eligible organizations.

"(2) EXCEPTION.—The Secretary or the Administrator, as appropriate, may determine not to make assistance available on a multi-year basis with respect to a recipient country or an eligible organization if it is determined that assistance should be provided to such country or through such organization only on an annual basis because—

"(A) the past performance of the country or organization in meeting program objectives does not warrant a multi-year agreement;

"(B) it is anticipated that the need of the country or organization for food aid does not extend beyond 1 year; or

"(C) other circumstances, as determined by the Secretary or the Administrator, as appropriate, indicate there is only a need for a 1 year agreement.

"(d) REVIEW OF AGREEMENTS.—The Secretary or the Administrator, as appropriate, may make a determination to terminate, or

refuse to enter into, a multi-year agreement with respect to a recipient country if the Secretary or the Administrator determines that such country is not fulfilling the objectives or requirements of this Act. In making such a determination, the Secretary or the Administrator, as appropriate, may consider the extent to which the country is—

- “(1) making significant economic development reforms;
- “(2) promoting free and open markets for food and agricultural producers; and
- “(3) fostering increased food security.

“SEC. 405. CONSULTATION.

“The Secretary and the Administrator shall cooperate and consult in the implementation of this Act.

“SEC. 406. USE OF COMMODITY CREDIT CORPORATION.

“(a) **IN GENERAL.**—The Commodity Credit Corporation shall acquire and make available such agricultural commodities (that have been determined to be available under section 401(a)) as necessary to carry out agreements under this Act.

“(b) **INCLUDED EXPENSES.**—With respect to commodities made available under this Act, the Commodity Credit Corporation may pay—

- “(1) the cost of acquiring such commodities;
- “(2) the costs associated with packaging, enrichment, preservation, and fortification of such commodities;

“(3) the processing, transportation, handling, and other incidental costs up to the time of the delivery of such commodities free on board vessels in United States ports;

“(4) the ocean freight charges from United States ports to designated ports of entry abroad;

“(5) the costs associated with transporting such commodities from United States ports to designated points of entry abroad in the case—

“(A) of landlocked countries;

“(B) of ports that cannot be used effectively because of natural or other disturbances;

“(C) of the unavailability of carriers to a specific country; or

“(D) of substantial savings in costs or items that may be effected by the utilization of points of entry other than ports;

“(6) in the case of commodities for urgent and extraordinary relief requirements (including pre-positioned commodities) the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs; and

“(7) the charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

“(c) **COMMODITY CREDIT CORPORATION.**—The funds, facilities, and authorities of the Commodity Credit Corporation may be used to carry out this Act.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) TITLE I PROGRAMS.—

"(1) ACQUISITIONS.—The importing country shall acquire the agricultural commodities to be financed under title I.

"(2) INVITATION FOR BID.—No purchase of agricultural commodities from private stock or purchase of ocean transportation shall be financed under title I unless such purchases are made on the basis of an invitation for bid that is publicly advertised in the United States, and on the basis of bid offerings that shall conform to such invitation and be received and publicly opened in the United States. All awards in the purchase of commodities or ocean transportation financed under title I shall be consistent with open, competitive, and responsive bid procedures, as determined appropriate by the Secretary.

"(b) REPORTING OF FEES.—

"(1) REQUIREMENT.—Notwithstanding any other provision of law, any commission, fee, or other compensation of any kind paid, or to be paid, by any supplier of an agricultural commodity, or any ocean transportation financed or agricultural commodity donated by the Commodity Credit Corporation under title I to any agents, brokers, or other representatives of the importer or importing country shall be reported to the Secretary by the supplier of the commodity or ocean transportation.

"(2) CONTENT.—A report filed under paragraph (1) shall identify the person or entity to whom the payment is made and the amount of the commission or fees paid.

"(3) PUBLICATION OF INFORMATION.—The Secretary shall—

"(A) maintain all information provided under this section for public inspection;

"(B) annually publish a report containing the information referred to in subparagraph (A); and

"(C) forward a copy of the annual report referred to in subparagraph (B) to the appropriate committees of Congress.

"(4) FAILURE TO FILE.—A supplier of a commodity or ocean transportation who fails to file a report required under this subsection, or who files a false report, shall be ineligible to furnish, directly or indirectly, commodities or ocean transportation financed under title I for a period of not to exceed 5 years.

"(c) AGENTS.—

"(1) AUTHORITY OF THE SECRETARY OR COMMODITY CREDIT CORPORATION.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), if it is determined appropriate, the Secretary or the Commodity Credit Corporation may serve as the purchasing or shipping agent, or both, for the importing country in arranging the purchase or shipping of commodities financed under this section.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Commodity Credit Corporation may award, under a competitive bidding process, contracts for establishing freight agents who shall act on behalf of the Secretary or the Corporation to handle the shipping of commodities financed under this Act.

"(C) AVOIDANCE OF CONFLICT OF INTEREST OF CONTRACTORS.—Freight agents employed by the Secretary or the Commodity Credit Corporation under title I shall not represent any other foreign government during the period of their contract with the United States Government.

"(2) REASONABLE FEES AND COMMISSIONS.—

"(A) FEES.—Notwithstanding any other provision of law, the Secretary or the Commodity Credit Corporation may enter into an agreement with the importing country that contains the terms and conditions that will govern the provision of purchasing or shipping agent services by the Secretary or the Corporation, including the establishment of fees for such services. Any such fees shall be fair and reasonable in relation to the services performed and shall be available as reimbursement for costs incurred in providing such services.

"(B) PROHIBITION ON COMMISSIONS.—Commissions, fees, or other payments to any selling agent or to any agent of a purchaser shall be prohibited in the purchase of agricultural commodities that are financed under this Act.

"(3) LIMITATIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may—

"(A) be paid in excess of an amount determined appropriate by the Secretary; and

"(B) be shared by such person with the importer or importing country or any agent thereof.

"(4) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative if the person is engaged in providing ocean transportation-related services for such commodities. For the purpose of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(d) TITLE II AND III PROGRAM.—

"(1) ACQUISITION.—The Administrator shall transfer, arrange for the transportation, and take other steps necessary to make available agricultural commodities to be provided under title II and title III.

"(2) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services by the United States Government shall be financed under titles II and III unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the Administrator.

"(3) AVOIDANCE OF CONFLICT OF INTEREST.—Freight agents employed by the Agency for International Development under titles II and III shall not represent any other foreign govern-

ment during the period of their contract with the United States Government.

"(4) OCEAN TRANSPORTATION SERVICES.—Notwithstanding any provision of the Federal Property Act of 1949, as amended, or other similar provisions relating to the making or performance of Federal Government contracts, the Administrator may procure ocean transportation services under this Act under such full and open competitive procedures as the Administrator determines are necessary and appropriate.

"(e) TIMING OF SHIPMENTS.—In determining the timing of the shipment of agricultural commodities to be provided under this Act, the Secretary or the Administrator, as appropriate, shall consider—

"(1) the time of harvest of any competing commodities in the recipient country; and

"(2) such other concerns determined to be appropriate.

"(f) DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.—An agreement under titles I and III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement; or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.

"(g) ANNUAL REPORTS.—

"(1) IN GENERAL.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) CONTENTS.—Each report shall include—

"(A) the countries and organizations receiving food and other assistance provided to each country and organization under this Act;

"(B) a general description of the projects or activities implemented under this Act, including local currency funded activities; and

"(C) a statement of the amount of agricultural commodities made available to each country pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) SUBMISSION.—The President shall submit such report not later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(h) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the appropriate committees of Congress a report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.

"SEC. 408. EXPIRATION DATE.

"No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, 1995.

"SEC. 409. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, regulations shall be issued to implement the provisions of this Act.

"SEC. 410. INDEPENDENT EVALUATION OF PROGRAMS.

"(a) **TITLE I PROGRAM.**—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title I that are representative of all countries in three geographic regions and evaluate the uses of the funds under title I in such countries with respect to the impact of such uses on agricultural development, agricultural trade development, and the financial management of those funds, with reference to personnel requirements to manage these funds.

"(b) **TITLE II PROGRAM.**—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title II that are representative of all countries in three geographic regions and evaluate the uses of the assistance provided under such title, including an evaluation of the impact of such assistance on enhancing food security in such countries and an evaluation of the use of local currencies for economic development, as well as the financial management of those funds, with reference to personnel requirements to manage these funds.

"(c) **TITLE III PROGRAM.**—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title III that are representative of all such countries in three geographic regions and evaluate—

"(1) the uses of the commodities provided under such title in such countries; and

"(2) the uses of the special account funds established in such countries under title III;

with respect to the impact of such uses and funds on enhancing food security, including nutrition, in such countries and the financial management of those funds, with reference to personnel requirements to manage such funds.

"(d) **REPORT TO CONGRESS.**—The Comptroller General of the United States shall prepare and submit, to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the evaluations made under this section.

"SEC. 411. DEBT FORGIVENESS.

"(a) **AUTHORITY.**—The President, taking into account the financial resources of a country, may waive payments of principal and interest that such country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(b) REQUEST FOR DEBT RELIEF BY PRESIDENT.—The President may provide debt relief under subsection (a) only if a notification is submitted to Congress. Such a notification shall—

"(1) specify the amount of official debt the President proposes to liquidate; and

"(2) identify the countries for which debt relief is proposed and the basis for their eligibility for such relief.

"(c) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(d) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this Act, the President may not provide any new credit assistance for that country under this Act during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(e) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before the date of enactment of this Act.

"SEC. 412. AUTHORIZATION OF APPROPRIATIONS.

"(a) REIMBURSEMENT.—There are authorized to be appropriated such sums as may be necessary to carry out—

"(1) the concessional credit sales program established under title I;

"(2) the emergency and private assistance program under title II; and

"(3) the grant program established under title III, including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

"(b) LIMITATIONS.—Of the amounts made available in each fiscal year to carry out titles I and III, not less than—

"(1) 40 percent shall be made available to carry out the credit sales program established under title I; and

"(2) 40 percent shall be made available to carry out the grant program established under title III.

"(c) **TRANSFER OF FUNDS.**—Notwithstanding any other provision of law and except as provided in subsection (b), if the President determines it to be necessary for purposes of this Act, the President may direct that not in excess of 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.

"(d) **BUDGET.**—In presenting the Budget of the United States, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.

"(e) **VALUE OF COMMODITIES.**—Notwithstanding any other provision of law, in determining the reimbursement due the Commodity Credit Corporation for all expenses incurred under this Act, commodities from the inventory of the Commodity Credit Corporation that were acquired under title I of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) shall be valued at a price not greater than the export market price for such commodities, as determined by the Secretary, as of the time such commodity is made available under this Act.

"SEC. 413. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

"To the maximum extent practicable, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.

"SEC. 414. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

"(a) **SUBSTANTIAL INJURY.**—Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete in the world market with similar agricultural commodities (or products thereof) produced in the United States, if such competition would cause substantial injury to the United States producers, as determined by the President.

"(b) **EXCEPTION FOR NARCOTICS CONTROL.**—Notwithstanding subsection (a), the President may provide assistance under this Act, including assistance through the use of local currencies generated by the sale of commodities under such Act, for economic development activities undertaken in an eligible country that is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961), for the purpose of reducing the dependence of the economy of such country on the production of crops from which narcotic and psychotropic drugs are derived.

"TITLE V—FARMER-TO-FARMER PROGRAM

"SEC. 501. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

"(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—The following definitions apply for purposes of this section:

"(1) EMERGING DEMOCRACY.—The term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(2) **MIDDLE INCOME COUNTRY.**—The term 'middle income country' means a country that has developed economically to the point where it does not receive bilateral development assistance from the United States.

"(c) **MINIMUM FUNDING.**—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.

"TITLE VI—ENTERPRISE FOR THE AMERICAS INITIATIVE

"SEC. 601. ESTABLISHMENT OF THE FACILITY.

"There is established in the Department of the Treasury an entity to be known as the 'Enterprise for the Americas Facility' (hereafter referred to in this title as the 'Facility').

"SEC. 602. PURPOSE.

"The purpose of this title is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. The Facility will support such objectives through the administration of debt reduction operations relating to those countries that meet investment reform and other policy conditions provided for in this title.

"SEC. 603. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

"(a) **REQUIREMENTS.**—To be eligible for benefits from the Facility under this title, a country shall—

"(1) be a Latin American or Caribbean country;

"(2) have in effect or have received approval for, or, as appropriate in exceptional circumstances, be making significant progress towards the establishment of—

"(A) an International Monetary Fund (hereafter referred to in this title as the 'IMF') standby arrangement, extended IMF arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, an IMF-monitored program or its equivalent; and

"(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development (hereafter referred to in this title as the 'World Bank') or the International Development Association (hereafter referred to in this title as the 'IDA');

"(3) have placed into effect major investment reforms in conjunction with an InterAmerican Development Bank (hereafter referred to as the 'IDB') loan or otherwise be implementing, or making significant progress towards an open investment regime; and

"(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

"(b) **ELIGIBILITY DETERMINATION.**—The President shall determine whether a country is an eligible country for purposes of subsection (a).

"SEC. 604. REDUCTION OF CERTAIN DEBT.

"(a) **AUTHORITY TO REDUCE DEBT.**—

"(1) **IN GENERAL.**—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States or any agency of the United States, and outstanding as of January 1, 1990, as a result of any credits extended under title I to a country eligible for benefits from the Facility.

"(2) **AVAILABILITY OF APPROPRIATIONS.**—The authorities under this section may be exercised only to the extent provided for in advance in appropriation Acts.

"(b) **LIMITATION.**—A debt reduction authorized under subsection (a) shall be accomplished, at the direction of the Facility, through the exchange of a new obligation under this title for obligations of the type referred to in subsection (a) outstanding as of January 1, 1990.

"(c) **EXCHANGE OF OBLIGATIONS.**—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under subsection (b) with an eligible country to exchange a new obligation for outstanding obligations. At the direction of the Facility, the old obligations that are the subject of the agreement may be canceled and a new debt obligation may be established for the country relating to the agreement. The Commodity Credit Corporation shall make an adjustment in its accounts to reflect a debt reduction under this section.

"SEC. 605. REPAYMENT OF PRINCIPAL.

"(a) **CURRENCY OF PAYMENT.**—The principal amount owed under each new obligation issued under section 604 shall be repaid in United States dollars.

"(b) **DEPOSIT OF PAYMENTS.**—Principal repayments on new obligations issued under section 604 shall be deposited in Commodity Credit Corporation accounts.

"SEC. 606. INTEREST OF NEW OBLIGATIONS.

"(a) **RATE OF INTEREST.**—New obligations issued to an eligible country under section 604 shall bear interest at a concessional rate.

"(b) **CURRENCY OF PAYMENT, DEPOSITS.**—

"(1) **UNITED STATES DOLLARS.**—An eligible country to which a new obligation has been issued under section 604 that has not entered into an agreement under section 607, shall be required to pay interest on such obligation in United States dollars which shall be deposited in Commodity Credit Corporation accounts.

"(2) **LOCAL CURRENCY.**—If an eligible country to which a new obligation has been issued under section 604 has entered into an agreement under section 607, interest under such obligation may be paid in the local currency of the eligible country and deposited into an Environmental Fund as provided for in section 608. Such interest shall be the property of the eligible country until such time as it is disbursed under section 608. Such local currencies shall be used for the purposes specified in the agreement entered into under section 607.

"(c) **INTEREST PREVIOUSLY PAID.**—If an eligible country to which a new obligation has been issued under section 604 enters into an agreement under section 607 subsequent to the date on which interest first becomes due on such new obligation, any interest paid on such new obligation prior to such agreement being entered into shall not be redeposited into the Fund established for the eligible country under section 608(a) but shall be deposited into Commodity Credit Corporation.

"SEC. 607. ENVIRONMENTAL FRAMEWORK AGREEMENTS.

"(a) **AUTHORITY.**—The President is authorized to enter into an environmental framework agreement with each country eligible for benefits from the Facility concerning the operation and use of an Enterprise for the Americas Environmental Fund (hereafter referred to in this title as the 'Environmental' Fund) established under section 608 for that country. The President shall consult with the Board established under section 610 when entering into such agreements.

"(b) **REQUIREMENTS.**—An environmental framework agreement entered into under this section shall—

"(1) require the eligible country to establish an Environmental Fund;

"(2) require the eligible country to make interest payments under section 608(a) into the Environmental Fund;

"(3) require the eligible country to make prompt disbursements from the Environmental Fund to the body described in subsection (c);

"(4) where appropriate, seek to maintain the value of the local currency resources deposited into the appropriate Environmental Fund in terms of United States dollars;

"(5) specify, in accordance with section 612, the purposes for which the Environmental Fund may be used; and

"(6) contain reasonable provisions for the enforcement of the terms of the agreement.

"(c) **ADMINISTERING BODY.**—Funds disbursed from the Environmental Fund in an eligible country shall be administered by a body constituted under the laws of the country. Such body shall—

"(1) be composed of—

"(A) one or more representatives appointed by the President;

"(B) one or more representatives appointed by the eligible country; and

"(C) representatives from a broad range of environmental and local community development nongovernmental organizations of the host country;

the majority of which shall be local representatives from non-governmental organizations, and scientific or academic bodies;

"(2) receive proposals for grant assistance from local organizations, and make grants to such organizations in accordance with the priorities agreed upon in the framework agreement and consistent with the overall purposes of section 612;

"(3) be responsible for the management of the program and oversight of grant activities funded from resources of the Environmental Fund;

"(4) be subject to fiscal audits by an independent auditor on an annual basis;

"(5) present an annual program for review by the Board established under section 610 each year;

"(6) present an annual report on the activities undertaken during the previous year to the Chairman of the Board established under section 610, and the government of the eligible country each year; and

"(7) have any grant over \$100,000 be subject to veto by the United States and the government of the eligible country.

"SEC. 608. ENTERPRISE FOR THE AMERICAS ENVIRONMENTAL FUNDS.

"(a) **ESTABLISHMENT.**—An eligible country shall, under the terms of an environmental framework agreement entered into under section 607, establish an Environmental Fund to receive payments in local currency pursuant to section 607(b)(1).

"(b) **INVESTMENT.**—Amounts deposited into an Environmental Fund shall be invested until disbursed. Notwithstanding any other provision of law, any return on such investment may be retained by the Environmental Fund and need not be deposited to the account of the Commodity Credit Corporation and may be retained without further appropriation by Congress.

"SEC. 609. DISBURSEMENT OF ENVIRONMENTAL FUNDS.

"Funds in an Environmental Fund shall be disbursed only pursuant to a framework agreement entered into pursuant to section 607.

"SEC. 610. ENVIRONMENT FOR THE AMERICAS BOARD.

"(a) **ESTABLISHMENT.**—There is established a board to be known as the 'Environment for the Americas Board' (hereafter referred to in this title as the 'Board').

"(b) **MEMBERSHIP AND CHAIRPERSON.**—

"(1) **MEMBERSHIP.**—The Board shall be composed of—

"(A) five representatives from the United States Government; and

"(B) four representatives from private nongovernmental environmental, community development, scientific, and academic organizations with experience and expertise in Latin America and the Caribbean;

to be appointed by the President.

"(2) **CHAIRPERSON.**—The Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under paragraph (1)(A).

"(c) **RESPONSIBILITIES.**—The Board shall—

"(1) advise the President on the negotiations for the environmental framework agreements described in subsections (a) and (b) of section 607;

"(2) ensure, in consultation with the government of the appropriate eligible country, with nongovernmental organizations of such eligible country, and if appropriate, of the region, and with environmental, scientific, and academic leaders of such eligible country and, as appropriate, of the region, that a suitable body referred to in section 607(c) is identified; and

"(3) review the programs, operations, and fiscal audits of the bodies referred to in section 607(c).

"SEC. 611. OVERSIGHT.

"The President may designate appropriate United States agencies to review the implementation of programs under this title and the fiscal audits relating to such programs. Such oversight shall not constitute active management of an Environmental Fund.

"SEC. 612. ELIGIBLE ACTIVITIES AND GRANTEES.

"(a) **ELIGIBLE ENTITIES.**—Activities eligible to receive assistance through the framework agreements entered into under section 607, shall include—

"(1) activities of the type described in the Global Environmental Protection Assistance Act of 1989 (22 U.S.C. 462), and—

"(2) agriculture-related activities, including those that provide for the biological prevention and control of animal and plant pests and diseases, to benefit the environment; and

"(3) local community initiatives that promote conservation and sustainable use of the environment.

"(b) **REGULATION.**—All activities of the type referred to in subsection (a) shall, where appropriate, include initiatives that link conservation of natural resources with local community development.

"(c) **SETTING OF PRIORITIES.**—Appropriate activities and priorities relating to the use of an Environmental Fund shall be set by local nongovernmental organizations within the appropriate eligible country.

"(d) **GRANTS.**—Grants may be made by the body referred to in section 607(c) from the Environmental Fund for environmental purposes to—

"(1) host country nongovernmental environmental, conservation, development, educational, and indigenous peoples organizations;

"(2) other appropriate local or regional entities; or

"(3) in exceptional circumstances, the government of the eligible country.

"(e) **PRIORITY.**—In providing assistance from an Environmental Fund, the body established under section 607(c) within the eligible country shall give priority to projects that are run by nongovernmental organizations and other private entities, and that involve local communities in their planning and execution.

"SEC. 613. ENCOURAGING MULTILATERAL DEBT DONATIONS.

"(a) **ENCOURAGING DONATIONS FROM OFFICIAL CREDITORS.**—The President should actively encourage other official creditors of an eligible country to provide debt reduction to such eligible country.

"(b) ENCOURAGING DONATIONS FROM OTHER SOURCES.—The President shall make every effort to insure that programs established through Environmental Funds are able to receive donations from private and public entities, and private creditors of the eligible country.

"SEC. 614. ANNUAL REPORT TO CONGRESS.

"Not later than December 31 of each fiscal year, the President shall prepare and submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate an annual report concerning the operation of the Facility for the prior fiscal year."

SEC. 1513. EFFECTIVE DATE.

The amendment made by section 1512 shall become effective on January 1, 1991.

SEC. 1514. AMENDMENTS TO SECTION 416 OF THE AGRICULTURAL ACT OF 1949.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended—

(1) in paragraph (1), by striking "title II" and inserting "titles II and III";

(2) in paragraph (3)(B)(i), by striking "401(b)" and inserting "403(a)";

(3) in paragraph 5(A), by striking "203" and inserting "406";

(4) in paragraph (6), by striking "203" and inserting "406"; and

(5) in paragraph (7)—

(A) by striking "title II" in subparagraph (D)(iii) and inserting "titles II and III"; and

(B) by adding at the end thereof the following new subparagraph:

"(F) The provisions of sections 403(i) and 407(c) of the Agricultural Trade Development and Assistance Act of 1954 shall apply to donations, sales and barter of eligible commodities under this subsection."

SEC. 1515. CONFORMING AMENDMENTS AND TECHNICAL CHANGES.

(a) **AGRICULTURE AND FOOD ACT OF 1981.**—Section 1208(d)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is amended by striking "408(a)" and inserting "407(g)".

(b) **AGRICULTURAL AND TRADE MISSIONS ACT.**—Section 7(4)(A) of the Agricultural and Trade Missions Act (7 U.S.C. 1736bb-6) is amended by striking "title I and II" and inserting "titles I, II, and III".

(c) **FOOD SECURITY ACT OF 1985.**—Section 302 of the Food Security Wheat Reserve Act (7 U.S.C. 1736f-1) is amended—

(1) in subsection (c), by striking "401(a)" and inserting "401"; and

(2) in subsection (d), by striking "401(a)" and inserting "401".

SEC. 1516. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country", and

(B) by striking "by a developing country";

(4) in subsection (e)(4)—

(A) by striking "to a developing country" both places it appears; and

(B) by striking "section 401(b)" and inserting "sections 402, 403(a), 403(c), and 403(i)";

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient";

(9) in subsection (l) by striking "1990" and inserting "December 31, 1995"; and

(10) by adding at the end the following new subsections:

"(m)(1) To enhance the development of private sector agriculture in countries receiving assistance under this Act the President may, in each of the fiscal years 1991 through 1995, use in addition to any amounts or commodities otherwise made available under this Act for such activities, not to exceed \$10,000,000 of Commodity Credit Corporation funds (or commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs to strengthen private sector agriculture in recipient countries.

"(2) To carry out this subsection, the President may provide agricultural commodities under agreements entered into under this Act in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such commodities.

"(3) The President may use the assistance provided under this subsection and local currencies derived from the sale of commodities under paragraph (2) to design, monitor, and administer activities undertaken with such assistance, for the purpose of strengthening or creating the capacity of recipient country private enterprises to undertake commercial transactions, with the overall goal of increasing potential markets for United States agricultural commodities."

SEC. 1517. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) **DEFINITION.**—For purposes of this section, the term "debt-for-health-and-protection swap" means the voluntary cancellation of the foreign debt of the government of a foreign country in exchange for—

(1) the making available by such country, to a grantee under subsection (b), local currencies (including through the issuance of bonds) to be used only for eligible projects involving the re-

search, study, prevention, or control of animal and plant pests and diseases in that country; or

(2) the financial and policy commitment of such country to research, study, prevent, or control animal and plant pests and diseases in that country.

(b) ASSISTANCE FOR COMMERCIAL DEBT SWAP.—

(1) **GRANTS.**—The Secretary is authorized to furnish assistance in the form of grants, on such terms and conditions as the Secretary determines to be necessary and appropriate, to United States and foreign nongovernmental organizations, including colleges and universities, for the purchase of discounted external commercial debt of a foreign government (on the secondary market) to be canceled under the terms of an agreement that is entered into by the Secretary with that government as part of a debt-for-health-and-protection swap.

(2) **INTEREST ON GRANTS.**—The recipient of a grant under this section (or any subgrantee of such recipient) may retain the interest earned on the proceeds of any resulting debt-for-health-and-protection swap if such recipient (or subgrantee) disburses such funds for approved program purposes, and such interest need not be deposited in the Treasury of the United States and is not subject to further appropriations by Congress.

(3) **REINVESTMENT OF INTEREST.**—Interest accrued in accordance with paragraph (2) shall be reinvested by the recipient of the grant under this section in an approved project in the host country or used for the establishment of an endowment for the purpose for which the grant was provided.

(c) ELIGIBLE PROJECTS.—

(1) **MUTUAL BENEFIT.**—The Secretary shall ensure that a debt-for-health-and-protection swap under this section is designed to be of mutual benefit to both the agricultural sector of the United States and the agricultural sector of the recipient country.

(2) **IDENTIFICATION OF IMMEDIATE AREAS OF NEED.**—In cooperation with the Agency for International Development, international organizations, domestic or foreign nongovernmental organizations, colleges, and universities, the Secretary shall attempt to identify those areas which, because of their imminent threat to agriculture, are in particular need of immediate attention in terms of supporting and promoting the prevention or control of plant and animal pests and diseases in the Western Hemisphere.

(d) TERMS AND CONDITIONS OF THE EXCHANGE.—

(1) **REGULATIONS.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations shall include provisions—

(A) that describe the general terms and conditions necessary for any proposed exchange to gain approval under paragraph (2); and

(B) to protect against the use of any assistance provided under subsection (b) that is contrary to the provisions of this section.

(2) *OTHER ASSISTANCE*.—Grants made under this section are intended to supplement, and not to be a substitute for, any assistance that is otherwise available to a foreign country from the Department of Agriculture.

(3) *PROHIBITION*.—The Department of Agriculture is prohibited from accepting any title or interest in any project or program under this section, or any interest accrued on the amount of the grant, as a condition of the debt-for-health-and-protection swap.

(e) *AUTHORIZATION OF APPROPRIATIONS*.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

Subtitle B—Shipping Provisions

SEC. 1521. EXEMPTION OF AMERICAN GREAT LAKES VESSELS FROM RESTRICTION ON CARRIAGE OF PREFERENCE CARGOES.

(a) *EXEMPTION FROM RESTRICTION*.—The restriction described in subsection (b) shall not apply to an American Great Lakes vessel while it is so designated.

(b) *RESTRICTION DESCRIBED*.—The restriction referred to in subsection (a) is the restriction in section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)), that a vessel that is—

- (1) built outside the United States;
- (2) rebuilt outside the United States; or
- (3) documented under any foreign registry;

shall not be a privately owned United States-flag commercial vessel under that section until the vessel is documented under the laws of the United States for a period of 3 years.

(c) *SUBSEQUENT APPLICATION OF RESTRICTION*.—Upon the revocation or termination of a designation of a vessel as an American Great Lakes vessel, the restriction described in subsection (b) shall apply as if the vessel had never been a vessel documented under the laws of the United States.

SEC. 1522. DESIGNATION OF AMERICAN GREAT LAKES VESSELS.

(a) *IN GENERAL*.—The Secretary shall designate a vessel as an American Great Lakes vessel for purposes of this subtitle if—

(1) the vessel is documented under the laws of the United States;

(2) the Secretary receives an application for such designation submitted in accordance with regulations issued by the Secretary under subsection (d);

(3) the owner of the vessel enters into an agreement in accordance with subsection (b);

(4)(A) the vessel is not more than 6 years old, and not less than 1 year old, on the effective date of the designation; or

(B) the vessel is not more than 11 years old, and not less than 1 year old on the effective date of the designation, and the Secretary determines that suitable vessels are not available for providing the type of service for which the vessel will be used after designation; and

(5) the vessel has not been previously designated as an American Great Lakes vessel.

(b) **CONSTRUCTION AND PURCHASE AGREEMENT.**—As a condition of designating a vessel as an American Great Lakes vessel under this section, the Secretary shall require the person who will be the owner of the vessel at the time of that designation to enter into an agreement with the Secretary which provides that if the Secretary determines that the vessel is necessary to the defense of the United States, the United States Government shall have, during the 120-day period following the date of any revocation of such designation under section 1524, an exclusive right to purchase the vessel for a price equal to—

(1) the approximate world market value of the vessel; or

(2) the cost of the vessel to the owner less an amount representing reasonable depreciation of the vessel;

whichever is greater.

(c) **CERTAIN FOREIGN REGISTRY AND SALE NOT PROHIBITED.**—Notwithstanding any other provision of law, if the United States does not purchase a vessel in accordance with its right of purchase under a construction and purchase agreement under subsection (b), the owner of the vessel shall not be prohibited from—

(1) transferring the vessel to a foreign registry; or

(2) selling the vessel to a person who is not a citizen of the United States.

(d) **ISSUANCE OF REGULATIONS.**—Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue regulations establishing requirements for submission of applications for designation of vessels as American Great Lakes vessels under this section.

SEC. 1523. RESTRICTIONS ON OPERATIONS OF AMERICAN GREAT LAKES VESSELS.

(a) **IN GENERAL.**—Subject to subsection (b), an American Great Lakes vessel shall not be used—

(1) to engage in trade—

(A) from a port in the United States that is not located on the Great Lakes; or

(B) between ports in the United States;

(2) to carry bulk cargo (as that term is defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702(4)) which is subject to section 901(b) or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b) or 1241f), or section 2631 of title 10, United States Code; or

(3) to provide any service other than ocean freight service—

(A) as a contract carrier; or

(B) as a common carrier on a fixed advertised schedule offering frequent sailings at regular intervals in the foreign commerce of the United States.

(b) **OFF-SEASON CARRIAGE EXCEPTION.**—

(1) **IN GENERAL.**—Subject to paragraph (2), an American Great Lakes vessel may be used to engage in trade otherwise prohibited by subsection (a)(1)(A) for not more than 90 days during any 12-month period.

(2) **LIMITATION.**—An American Great Lakes vessel shall not be used during the Great Lakes shipping season to engage in trade referred to in paragraph (1).

SEC. 1524. REVOCATION AND TERMINATION OF DESIGNATION.

(a) **REVOCATION.**—The Secretary, after notice and an opportunity for a hearing, may revoke the designation of a vessel under section 1522 as an American Great Lakes vessel if the Secretary determines that—

(1) the vessel does not meet a requirement for such designation;

(2) the vessel has been operated in violation of this subtitle; or

(3) the owner or operator of the vessel has violated a construction and purchase agreement under section 1522(b).

(b) **CIVIL PENALTY.**—The Secretary, after notice and an opportunity for a hearing, may assess a civil penalty of not more than \$1,000,000 against the owner of an American Great Lakes vessel, for any act for which the designation of that vessel as an American Great Lakes vessel may be revoked under subsection (a).

(c) **TERMINATION OF DESIGNATION.**—The Secretary may terminate the designation of a vessel as an American Great Lakes vessel under this subtitle upon petition and a showing of good cause for that termination by the owner of the vessel. The Secretary may impose conditions or restrictions in a termination order to prevent significant adverse effects on other United States-flag vessel operators.

SEC. 1525. ALLOCATION BASED ON LOWEST LANDED COST.

Section 901b(c) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(c)) is amended—

(1) in paragraph (2)(A) by striking “(A)”;

(2) in paragraph (2) by striking subparagraph (B); and

(3) by adding at the end the following:

“(3)(A) Subject to subparagraph (B), in administering sections 901(b) and 901b (46 U.S.C. App. 1241(b) and 1241f), and consistent with those sections, the Commodity Credit Corporation shall take such steps as may be necessary and practicable without detriment to any port range to allocate, on the principle of lowest landed cost without regard to the country of documentation of the vessel, 50 percent of the bagged, processed, or fortified commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.).

“(B) In carrying out this paragraph, the Commodity Credit Corporation shall not allocate to the Great Lakes port range in any year a percentage share of commodities referred to in subparagraph (A) that is greater than the share experienced by that port range in 1984, as determined by the Secretary of Agriculture.

“(4) Amounts of cargo allocated to ports in the Great Lakes port range pursuant to paragraph (3) shall not be exported from a different port range except as necessary to meet United States-flag transportation requirements of sections 901(b) and 901b, in which case within the same year the Commodity Credit Corporation shall take such steps as are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of commodities referred to in paragraph (3)(A) that is not required to be transported on United States-flag vessels, that is equal to the amount of tonnage diverted for export from other port ranges.

"(5) Any determination of nonavailability of United States-flag vessels resulting from the application of this subsection shall not reduce the gross tonnage of commodities required by sections 901(b) and 901b to be transported on United States-flag vessels."

SEC. 1526. STUDY AND REPORT.

(a) *STUDY*.—The Secretary, in consultation with the Secretary of Agriculture, shall conduct a study on the implementation of this subtitle. The study shall include analysis of—

(1) the effects of that implementation on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.); and

(2) whether the authority to designate vessels as American Great Lakes vessels has increased United States-flag vessel service to Great Lakes ports

(b) *REPORT*.—Not later than December 31, 1994, the Secretary shall submit a report to the Congress on the findings of the study under subsection (a).

SEC. 1527. DEFINITIONS.

As used in this subtitle—

(1) *AMERICAN GREAT LAKES VESSEL*.—The term "American Great Lakes vessel" means a vessel which is so designated by the Secretary in accordance with section 1522.

(2) *GREAT LAKES*.—The term "Great Lakes" means Lake Superior; Lake Michigan; Lake Huron; Lake Erie; Lake Ontario; the Saint Lawrence River west of Saint Regis, New York; and their connecting and tributary waters.

(3) *GREAT LAKES SHIPPING SEASON*.—The term "Great Lakes shipping season" means the period of each year during which the Saint Lawrence Seaway is open for navigation by vessels, as declared by the Saint Lawrence Seaway Development Corporation created by the Act of May 13, 1954 (33 U.S.C. 981 et seq.).

(4) *SECRETARY*.—The term "Secretary" means the Secretary of Transportation.

Subtitle C—Export Promotion

SEC. 1531. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

The Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Act of 1978'.

"TITLE I—GENERAL PROVISIONS

"SEC. 101. PURPOSE.

"It is the purpose of this Act to increase the profitability of farming and to increase opportunities for United States farms and agricultural enterprises by—

"(1) increasing the effectiveness of the Department of Agriculture in agricultural export policy formulation and implementation;

"(2) improving the competitiveness of United States agricultural commodities and products in the world market; and

"(3) providing for the coordination and efficient implementation of all agricultural export programs.

"SEC. 102. DEFINITIONS.

"As used in this Act—

"(1) **AGRICULTURAL COMMODITY.**—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) **DEVELOPING COUNTRY.**—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) **SECRETARY.**—The term 'Secretary' means the Secretary of Agriculture.

"(4) **SERVICE.**—The term 'Service' means the Foreign Agricultural Service of the Department of Agriculture.

"(5) **UNFAIR TRADE PRACTICE.**—

"(A) **IN GENERAL.**—Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) **CONSISTENCY WITH 1974 TRADE ACT.**—Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

"(6) **UNITED STATES.**—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(7) **UNITED STATES AGRICULTURAL COMMODITY.**—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, *de minimis* component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is commercially produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 103. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) IN GENERAL.—

"(1) **DEVELOPMENT OF MULTI-YEAR STRATEGY.**—The Secretary shall develop a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of Federal programs designed to promote the export of United States agricultural commodities.

"(2) **FREQUENCY.**—A long-term agricultural trade strategy shall be developed under paragraph (1) for each 3-year fiscal period, beginning on October 1, 1991.

"(3) **CONSULTATION.**—In preparing the strategy under paragraph (1), the Secretary shall consult with—

"(A) the United States Trade Representative to ensure that such strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974 (19 U.S.C. 2122);

"(B) the Agricultural Policy Advisory Committee and Agricultural Technical Advisory Committee established pursuant to section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

"(C) other interested agencies and persons.

"(b) **GOALS.**—The long-term agricultural trade strategy established under subsection (a) shall be designed to ensure—

"(1) the growth of exports of United States agricultural commodities;

"(2) the efficient, coordinated use of Federal programs designed to promote the export of United States agricultural commodities;

"(3) the provision of food assistance and the improvement in the commercial potential of markets for United States agricultural commodities in developing countries; and

"(4) the maintenance of traditional markets for United States agricultural commodities.

"(c) **CONTENTS.**—In developing the long-term agricultural trade strategy under subsection (a), the Secretary shall—

"(1) establish, for the 3-year period for which the strategy is developed, trade goals for the desired levels of exports of United

States agricultural commodities, including goals for high value, processed agricultural commodities;

"(2) develop multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet such agricultural trade goals;

"(3) recommend long-term strategies for growth in agricultural trade and exports, taking into account—

"(A) United States competitiveness in the export of agricultural commodities;

"(B) United States participation in bilateral and multilateral trade negotiations;

"(C) the effects of exchange rate fluctuations and unfair trading practices by foreign governments that limit access to such foreign markets;

"(D) distribution, financing, and other requirements necessary to trade in nonmarket economies;

"(E) the differences in the markets of developed and developing countries (including the amount of outstanding national debt of particular countries); and

"(F) transportation and shipping factors;

"(4) design strategies to make the United States a primary and dependable supplier of agricultural commodities in the world market;

"(5) estimate the level of expenditures and the impact of Federal export programs on exports of United States agricultural commodities in the priority markets identified under subsection (d); and

"(6) consider such other factors as the Secretary determines appropriate.

"(d) **ESTABLISHMENT OF PRIORITY MARKETS.**—

"(1) **DESIGNATION OF GROWTH MARKETS.**—The Secretary shall develop a list, for inclusion in the long-term agricultural trade strategy developed under subsection (a), of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning on October 1, 1991.

"(2) **PRIORITY FOR GROWTH MARKETS.**—The Secretary shall designate countries identified on the list developed under paragraph (1) as priority markets for Federal programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance under the Agricultural Trade Development and Assistance Act of 1954 (as amended) and the program under section 301.

"(3) **ESTABLISHMENT OF MARKET PLANS.**—The Secretary shall develop individual market plans for each priority market designated under paragraph (2). Each such market plan shall set forth—

"(A) the trade goals for the desired levels of agricultural exports from the United States to each priority market; and

"(B) specific plans to assist in the export of United States agricultural commodities to, and develop markets for such

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) USE OF PROGRAM.—

"(1) **GENERAL USES.**—The Commodity Credit Corporation may use export sales financing authorized under this section—

"(A) to increase exports of agricultural commodities;

"(B) to compete against foreign agricultural exports;

"(C) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(D) for such other purposes as the Secretary determines appropriate consistent with the provisions of subsection (c).

"(2) **GENERAL RESTRICTIONS.**—Export sales financing authorized under this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales financed under this section.

"(e) TERMS OF CREDIT ASSISTANCE.—Any contract for the financing of exports by the Commodity Credit Corporation under this section shall include—

"(1) a requirement that repayment shall be made in dollars with interest accruing thereon as determined appropriate by the Secretary; and

"(2) a requirement, if the Secretary determines such requirement appropriate to protect the interests of the United States, that an initial payment be made by the purchaser at the time of sale or shipment of the agricultural commodity that is subject to the contract.

"SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

"(a) SHORT-TERM CREDIT GUARANTEES.—The Commodity Credit Corporation may guarantee the repayment of credit made available to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that do not exceed a 3-year period.

"(b) INTERMEDIATE-TERM CREDIT GUARANTEES.—Subject to the provisions of subsection (c), the Commodity Credit Corporation may guarantee the repayment of credit made available by financial institutions in the United States to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that are for not less than a 3-year period nor for more than a 10-year period in a manner that will directly benefit United States agricultural producers.

"(c) REQUIRED DETERMINATIONS.—The Commodity Credit Corporation shall not guarantee under subsection (b) the repayment of credit made available to finance an export sale unless the Secretary determines that such sale will—

"(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) **PURPOSE OF PROGRAM.**—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

"(1) to increase exports of agricultural commodities;

"(2) to compete against foreign agricultural exports;

"(3) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(4) for such other purposes as the Secretary determines appropriate, consistent with the provisions of subsection (c).

"(e) **RESTRICTIONS ON USE OF CREDIT GUARANTEES.**—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

"(f) **RESTRICTIONS.**—The Commodity Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

"(g) **TERMS.**—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

"(h) **FOREIGN AGRICULTURAL COMPONENTS.**—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) **INELIGIBILITY OF FINANCIAL INSTITUTIONS.**—A financial institution shall be ineligible to receive an assignment of a credit guarantee or proceeds payable under a credit guarantee issued by the Commodity Credit Corporation under this section if it is determined by the Corporation that such financial institution—

"(1) is not in a sound financial condition;

"(2) is the financial institution issuing the letter of credit or a subsidiary of such institution; or

"(3) is owned or controlled by an entity that owns or controls that financial institution issuing the letter of credit.

"(j) **CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.**—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

"SEC. 203. MARKET PROMOTION PROGRAM.

"(a) **IN GENERAL.**—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade

organizations that implement a foreign market development program.

"(b) **TYPE OF ASSISTANCE.**—Assistance under this section may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) **REQUIREMENTS FOR PARTICIPATION.**—

"(1) **IN GENERAL.**—To be eligible for cost-share assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) **PRIORITY BASIS FOR EXPORT ASSISTANCE.**—The Secretary shall provide export assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) **ELIGIBLE TRADE ORGANIZATIONS.**—An eligible trade organization shall be—

"(1) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) **APPROVED MARKETING PLAN.**—

"(1) **IN GENERAL.**—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) **REQUIREMENTS.**—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) **AMENDMENTS.**—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) **BRANDED PROMOTION.**—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign coun-

try under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—

"(1) MULTI-YEAR BASIS.—The Secretary may provide assistance under this section on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been discontinued and marketing assistance is no longer required to offset its effects; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"(g) LEVEL OF MARKETING ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program under this section and the level of cost-sharing required of such organization.

"(2) LIMITATION.—Assistance provided under this section for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974. Criteria for determining that the limitation shall not apply shall be consistent and documented.

"(3) **STAGED REDUCTION IN ASSISTANCE.**—In the case of participants that received assistance under section 1124 of the Food Security Act of 1985 prior to the date of enactment of this Act and with respect to which assistance under this section would be limited under paragraph (2), any such reduction in assistance shall be phased down in equal increments over a 5-year period.

"SEC. 204. BARTER OF AGRICULTURAL COMMODITIES.

"(a) **IN GENERAL.**—The Secretary or the Commodity Credit Corporation may provide eligible commodities in barter for foreign products under such terms and conditions as the Secretary or the Corporation shall prescribe.

"(b) **ELIGIBLE COMMODITIES.**—Unless otherwise specified, eligible commodities shall include—

"(1) agricultural commodities acquired by the Commodity Credit Corporation through price support operations; and

"(2) agricultural commodities acquired by the Secretary or the Commodity Credit Corporation in the normal course of business and available for disposition.

"(c) **BARTER BY EXPORTERS OF AGRICULTURAL COMMODITIES.**—

"(1) **PURPOSE.**—The Secretary or the Commodity Credit Corporation shall encourage exporters of agricultural commodities to barter such commodities for foreign products—

"(A) to acquire such foreign products needed by such exporters; and

"(B) to develop, maintain, or expand foreign markets for United States agricultural exports.

"(2) **ELIGIBLE ACTIVITIES.**—The Secretary or the Commodity Credit Corporation may provide eligible commodities to exporters to assist such exporters in barter transactions.

"(3) **TECHNICAL ASSISTANCE.**—The Secretary or the Commodity Credit Corporation shall provide technical advice and assistance relating to the barter of agricultural commodities to any United States exporter who requests such advice or assistance.

"(d) **TRANSFER OF FOREIGN PRODUCTS TO OTHER GOVERNMENT AGENCY OR PRIVATE PARTIES.**—The Secretary or the Commodity Credit Corporation may transfer any foreign products that the Secretary or such Corporation obtains through barter activities to other government agencies if the Corporation receives assurances that it will receive full reimbursement from the agency within the same fiscal year in which such transfer occurs.

"(e) **CORPORATION AUTHORITY NOT LIMITED.**—Nothing contained in this section shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such foreign materials as such Corporation determines appropriate in carrying out the functions and protecting the assets of the Corporation.

"(f) **PROHIBITED ACTIVITIES.**—The Secretary or the Commodity Credit Corporation shall take reasonable precautions to prevent the misuse of eligible commodities in a barter or exchange program, including activities that—

"(1) displace or interfere with commercial sales of United States agricultural commodities that otherwise might be made;

"(2) unduly disrupt world prices of agricultural commodities or the normal patterns of commercial trade with recipient countries; or

"(3) permit the resale or transshipment of eligible commodities to countries other than the intended recipient country.

"SEC. 205. COMBINATION OF PROGRAMS.

"The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under section 202 are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of agricultural commodities.

"Subtitle B—Implementation

"SEC. 211. FUNDING LEVELS.

"(a) **DIRECT CREDIT PROGRAMS.**—The Commodity Credit Corporation may make available for each fiscal year such funds of the Commodity Credit Corporation as it determines necessary to carry out any direct credit program established under section 201.

"(b) **EXPORT CREDIT GUARANTEE PROGRAMS.**—

"(1) **SHORT-TERM GUARANTEES.**—

"(A) **MINIMUM AMOUNTS.**—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than \$5,000,000,000 in credit guarantees under section 202(a).

"(B) **LIMITATION ON ORIGATION FEE.**—Notwithstanding any other provision of law, the Secretary may not charge an origination fee with respect to any credit guarantee transaction under section 202(a) in excess of an amount equal to one percent of the amount of credit extended under the transaction.

"(2) **INTERMEDIATE-TERM CREDIT GUARANTEES.**—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than \$500,000,000 in credit guarantees under section 202(b).

"(c) **MARKETING PROMOTION PROGRAMS.**—The Commodity Credit Corporation or the Secretary shall make available for market promotion activities authorized to be carried out by the Commodity Credit Corporation under section 203—

"(1) in addition to any funds that may be specifically appropriated to implement a market development program, not less than \$200,000,000 for each of the fiscal years 1991 through 1995 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

"(2) any funds that may be specifically appropriated to carry out a marketing promotion program under section 203.

"TITLE III—RESPONSE TO UNFAIR TRADE PRACTICES

"SEC. 301. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred; and

"(C) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(5) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to an exporter, user, or processor, or foreign purchaser, under the program established under this section,

agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(6) **OTHER EXPORT PROGRAMS.**—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(7) **AVOIDANCE OF PREFERENTIAL APPLICATION.**—When using the authorities of this section to promote the exporting of wheat, the Secretary shall make reasonable efforts to avoid giving a preference to one class of wheat disproportionately more than another class.

"(8) **DISPLACEMENT.**—The Secretary shall avoid the displacement of usual marketings of United States agricultural commodities in carrying out this section.

"(c) **PRIORITY IN THE CASE OF LIVESTOCK.**—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) **INAPPLICABILITY OF PRICE RESTRICTIONS.**—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) **FUNDING LEVELS.**—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than \$500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(g) **EFFECT ON THIRD COUNTRIES.**—It is not the purpose of the program established under this section to affect adversely the exports of fairly traded agricultural commodities.

"SEC. 302. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) **USE OF PROGRAMS.**—

"(1) **IN GENERAL.**—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) **COMMODITIES SPECIFIED.**—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) **CONSULTATIONS REQUIRED.**—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals re-

garding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 303. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 301, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE IV—GENERAL PROVISIONS

"Subtitle A—Program Controls

"SEC. 401. PROGRAM CONTROLS FOR EXPORT PROGRAMS.

"(a) **ARRIVAL CERTIFICATION.**—With respect to commodities or other assistance provided, or for which financing or credit guarantees are made available, under the programs authorized in sections 201, 202, and 301, the Commodity Credit Corporation shall—

"(1) require the exporter to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and have access to such documents or records as needed to verify the arrival of agricultural commodities exported in connection with such programs in the countries that were the intended destination of such commodities; and

"(2) obtain certification from the seller or exporter of record of such commodities, that there were no corrupt payments or extra sales services, or other items extraneous to the transaction provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"(b) **DIVERSION.**—The unauthorized diversion of commodities under the programs authorized in sections 201, 202, and 301 is prohibited. The Commodity Credit Corporation shall establish procedures providing for the annual audit of a sufficient number of export transactions under such programs to ensure that the agricultural commodities that were the subject of such transactions arrived in the country of destination as provided in the sales agreement.

"(c) **GOOD FAITH.**—The failure of an exporter, seller or other person to comply with the provisions of this section shall not affect the validity of any credit guarantee or other obligation of the Commodity Credit Corporation under the programs under this Act with

respect to any exporter, seller, or person who had no knowledge of such failure to comply at the time such exporter, seller, or person was assigned the credit guarantee or at the time the Corporation entered into such obligation.

"SEC. 402. COMPLIANCE PROVISIONS.

"(a) RECORDS.—

"(1) IN GENERAL.—In the administration of the programs established under sections 201, 202, 203, and 301 the Secretary shall require by regulation each exporter or other participant under the program to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require by regulation an exporter or other participant in the programs to make records available to the Secretary with respect to non-program transactions if such records would pertain directly to the review of program-related transactions undertaken by such exporter or participant, as determined by the Secretary.

"(3) CONFIDENTIALITY.—The personally identifiable information contained in reports under subsection (a) may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

"(b) VIOLATION.—If any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act, or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may—

"(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

"(2) require a refund of any assistance provided to such exporter, assignee, or participant plus interest, as determined by the Secretary; and

"(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

"(c) SUSPENSION AND DEBARMENT.—The Commodity Credit Corporation may suspend or debar for 1 or more years any exporter, assignee, or other participant from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or other participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment.

"(d) FALSE CERTIFICATIONS.—The provisions of section 1001 of title 18, United States Code, shall apply to any false certifications issued under this Act.

"SEC. 403. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) establish a centralized system to permit the Foreign Agricultural Service to provide the history and current status of any proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) establish criteria to evaluate loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to the status of a particular proposal shall be retrievable within the central system by appropriate categories, as determined appropriate by the Secretary.

"SEC. 404. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations implementing the provisions of this Act, including specific regulations pertaining to program compliance requirements under sections 401 and 402.

"Subtitle B—Miscellaneous Provisions

"SEC. 411. AGRICULTURAL EMBARGO PROTECTION.

"(a) PREREQUISITES; SCOPE OF COMPENSATION.—Notwithstanding any other provision of law, if—

"(1) the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) or under any other provision of law;

"(2) such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world; and

"(3) sales of such agricultural commodity for export from the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceeds 3 percent of the total sales of such commodity for export from the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect;

the Secretary shall compensate producers of the commodity involved by making payments available to such producers, as provided in subsection (b) of this section.

"(b) AMOUNT OF PAYMENTS.—If the Secretary makes payments available to producers under subsection (a), the amount of such payment shall be determined—

"(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.), by multiplying—

"(A) the farm program payment yield for the producer or the yield established for the farm for the commodity involved; by

"(B) the crop acreage base established for the commodity; by

"(C) the amount by which the average market price per unit of such commodity received by producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

"(2) in the case of other agricultural commodities for which price support is authorized for producers under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), by multiplying the amount by which the average market price per unit of such commodity received by the producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect.

"(c) TIME FOR PAYMENTS.—Payments under paragraph (1) of subsection (b) shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at 90-day intervals, beginning 90 days after the date of the imposition of the suspension or restriction.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

"(e) REGULATIONS.—The Secretary may issue such regulations as are determined necessary to carry out this section.

"SEC. 412. DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EMBARGOES.

"To alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities of the President or other member of the executive branch of the Federal Government causing the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall—

"(1) develop a comprehensive contingency plan that shall include—

"(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to enable the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs;

"(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

"(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in paragraph (1)(B);

"(2) for any suspension or restriction for which compensation is not provided under section 411, prepare and submit to the appropriate Committees of Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively, efficiently, economically, and fairly the impact of any such suspension or restriction;

"(3) for any suspension or restriction for which compensation is provided under section 411, prepare and submit to the appropriate Committees of Congress a plan for implementing and administering section 411; and

"(4) require the Commodity Credit Corporation, prior to such Corporation purchasing any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

"(A) prepare an economic justification for each commodity involved in the suspension or restriction to determine if such a purchase is necessary;

"(B) estimate any suspension- or restriction-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

"(C) limit its purchases to only those types and grades of commodities suspended or restricted from shipment and make such purchases at prices at or near the current market prices.

"SEC. 413. CONTRACTING AUTHORITY TO EXPAND AGRICULTURAL EXPORT MARKETS.

"(a) **IN GENERAL.**—The Secretary may contract with individuals for services to be performed outside the United States as the Secretary determines necessary or appropriate for carrying out programs and activities to maintain, develop, or enhance export markets for United States agricultural commodities and products.

"(b) **NOT EMPLOYEES OF THE UNITED STATES.**—Individuals referred to in subsection (a) shall not be regarded as officers or employees of the United States.

"SEC. 414. TRADE CONSULTATIONS CONCERNING IMPORTS.

"(a) **CONSULTATION BETWEEN AGENCIES.**—The Secretary shall require consultation between the Administrator of the Service and the

heads of other appropriate agencies and offices of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, prior to relaxing or removing any restriction on the importation of any agricultural commodity into the United States.

"(b) **CONSULTATION WITH TRADE REPRESENTATIVE.**—The Secretary shall consult with the United States Trade Representative prior to relaxing or removing any restriction on the importation of any agricultural commodity or a product thereof into the United States.

"SEC. 415. TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

"The Secretary shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

"SEC. 416. LIMITATION ON USE OF CERTAIN EXPORT PROMOTION PROGRAMS.

"(a) **IN GENERAL.**—The Secretary may provide that a person shall be ineligible for participation in an export program established under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), or in any other export credit, credit guarantee, bonus, or other export program carried out through, or administered by, the Commodity Credit Corporation or carried out with funds made available pursuant to section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) with respect to the export of any agricultural commodity or product that has been or will be used as the basis for a claim of a refund, as drawback, pursuant to section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)), of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(b) **VEGETABLE OIL.**—A person shall be ineligible for participation in any of the export programs referred to in subsection (a) with respect to the export of vegetable oil or a vegetable oil product that has been or will be used as the basis for a claim of a refund, as a drawback, pursuant to section 313 of the Tariff Act of 1930, of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(c) **CERTIFICATION.**—If the Secretary takes action under the authority granted under subsection (a), a person applying to export any agricultural commodity under the export programs referred to in subsection (a) shall certify that none of the commodity has been or will be used as the basis of a claim for any refund specified in subsection (a), except that regardless of whether the Secretary takes action under the authority granted under subsection (a), a person applying to export any vegetable oil or vegetable oil product under such programs shall certify that none of the vegetable oil or vegetable oil product has been or will be used as the basis of a claim for any refund specified in subsection (b).

"(d) **REGULATIONS.**—The Secretary shall promulgate regulations to carry out this section.

"(e) **APPLICABILITY.**—This section shall not apply to quantities of agricultural commodities and products with respect to which an ex-

porter has entered into a contract, prior to the effective date of this section, for an export sale.

"TITLE V—FOREIGN AGRICULTURAL SERVICE

"SEC. 501. UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COM-MODITY PROGRAMS.

"There is hereby established in the Department of Agriculture the position of Under Secretary of Agriculture for International Affairs and Commodity Programs to be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary of Agriculture for International Affairs and Commodity Programs is authorized to exercise such functions and perform such duties related to foreign agriculture and agricultural stabilization and conservation, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"SEC. 502. ADMINISTRATOR OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) **ESTABLISHMENT.**—There is hereby established in the Department of Agriculture the position of Administrator of the Foreign Agricultural Service.

"(b) **DUTIES.**—The Administrator of the Foreign Agricultural Service is authorized to exercise such functions and perform such duties related to foreign agriculture, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"(c) **USE OF SERVICE.**—In carrying out the duties under this section, the Administrator shall oversee the operations of the Foreign Agricultural Service, the General Sales Manager, and the Agricultural Attache Service.

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy of the United States by acquiring information pertaining to agricultural trade, carrying out market promotion and development activities, and implementing the programs authorized in this Act, the Agricultural Trade Development and Assistance Act of 1954, and other Acts.

"SEC. 504. STAFF OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) **PERSONNEL OF THE SERVICE.**—To ensure that the agricultural export programs of the United States are carried out in an effective manner, the authorized number of personnel for the Service shall not be less than 900 staff years each fiscal year.

"(b) **RANK OF FOREIGN AGRICULTURAL SERVICE OFFICERS IN FOREIGN MISSIONS.**—Notwithstanding any other provision of law, the Secretary of State shall, on the request of the Secretary of Agriculture, accord the diplomatic title of Minister-Counselor to the senior Service officer assigned to any United States mission abroad. The number of Service officers holding such diplomatic title at any time may not exceed twelve.

"SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

"There are hereby authorized to be appropriated for the Service such sums as may be necessary to carry out the provisions of this title.

"TITLE VI—REPORTS

"SEC. 601. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) **IN GENERAL.**—The Secretary shall periodically prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 104.

"(b) **FREQUENCY.**—The initial report prepared under subsection (a) shall be submitted under subsection (f) prior to October 1, 1991. Subsequent reports shall be submitted under subsection (f) prior to October 1 of each third fiscal year occurring after fiscal year 1992.

"(c) **CONTENTS.**—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 104.

"(d) **CONSULTATION.**—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda that is included in the annual report prepared under section 163 of the Trade Act of 1974 for the relevant fiscal year.

"(e) **UPDATE.**—The Secretary shall prepare an annual update to the report required under subsection (a) in each of the 2 fiscal years following the year for which a report is prepared under subsection (a). Such updates shall contain a description of any revisions to the long-term agricultural trade strategy under section 104, any changes in law that are necessary to meet the goals of the long-term agricultural trade strategy, and such other information as the Secretary considers appropriate.

"(f) TREATMENT AS ANNUAL BUDGET SUBMISSION.—

"(1) **REPORT.**—The report required under subsection (a), or the updates required under subsection (e), shall be submitted to Congress annually with the Budget of the United States Government for the appropriate fiscal year.

"(2) **RECOMMENDED LEVELS OF SPENDING.**—Any provision of a report under subsection (a) or the annual updates under subsection (e) that relates to recommended levels of spending on international activities of the Department of Agriculture shall be included in the Budget of the United States Government submitted by the President for the fiscal year beginning in the year in which such report or update is submitted. Such reports and updates shall be submitted to Congress together with the budget request for other programs of the Department of Agriculture for such fiscal year.

"(g) AVAILABILITY OF REPORT.—

"(1) **SUBMISSION TO CONGRESS.**—The Secretary shall submit each report required under subsection (a) and the updates to such report under subsection (e) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the

Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) **AVAILABILITY TO PUBLIC.**—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) and the updates under subsection (e) available to the general public, including the department of agriculture of any State.

"(3) **CONFIDENTIALITY.**—The Secretary may designate parts of the report required under subsection (a) or any update prepared under subsection (e) as confidential and such parts shall not be released to the general public, if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) the Secretary determines that any of such information is confidential business information.

"(4) **EXCEPTION OF PERFORMANCE.**—The provisions of paragraph (3)(A) shall not be applicable with respect to that part of the agricultural trade strategy under section 104 that reviews the agricultural trade performance of the United States over the previous 3-year period.

"SEC. 602. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) **IN GENERAL.**—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) **CONFIDENTIALITY AND COMPILATION OF REPORTS.**—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) **IMMEDIATE REPORTING.**—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) **MONTHLY REPORTING PERMITTED.**—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements,

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) **FAILURE TO REPORT.**—Any person who knowingly fails to make any report required under this section shall be fined not more than \$25,000 or imprisoned for not more than 1 year, or both.

"(c) **CONTRACT SANCTITY.**—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency or for which the Congress has declared war.

"SEC. 603. OTHER REPORTS TO CONGRESS.

"The Secretary shall, on a quarterly basis, prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report specifying the cumulative amount of export assistance provided by the Commodity Credit Corporation and the Secretary under the programs provided under this Act, the Commodity Credit Corporation Charter Act, and under the Agricultural Trade Development and Assistance Act of 1954 during the current fiscal year. Such information may be provided in individual reports, in a consolidated report, or in the Long-Term Agricultural Trade Strategy Report (and annual updates to such report) prepared under section 601."

SEC. 1532. AMENDMENT TO THE AGRICULTURAL ACT OF 1954.

The Agricultural Act of 1954 (7 U.S.C. 1741 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 108. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

"(a) **IN GENERAL.**—The Secretary shall require appropriate officers and employees of the Department of Agriculture, including those stationed in foreign countries, to prepare and submit annually to the Secretary detailed reports that—

"(1) document the nature and extent of—

"(A) programs in such countries that provide direct or indirect government support for the export of agricultural commodities and the products thereof;

"(B) other trade practices that may impede the entry of United States agricultural commodities and the products thereof into such countries; and

"(C) where practicable, the average prices and costs of production in such countries for like commodities exported from the United States to such countries; and

"(2) identify opportunities for the export of United States agricultural commodities and the products thereof to such countries.

"(b) DUTIES.—The Secretary shall—

"(1) annually compile the information contained in reports prepared under subsection (a)—

"(A) on a country by country basis; and

"(B) on a commodity by commodity basis for exports of United States agricultural commodities including fruits, vegetables, legumes, popcorn and ducks, as determined appropriate by the Secretary, the export of which is hampered by an unfair trade practice. Where practicable, the report shall include a comparison of the average prices and costs of production for such commodities in the United States and in the importing countries for the previous crop year.

"(2) in consultation with the agricultural technical advisory committees established under section 135(c) of the Trade Act of 1974 (19 U.S.C. 2155(c)), include in the compilation a priority ranking of those trade barriers identified in subsection (a) by commodity group;

"(3) include in the compilation a list of actions undertaken to reduce or eliminate such trade barriers; and

"(4) not later than January 15 of each year, make the compilation available to Congress, the trade assistance office authorized under section 504 of the Agricultural Trade Act of 1978 (as amended by section 201), the agricultural policy advisory committee, and other interested parties.

"(c) MEETING.—The Secretary and the United States Trade Representative shall convene a meeting, at least once each year, of the Agricultural Policy Advisory Committee and the agricultural technical advisory committees to develop specific recommendations for actions to be taken by the Federal Government and private industry to—

"(1) reduce or eliminate trade barriers or distortions identified in the annual reports required to be submitted under subsections (a) and (b); and

"(2) expand United States agricultural export opportunities identified in such annual reports.

"SEC. 109. ATTACHE EDUCATIONAL PROGRAM.

"The Administrator of the Foreign Agricultural Service shall establish a program within the Service that directs attaches of the Service who are reassigned from abroad to the United States, and other personnel of the Service, to visit and consult with producers and exporters of agricultural commodities and products and State officials throughout the United States concerning various methods to increase exports of United States agricultural commodities and products."

Subtitle D—General Provisions

SEC. 1541. COTTONSEED OIL AND SUNFLOWER OIL EXPORTS.

Subparagraph (A) of section 301(b)(2) of the Disaster Assistance Act of 1988 (7 U.S.C. 1464 note) is amended to read as follows:

"(A)(i) Effective for each of the fiscal years 1991 through 1995, \$50,000,000 of the funds made available under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) shall, to the extent provided in appropriations Acts, be utilized during each such fiscal year as provided for in clause (1) of the second sentence of such Act to encourage the sale of additional quantities of sunflower seed oil and cottonseed oil in world markets at competitive world prices through the payment of benefits in connection with the exportation of such commodities.

"(ii) Clause (i) shall be implemented in such a manner as to maximize the export of such oils by assuring that the sums made available under such clause are fully obligated in the year or years in which—

"(I) such sums are made available; and

"(II) the domestic prices of such oils exceed competitive world prices.

"(iii) In determining sales on which benefits are to be provided under this subparagraph, the Secretary shall take into consideration solely the amount of benefits needed to encourage the sale.

"(iv) In carrying out this subparagraph, the Secretary shall ensure that, to the maximum extent practicable, equivalent amounts of funds are used during each fiscal year to encourage the sale of sunflower seed oil and cottonseed oil in world markets."

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) **GUARANTEES TO BE MADE AVAILABLE.**—The Commodity Credit Corporation, for the fiscal years 1991 through 1995 shall make available not less than \$1,000,000,000 of export credit guarantees for exports to emerging democracies under section 202 of the Agricultural Trade Act of 1978, in addition to the amounts required under section 211 of that Act for such program.

(b) **IMPROVEMENT OF FACILITIES.**—A portion of such export credit guarantees shall be made available for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978). The Commodity Credit Corporation shall give priority under this subsection to opportunities or projects identified under subsection (d).

(c) **CONSULTATIONS.**—Before the authority under this section is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that fa-

cilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(d) **SHARING UNITED STATES AGRICULTURAL EXPERTISE.**—

(1) **IN GENERAL.**—

(A) **ESTABLISHMENT OF PROGRAM.**—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) **EXTENT OF PROGRAM.**—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) **EXPERTS FROM THE UNITED STATES.**—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) **COST-SHARING.**—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) **TECHNICAL ASSISTANCE.**—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) **REPORTS TO SECRETARY.**—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) **REPORT TO CONGRESS.**—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) **ADVISORY COMMITTEE.**—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) **USE OF CCC.**—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) **LEVEL OF ASSISTANCE.**—The Secretary shall provide assistance under this subsection of not more than \$5,000,000 in any fiscal year.

(e) **FOREIGN DEBT BURDENS.**—

(1) **EFFECT OF CREDITS.**—In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding to the foreign debt burdens of such countries.

(2) **CONSULTATION AND REPORT.**—Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph

(1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall

foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(f) **EMERGING DEMOCRACY.**—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

- (1) political pluralism, based on progress toward free and fair elections and a multiparty political system;
- (2) economic reform, based on progress toward a market-oriented economy;
- (3) respect for internationally recognized human rights; and
- (4) a willingness to build a friendly relationship with the United States.

SEC. 1543. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) **ESTABLISHMENT.**—The Secretary of Agriculture shall establish a fellowship program for middle income countries and emerging democracies, to be known as the "Cochran Fellowship Program", to provide fellowships to individuals from eligible countries who specialize in agriculture for study in the United States.

(b) **ELIGIBLE COUNTRIES.**—Countries that meet the following requirements shall be eligible to participate in the program established under this section:

(1) **MIDDLE-INCOME COUNTRY.**—A country that has developed economically to the point where it no longer qualifies for bilateral foreign aid assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs (hereafter referred to in this section as a "middle-income" country).

(2) **ONGOING RELATIONSHIP.**—A middle-income country that has never qualified for bilateral foreign aid assistance from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(3) **TYPE OF GOVERNMENT.**—A country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(c) **PURPOSE OF THE FELLOWSHIPS.**—Fellowships under this section shall be provided to permit the recipients to gain knowledge and skills that will—

- (1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and
- (2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) **INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.**—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates for fel-

lowships under this section from both the public and private sectors of those countries.

(e) **PROGRAM IMPLEMENTATION.**—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the Program established under this section.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the program established under this section, except that the amount of such funds in any fiscal year shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), \$3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), \$2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), \$5,000,000.

(g) **COMPLEMENTARY FUNDS.**—If the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

SEC. 1544. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

(a) **WAIVER OF CERTAIN RESTRICTIONS.**—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) **DESCRIPTION OF RESTRICTIONS WAIVED.**—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) **DEFINITION OF ECONOMIC ASSISTANCE.**—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance

under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

SEC. 1545. WORLD LIVESTOCK MARKET PRICE INFORMATION.

(a) **DEVELOPMENT OF METHODOLOGY.**—The Secretary of Agriculture shall develop appropriate methodology for determining the world price of livestock and livestock products and shall gather and analyze appropriate price and cost of production information concerning such products in foreign countries for the purpose of price discovery and to aid in the sale of livestock and livestock products in foreign export markets.

(b) **PUBLICATION OF INFORMATION.**—Not later than 240 days after the date of enactment of this Act, and periodically thereafter, the Secretary of Agriculture shall publish the information gathered under subsection (a).

Subtitle E—Studies, Reports, and Other Provisions

SEC. 1551. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than March 31, 1991.

SEC. 1552. ROSE AND FLOWER STUDY.

(a) **IN GENERAL.**—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) **REPORT TO CONGRESS.**—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1553. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) **ASSESSMENT.**—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) **ADDITIONAL REQUIREMENTS.**—In preparing the assessment required by this section, the Secretary shall consult with rail, truck,

and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives to covered rail hopper cars (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential cargoes of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) **REPORT.**—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

SEC. 1554. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) **REQUIREMENT OF REPORT.**—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) **CONTENTS OF REPORT.**—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1555. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) **FINDINGS.**—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1992 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar as the European Community has refused reasonable requests to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product

standards and requirements by using United States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was \$6,600,000,000, constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce significantly exports from the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community's non-transparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1556. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) **REPORT TO CONGRESS.**—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

SEC. 1557. REPORTING REQUIREMENTS RELATING TO TOBACCO.

The Tobacco Adjustment Act of 1983 is amended by inserting after section 213 (7 U.S.C. 511r) the following new section:

"SEC. 214. REPORTING REQUIREMENTS RELATING TO TOBACCO.

"(a) IN GENERAL.—Not later than 60 days after the export of tobacco or a tobacco product not described in subsection (b), the exporter of such tobacco or tobacco product shall prepare a report containing the records relating to such export and submit such report to the Secretary of Agriculture.

"(b) SPECIAL RULE.—Manufacturers of tobacco products shall prepare and maintain records on all finished cigarettes and cigarette ready tobacco. Information contained in such records shall be aggregated on a quarterly basis, certified as accurate by the entity preparing such aggregation, and submitted to the Secretary of Agriculture as provided for in this section. Tobacco manufacturers shall maintain records utilized to prepare the aggregation for a period of 5 years.

"(c) SCOPE.—Records maintained under this section shall include the crop year, grade, type, country of origin, poundage, and such other information relating to the tobacco products as the Secretary determines appropriate.

"(d) REPORTS.—Records, reports, and aggregations submitted to the Secretary of Agriculture under this section shall be provided by the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in a timely manner.

"(e) PENALTY.—Any exporter who violates the provisions of this section with respect to the provision of false information or the failure to provide required information shall be subject to section 1001 of title 18, United States Code, for each such violation.

"(f) CONFIDENTIALITY OF INFORMATION.—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section

1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress."

SEC. 1558. REPORT ON ORIGIN OF EXPORTS OF PEANUTS.

(a) **EXPORTERS OF PEANUTS.**—Any exporter of raw peanuts, shelled or in shell, shall indicate the country of origin of such peanuts on the export documentation that such exporter is required to complete under other provisions of law.

(b) **COLLECTION OF INFORMATION.**—The Secretary of Agriculture shall collect the information contained on such export documentation and annually report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the country of origin of all such peanuts exported from the United States during the calendar year.

(c) **CONFIDENTIALITY OF INFORMATION.**—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

SEC. 1559. SENSE OF CONGRESS CONCERNING REBALANCING PROPOSAL OF THE EUROPEAN COMMUNITY.

(a) **FINDINGS.**—Congress finds that—

(1) the success of the agriculture negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) is important to the liberalization of world agricultural trade and the development of the markets for United States commodities;

(2) in order to correct distortions and restrictions in world agricultural markets, the participants in GATT negotiations have committed to substantial and progressive reductions in agricultural protection and support;

(3) the history of establishing more market-oriented trade since World War II has been progressive liberalization through a series of multilateral trade negotiations;

(4) the European Community's proposal to "rebalance" import protections could actually permit the European Community to increase import barriers for some products, including products which have enjoyed barrier free trade status as a result of earlier trade negotiations;

(5) this rebalancing proposal could pose a particularly severe threat to United States exports of corn gluten feed and oilseeds to the European Community, products whose duty-free status the European Community has long sought to undercut; and

(6) the European Community market for United States exports of corn gluten feed and oilseeds has been a successful fixture of United States-European Community trade relations for approximately 30 years, and should not be restricted.

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

(1) the European Community's proposed rebalancing of import protections is fundamentally at odds with the important goals of liberalizing world agricultural trade and eliminating trade-distorting policies;

(2) such rebalancing could have a particularly severe impact on United States exports of corn gluten feed and oilseeds to the European Community, leaving them vulnerable to unfair treatment and increased trade barriers; and

(3) the United States, throughout the remainder of the Uruguay Round of the GATT negotiations on agriculture, should forcefully reject the European Community's proposal to rebalance import protections.

SEC. 1560. SENSE OF THE SENATE REGARDING MULTILATERAL TRADE NEGOTIATIONS.

(a) *IN GENERAL.*—It is the sense of the Senate that the objective of the Uruguay Round of Multilateral Trade Negotiations concerning agricultural trade should be to—

(1) obtain a reform of global agricultural trade and an elimination of the policies and practices that distort agricultural trade; and

(2) to reach an agreement that—

(A) provides United States farmers and agricultural community with the opportunity to compete fairly in international markets;

(B) permits United States farmers to have a safety net to protect them against market instability;

(C) assures consumers of an adequate supply of high quality food and fiber at reasonable prices, both now and in the future; and

(D) assures that humanitarian food needs are met.

(b) *CONDUCT OF NEGOTIATIONS.*—It is the sense of the Senate that, in conducting the agricultural trade negotiations in the Uruguay Round of Multilateral Trade Negotiations and in meeting the principal negotiating objectives contained in section 1101(b) of the Omnibus Trade and Competitiveness Act of 1988 and in this section, the United States should—

(1) ensure that any agreement—

(A) is beneficial to United States agricultural producers and businesses;

(B) does not leave an individual commodity vulnerable to unfair treatment or increased barriers and that the various sectors of United States agriculture receive equitable and fair treatment;

(C) permits countries to provide income support and stability from the vagaries of the market directly or indirectly through self-help efforts;

(D) provides a period of adjustment in cases where the reduction or elimination of trade barriers or subsidies would cause industry adjustment and resource reallocation; and

(E) does not sacrifice the interests of the agricultural sector for other sectors of the United States economy;

(2) seek the immediate elimination of all export subsidies that are conditioned on the export of agricultural commodities and products, except bona fide food aid;

(3) not enter into any self-executing agreement that would unduly restrict the authority of the United States to provide for the stabilization of its agricultural economy;

(4) not enter into any agreement that would have the effect of repealing or materially interfering with any existing legal authority designed to promote or protect any domestic agricultural program, the purpose of which is to stabilize prices, or eliminate any existing waiver granted to the United States under the General Agreement on Tariffs and Trade permitting the imposition of quantitative limitations on the entry of commodities into the United States unless the agreement meets the objectives described in this section; and

(5) ensure that any provision for special and differential treatment for developing countries contains guidelines and limitations providing for the phasing out of such treatment as such countries become more competitive.

Subtitle F—Conforming Provisions and Technical Changes

SEC. 1571. AMENDMENTS TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.

The Omnibus Trade and Competitiveness Act of 1988 is amended by repealing sections 4201, 4202, 4205, 4206, 4211, 4212, 4213, 4305, and 4311 (7 U.S.C. 5211, 5212, 5215, 5216, 5231, 5232, 5233, 1736t note, and 1691 note, respectively).

SEC. 1572. AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.

The Food Security Act of 1985 is amended—

(1) in section 1110 (7 U.S.C. 1736o)—

(A) by striking subsection (j); and

(B) by redesignating subsection (k) as subsection (j);

(2) in section 1113(c)(9) (7 U.S.C. 1736-1(c)(9))—

(A) by adding “and” after the semicolon in subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(3) by repealing sections 1124, 1125, 1127, 1128, 1132, 1151, 1162, 1165, and 1167 (7 U.S.C. 1736s, 1736t, 1736v, 1736w, 1736x, 2275, 1736z, 1736, and 1736aa).

SEC. 1573. AMENDMENTS TO THE AGRICULTURE AND FOOD ACT OF 1981.

The Agriculture and Food Act of 1981 is amended by repealing sections 1203, 1204, and 1205 (7 U.S.C. 1736i, 1736j, and 1736k).

SEC. 1574. AMENDMENT TO THE FOOD FOR PEACE ACT OF 1966.

The Food for Peace Act of 1966 is amended by repealing section 4 (7 U.S.C. 1707a).

SEC. 1575. AMENDMENT TO THE AGRICULTURAL ACT OF 1949.

The Agricultural Act of 1949 is amended by striking subsection (d) of section 416 (7 U.S.C. 1431(d)).

SEC. 1576. AMENDMENT TO THE AGRICULTURAL ACT OF 1956.

Section 201 of the Agricultural Act of 1956 (7 U.S.C. 1851(b)) is amended by striking subsection (b).

SEC. 1577. AMENDMENT TO THE AGRICULTURAL TECHNICAL CORRECTIONS ACT.

Section 13 of Public Law 101-220 (7 U.S.C. 1736cc) is repealed.

SEC. 1578. AMENDMENT TO THE AGRICULTURAL ACT OF 1970.

Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed, effective upon the effective date of regulations promulgated under section 404 of the Agricultural Trade Act of 1978, as amended by this title.

TITLE XVI—RESEARCH

Subtitle A—Extensions and Changes to Existing Programs

SEC. 1601. INCREASED AUTHORIZATIONS FOR, AND THE EXTENSION OR REPEAL OF, EXISTING PROGRAMS.

(a) **AGRICULTURAL RESEARCH FACILITIES GRANTS.**—Section 4(a) of the Research Facilities Act (7 U.S.C. 390c(a)) is amended—

(1) by striking “\$20,000,000” and inserting “\$50,000,000”; and

(2) by striking “ending September 30, 1986, through September 30, 1990” and inserting “1991 through 1995”.

(b) **EXTENSION OF PROGRAMS ESTABLISHED IN THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.**—

(1) **ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.**—Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking “annually for the period beginning October 1, 1981, and ending September 30, 1990,” and inserting “for each of the fiscal years 1991 through 1995,”.

(2) **ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.**—Section 1434(a) of that Act (7 U.S.C. 3196(a)) is amended by striking “annually for the period beginning October 1, 1981, and ending September 30, 1990,” and inserting “for each of the fiscal years 1991 through 1995,”.

(3) **AGRICULTURAL RESEARCH PROGRAMS.**—Section 1463 of that Act (7 U.S.C. 3311) is amended—

(A) in subsection (a), by striking “\$600,000,000” and all that follows through “1990.” and inserting “\$850,000,000 for each of the fiscal years 1991 through 1995.”; and

(B) in subsection (b), by striking “\$270,000,000” and all that follows through “1990.” and inserting “\$310,000,000 for each of the fiscal years 1991 through 1995.”.

(4) **EXTENSION EDUCATION.**—Section 1464 of that Act (7 U.S.C. 3312) is amended by striking “\$370,000,000” and all that fol-