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**CONFERENCE COMMITTEE ON H.R. 2419**

**Title III -- Trade**

**Section-by-Section Comparison of House Bill,  
Senate Amendment, and Current Law**

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Item		CURRENT LAW	HOUSE BILL (H.R. 2419)	SENATE AMENDMENT	CONF. AGREEMENT
T3-1	Agricultural Trade Development and Assistance Act of 1954.	Agricultural Trade Development and Assistance Act of 1954			
		Title of legislation	No comparable provision	§ 3001 changes the title of the underlying legislation to the Food for Peace Act. It also includes numerous conforming amendments.	
		§2 establishes broad policy objectives for the use of U.S. agricultural commodities under this Act.	No comparable provision	§3002 deletes a paragraph describing market development as one of the objectives of the programs under this Act. This modification is made to reflect the approach taken in operating this program in recent years.	
		§3 conveyed the Sense of the Congress that the President should work with other countries to establish food aid levels for other countries in light of commitments made under the Uruguay Round	No comparable provision	§3003 modifies the Sense of Congress to suggest the President should seek commitments from other donors; reinforces the need to keep recipient governments, non-governmental organizations, and private voluntary organizations involved in conducting needs assessment and implementing programs and reinforces the notion that emergency and non-emergency aid should not be subject to limitations beyond those set forth in the Uruguay Round Agreement on Agriculture.	
		Title of first title of legislation	No comparable provision	§3004 renames Title I of the newly renamed Food for Peace Act from Development and Trade Assistance to Economic Assistance and Food Security.	
		§102. Establishes priorities for entering into agreements with eligible countries and private entities.	No comparable provision	§3005 strikes references to potential recipient countries becoming commercial markets and strikes requirement that organizations seeking funding under the Act prepare and submit agricultural market development plans.	

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		<p>§104 permits the use of payments made in local currencies to support certain agricultural development activities in recipient countries.</p> <p>§201 sets out purposes of the Act</p> <p>§202(e) sets maximum percentage of title II funding that the AID Administrator may make available to eligible organizations for administrative and distribution costs at 5 percent to 10 percent and sets out purposes for which such funds may be used.</p>	<p>No comparable provision</p> <p>§3001, subsection (a) amends the purposes of the Food for Peace program to clarify that food deficits to be addressed include those resulting from man made and natural disasters.</p> <p>No comparable provision</p> <p>Subsection (b) increases the percentage of title II funding (currently at a range of 5 to 10 percent) that the AID Administrator may make available to</p>	<p>§3006 adds the objective of improving trade capacity of the recipient country to the set of goals to be achieved under agricultural development. It removes authority for specific agricultural development activities such as business development loans, facilities loans, and private sector agricultural development. It also specifies that private voluntary organizations and cooperatives may implement agreements under this title.</p> <p>§3007 clarifies the objectives for assistance under Title II commodity donations. It adds the promotion of food security and support of sound environmental practices in paragraph (5); removes feeding programs as an objective in paragraph (6); and adds a new paragraph specifying the protection of livelihoods, provision of safety nets for food insecure populations and to encourage participation in educational, training, and other productive activities.</p> <p>§3008 Paragraph (1) revises current language to clarify that the fact that a project is being proposed in a country that does not have a USAID mission or is not part of an overall development plan for the country cannot be used as the sole rationale for denying the proposal.</p> <p>Paragraph (2) modifies the share of Title II funds which can be used to cover logistical expenses from all sources of PVO partners from between 5 and 10</p>	

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		<p>§203(b) allows for agreements that permits sale or barter of commodities in recipient countries, the proceeds of which can be used to fund certain activities.</p> <p>§204(a) establishes a minimum level of assistance of 2.5 million metric tons of commodities, of which 1.875 million metric tons is reserved for non-emergency aid (subject to waiver by the Administrator).</p>	<p>eligible organizations for administrative and distribution costs to a range of 7 to 12 percent.</p> <p>Also expands the purposes for which such funds may be used to include developing monitoring systems for title II programs.</p> <p>No comparable provision</p> <p>Subsection (c) makes a technical correction.</p> <p>No comparable provision</p> <p>Subsection (d) extends both sets of provisions through 2012.</p>	<p>percent to not less than 7.5 percent,</p> <p>It clarifies that such funds can be used to cover management, personnel, programmatic, operational activities, internal transportation, and distribution costs for new and existing programs. These funds can also be used to cover the costs of needs assessment and monitoring and evaluation.</p> <p>Paragraph (3) strikes language on streamlining program management included in the 2002 farm bill. It also inserts new language which permits the Administrator to use Title II funds to address food aid quality issues, and requires that regular reports on progress on these quality issues be made to the relevant Congressional Committees.</p> <p>No comparable provision</p> <p>§3009 adds activities involving micro-enterprises and village banking as a valid use of proceeds generated by monetization of commodities donated under Title II.</p> <p>§3010 extends the minimum tonnage requirement only for Title II programs through 2012.</p>	

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		<p>§205 establishes the Food Aid Consultative Group, which reviews the effectiveness of the rules governing title II programs. (The Group is composed of representatives from AID, USDA, Private Voluntary Organizations, recipient countries, and US agricultural producer groups.)</p> <p>§207(a) requires that AID, if it denies an eligible organization's proposal to enter into a non-emergency food assistance agreement, must specify the conditions that must be met for approval of the proposal.</p>	<p>Subsection (e) extends the authority for the Group.</p> <p>Subsection (f) clarifies that USAID must specify reasons for denial.</p> <p>Subsection (g) adds a new provision that requires AID to establish and report on systems to improve and evaluate title II assistance, including early warning systems to prevent famines.</p> <p>No comparable provision</p> <p>No comparable provision</p> <p>No comparable provision</p> <p>No comparable provision</p>	<p>§3011. Paragraph (1) requires that a representative of the maritime transportation sector be included in the Food Aid Consultative Group (FACG).</p> <p>Paragraph (2) requires the USAID Administrator to consult with the FACG in developing regulations for the pilot local cash purchase program established in Section 3014, and extends the authority for the FACG through 2012.</p> <p>§3012. Paragraph (1) provides more flexibility to the Administrator in terms of the time he has to evaluate and determine whether to accept a proposal for assistance under Title II, and clarifies the intent of the law with respect to notifying an applicant why their proposal was rejected.</p> <p>Paragraph (2) deletes a requirement for handbooks which are no longer used within the Title II program. Information previously contained in such handbooks is now available through other outlets.</p> <p>Paragraph (3) deletes a specific deadline for submitting commodity orders, which on occasion can have the effect of slowing down the process, and substitutes a requirement that orders should be provided on a timely basis.</p> <p>Paragraph (4) pushes back the date from December 1 to June 1 for a report on the programs, countries, and commodities approved to date within a fiscal year under Title II.</p> <p>Paragraph (5) adds language that allows the</p>	

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		<p>§208(f) authorizes AID grants for stockpiling and distribution of shelf stable foods and provides funding of \$3 million annually.</p> <p>§401 establishes criteria for which commodities are eligible for disposition under this Act</p> <p>§406 establishes which expenses may be covered to carry out agreements under this Act.</p>	<p>No comparable provision</p> <p>Subsection (h) extends the authorization and increases annual funding for such grants from \$3 million to \$7 million.</p> <p>No comparable provision</p> <p>No comparable provision</p>	<p>Administrator to use Title II funds to pay for assessment, data collection and management, and monitoring activities, and to hire contract workers to undertake such work in recipient or neighboring countries, without limiting existing authority to hire contractors to help address emergency food needs.</p> <p>It also adds language allowing the Administrator to pay the World Food Program of the United Nations for indirect support costs of the commodities donated under Title II, requiring that the Administrator report to relevant Congressional committees on such payments. It also clarifies the authority of the Administrator to pay indirect costs associated with funds received or generated for programs to PVO's and cooperatives. It also requires that project reports should be submitted in such a form as can be readily displayed for public use on the USAID website.</p> <p>§3013 reauthorizes this program and also increases the level that can be appropriated to assist in the development of shelf-stable, prepackaged foods for use in food aid programs from \$3 million to \$8 million.</p> <p>§3015 strikes the requirement that the Secretary make a determination about domestic supply of the commodity before releasing commodities for the food aid program.</p> <p>§3016 adds costs incurred to improve food aid quality to the list of activities and functions that can be covered by the Commodity Credit Corporation through advance appropriations acts.</p>	

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		<p>§407(c)(4) authorizes AID to use title II and title III funds to procure, transport, and store agricultural commodities for propositioning, and limits to \$2 million annually the amount that may be used to preposition such commodities overseas.</p> <p>§407(f) requires President to prepare an annual report on implementation of the Act.</p> <p>§408 provides that no agreements to finance sales or provide other assistance under the Act may be entered into after 12/31/07.</p> <p>§412 authorizes such sums for titles I-III.</p> <p>§415(a)(2)(C) authorizes the micronutrient fortification program, which allows AID to provide fortified commodities to participating recipient countries.</p> <p>§501 establishes the farmer to farmer program and provides minimum funding levels.</p>	<p>Subsection (i) extends the authorization and increases the limit on how much may be used to preposition such commodities overseas from \$2 million to \$8 million.</p> <p>Subsection (j) amends requirements of the report the President must prepare on food aid programs that are carried out under the Act.</p> <p>Subsection (k) extends the expiration date to 12/31/12.</p> <p>Subsection (l) extends the Act through 2012, and sets authorization levels for title II to \$2.5 billion.</p> <p>Subsection (m) extends authorization through 2012 and amends purposes.</p>	<p>§3017 reauthorizes pre-positioning of U.S. commodities abroad and increases the \$2 million annual cap on transportation costs to move such commodities to \$4 million. It also requires that resource requests for multi-year or ongoing non-emergency assistance agreements be approved by October 1 of the fiscal year when the commodities will be delivered.</p> <p>Paragraph (2) pushes the completion date for an annual report concerning the programs and activities of this Act from January 15 to April 1, and requires the Administrator to make the report available to the public by electronic and other means.</p> <p>§3018 reauthorizes agreements under this Act through December 31, 2012.</p> <p>§3019 reauthorizes appropriations for the Act through 2012. It also strikes subsection (b) and removes the President's authority to transfer funds between the programs under this Act.</p> <p>§3020 reauthorizes the Micronutrient Fortification Program from FSRIA. Inserts new authority to assess and apply technologies and systems to improve food aid. It also strikes subsection (b), which limits the number of countries in which this program can be implemented.</p>	

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			Subsection (n) provides a floor level of funding for the farmer to farmer program of \$10 million and extends the program through 2012. Also increases authorization of appropriations for specific regions from \$10 million to \$15 million.	§3022 reauthorizes the Farmer-to-Farmer program.	
T3-2	Export credit guarantee program.	Section 202 of the Agricultural Trade Act of 1978 provides guarantees for repayment of financing (of up to 10 years) extended to eligible countries that purchase US farm products.	<p>§3002 repeals the supplier credit guarantee program and intermediate credit guarantee program and lifts the 1 percent origination fee cap. The remaining program would provide guarantees for repayment of short-term financing extended to eligible countries that purchase US farm products.</p> <p>The section reduces the tenor of the GSM-102 export credit guarantee program to six months beginning in fiscal 2008.</p> <p>No comparable provision</p>	<p>§3101. Subsection (a) repeals authority for the Supplier Credit program, which provides guarantees to buyers of U.S. commodities in foreign countries for a period of not more than 180 days.</p> <p>It also repeals authority for the GSM-103 export credit guarantee program, which provides guarantees for loans to purchase U.S. agricultural commodities with duration of between 3 years and 10 years. It also repeals the 1 percent cap on loan origination fees for the GSM-102 export credit guarantee program.</p> <p>The section also reduces the tenure of the GSM-102 export credit guarantee program to no more than six months beginning in fiscal 2012</p> <p>The section also clarifies how USDA should conduct evaluations of the creditworthiness of countries participating in export credit guarantee programs, and reduces the minimum amount that can be allocated to the export credit programs from its current \$5.5 billion to \$5 billion.</p>	
T3-3	Market access program.	Section 203 of the Agricultural Trade Act of 1978 authorizes the Market Access Program, which promotes US exports through consumer promotions, market research, technical assistance, and trade servicing. Mandatory funding at \$200 million annually.	<p>§ 3003. Extends the program and makes organic commodities eligible.</p> <p>Increases funding by \$25 million annually.</p>	<p>§3102. Subsection (a) specifies that agricultural commodities include organic commodities.</p> <p>Subsection (b) increases funding for the program from its current level of \$200 million for fiscal 2007, raising it by \$10 million annually until fiscal 2011, when it returns to baseline levels.</p>	

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T3-4	Food for Progress Act of 1985.	Food for Progress Act (7 USC 1736o) provides commodities to support countries that have made commitments to expand free enterprise in their agricultural economies.	<p>§ 3004. Extends through 2012</p> <p>No comparable provision</p>	<p>§3106. Paragraph (1) reauthorizes the program through 2012, and strikes recipient governments, intergovernmental organizations, and private entities as eligible organizations.</p> <p>Paragraph (2) increases the amount that can be spent transporting commodities under Food for Progress from \$40 million to \$48 million for fiscal 2008-2010. This figure is the effective cap on this program.</p>	
T3-5	MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.	McGovern-Dole International Food for Education and Child Nutrition program, which uses commodities and financial and technical assistance to carry out food for education programs and maternal, infant and child nutrition programs in foreign countries. To be carried out by the President through 1 or more designated agencies.	§3005 extends program through 2012, requires the Secretary of Agriculture to carry out the program, and provides mandatory funds of: \$0 for fiscal year 2008; \$140,000,000 for fiscal year 2009; \$170,000,000 for fiscal year 2010; \$230,000,000 for fiscal year 2011; \$300,000,000 for fiscal year 2012; and \$0 for fiscal year 2013.	<p>§3107. Paragraphs (1)-(4) establish the U.S. Department of Agriculture as the permanent home for this program.</p> <p>Paragraph (5) reauthorizes the program through 2012.</p> <p>Paragraph (6) allows up to \$300 million to be appropriated annually to fund this program.</p>	
T3-6	BILL EMERSON HUMANITARIAN TRUST.	The Bill Emerson Humanitarian Trust Act (7 USC 1736f-1) establishes a reserve of up to 4 million metric tons of wheat, corn, sorghum, and rice that can be used to help fulfill P.L. 480 food aid commitments to developing countries under two conditions: (1) to meet unanticipated emergency needs in developing countries, or (2) when US domestic supplies are short. Since 1980, the only commodity held in reserve has been wheat. The trust can also hold cash in reserve.	§ 3006 extends the Bill Emerson Humanitarian Trust through 2012.	<p>§3201. Paragraph (1) specifies that the Trust can be held as a combination of commodities and cash, not to exceed the equivalent of 4 million metric tons.</p> <p>Paragraph (2) allows the commodities to be exchanged for funds available under Title II or McGovern-Dole, or if the Secretary determines that such sales will not disrupt the domestic market, to sell commodities in the Trust onto the market. It permits the Secretary to manage the funds held under the Trust to maximize its value.</p> <p>Paragraph (3) clarifies the rules under which commodities or funds can be released from the Trust, and defines emergency for the purpose of release.</p> <p>Paragraph (4) clarifies the rules by which the Trust</p>	

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				<p>is managed by the Secretary, including specifying that price risks must be managed and allowing the funds held in the Trust to be invested in low-risk short-term securities or instruments; instructs the Secretary to maximize the value of the Trust; instructs the Secretary to transfer saved storage costs back to the Trust from the CCC.</p> <p>Paragraph (5) replaces the word `replenish' with the word `reimburse' throughout the language, reinforcing the notion that resources can be held through cash as well as commodities under this program.</p> <p>Paragraph (6) reauthorizes the program through 2012.</p>	
T3-7	TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.	§3205 of the 2002 farm bill provides technical assistance for specialty crops.	§ 3007. Extends Technical assistance for specialty crops through 2012 and increases funding from \$2 million annually to \$4 million in 2008, ramping up to \$10 million for 2011 and 2012.	§1833 Extends Technical assistance for specialty crops through 2012 and increases funding by \$19 million over the baseline.	
T3-8	REPRESENTATION BY THE UNITED STATES AT INTERNATIONAL STANDARD-SETTING BODIES.	none	§ 3009. Authorizes the Secretary to enhance USDA staff support for international standard-setting bodies, such as the <i>Codex Alimentarius</i> , the International Plant Protection Convention, and the World Animal Health Organization.	No comparable provision	
T3-9	FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.	§ Section 202 of the Agricultural Trade Act of 1978 authorizes the Foreign market development cooperator program, which promotes exports of US agricultural commodities by providing technical assistance, trade servicing, and market research.	§ 3010 extends program through 2012.	§ 3106 increases funding for the Foreign Market Development Program from its current level of \$34.5 million annually for fiscal 2007 by \$5 million for fiscal 2008 and 2009, by \$10 million in fiscal 2010, and returns to baseline levels in fiscal 2011.	
T3-10	EMERGING MARKETS.	The 1990 farm bill authorizes the Emerging Markets program, which promotes exports of US agricultural commodities and products to countries taking steps toward a market-oriented economy that have the potential to become significant markets.	§ 3011. Extends through 2012  No comparable provision	§3202. Paragraph (1) reauthorizes the Emerging Markets and Facilities Guarantee Loan Program through 2012.  Paragraph (2) permits the Secretary to waive requirements that U.S. goods be used in the	

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				construction of a facility under this program, if such goods are not available or their use is not practicable. It also permits the Secretary to provide a guarantee for this program for the term of the depreciation schedule for the facility, not to exceed 20 years.	
T3-11	EXPORT ENHANCEMENT PROGRAM.	Authorizes the Export Enhancement Program, under which US exporters bid for bonuses that effectively lower the sales price of commodities.	§ 3012 extends through 2012	§3103 repeals authority for the Export Enhancement Program, which provides export subsidies to assist in increasing exports of U.S. agricultural commodities.	
T3-12	MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.		§ 3013. Provides that of title II funds, AID must use at least \$450 million for non-emergency programs unless Congress provides otherwise with new legislation.	§3019 establishes a "safe box" for non-emergency, development assistance projects under Title II of \$600 million annually to be obligated and expended each fiscal year.	
T3-13	GERMPLASM CONSERVATION.		§ 3014. Requires AID to make a contribution on behalf of the US to the Global Crop Diversity Trust of up to \$60 million over 5 years. US contributions be may not exceed one fourth of the total of funds contributed to the Trust from all sources.	§3021 requires the Administrator to make contributions to the Global Crop Diversity Trust to assist in conservation of genetic diversity of key food crops around the world. Appropriations of \$60 million are authorized for the period of the fiscal year 2008 through 2012 for this purpose, with a cap equal to 25 percent of all funds contributed to the Trust from all sources.	
T3-14	REPORT ON EFFORTS TO IMPROVE PROCUREMENT PLANNING.		§3015 requires that not later than 90 days after the date of the enactment AID and USDA shall submit to Congress a report on efforts taken to improve planning for food and transportation procurement, including efforts to eliminate bunching of food purchases.	No comparable provision	
T3-15	International Disaster	§491 Foreign Assistance Act of 1961 (22 USC 2292).	§3016 requires that for each of FY 2008-12, \$40 million of amounts made available to carry out §491 of the Foreign Assistance Act of 1961 shall be made available for famine prevention.	<p>§3014 authorizes a pilot program for local/regional cash purchase. Subsection (a) provides several key definitions for the section.</p> <p>Subsection (b) establishes authority for the pilot program.</p> <p>Subsection (c) establishes the purposes for which the pilot program can be used.</p>	

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				<p>Subsection (d) establishes criteria for local or regional procurement</p> <p>Subsection (e) requires the Administrator to initiate an external review of prior local/regional cash purchase activities by other donor countries, PVO's and intergovernmental organizations within 30 days of enactment. A report detailing the results of this review is also to be provided to the relevant Congressional Committees. This information would be used to assist in developing guidelines for the request for proposals.</p> <p>Subsection (f) authorizes the Administrator to request and approve applications for grants from eligible organizations under this section, and requires any projects authorized under this section to be completed by Sept. 30, 2011, to allow time to complete study of pilot results before expiration of authorized appropriations in subsection (k).</p> <p>Subsection (g) establishes requirements for specific projects in selecting proposals for grants.</p> <p>Subsection (h) lists information that would need to be included in grant applications.</p> <p>Subsection (i) requires the Administrator to arrange for independent evaluation of the pilot program results, and a report to the relevant Congressional Committees. It also lays out the factors that would have to be examined in the report.</p> <p>Subsection (j) requires the Administrator to promulgate guidelines for the operation of this pilot program.</p> <p>Subsection (k) authorizes appropriations of \$25 million for each year between fiscal 2009 and fiscal 2011 for this program, to be available until expended.</p>	

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T3-16	Importation of agricultural products made with child labor		No comparable provision	§ 3104 requires the Secretary of Agriculture, in cooperation with the Secretary of Labor, to develop standards that importers of agricultural products into the United States could choose to use to certify that those products were not produced with the use of abusive forms of child labor.	
T3-17	Biotechnology and Agricultural Trade Program	Section 1543(A)(d) of the 1990 farm bill. This program is aimed at removing, resolving, or mitigating significant regulatory non-tariff barriers to the export of United States agricultural commodities into foreign markets through public and private sector projects funded by the U.S. Department of Agriculture.	No comparable provision	§ 3203 reauthorizes the Biotechnology and Agricultural Trade Program through 2012	
T3-18	Technical Assistance for international trade disputes	No existing law.	§ 3008. Authorizes the Secretary to provide technical assistance for limited resource groups involved in trade disputes. This program is subject to appropriations.	§ 3204 authorizes the Secretary to provide technical assistance for limited resource groups involved in trade disputes. This program is subject to appropriations.	
T3-19	Importation of high protein food ingredients	No existing law	No comparable provision	§3206 requires the Secretary of Health and Human Services to report to Congress on the importation and use of high protein food ingredients.	
T3-20	U.S.-Canada Softwood Lumber Agreement	No existing law.	No comparable provision	§11093 expresses the Sense of the Senate with respect to ongoing problems with application of the Softwood Lumber Agreement with Canada.	