The Government of the United States of America and the Government of the People's Republic of the Congo, desiring to promote greater economic cooperation between them, with respect to investment by nationals and companies of one Party in the territory of the other Party; and

Recognizing that agreement upon the treatment to be accorded such investment will stimulate the flow of private capital and the economic development of the Parties,

Agreeing that fair and equitable treatment of investment is desirable in order to maintain a stable framework for investment and maximum effective utilization of economic resources, and

Having resolved to conclude a Treaty concerning the encouragement and reciprocal protection of investment,

Have agreed as follows:

ARTICLE I

1. For the purpose of this Treaty,

(a) "company of a Party" means any kind of corporation, company, association, or other organization, legally constituted under the laws and regulations of a Party or a political subdivision thereof whether or not organized for pecuniary gain, or privately or governmentally owned;

(b) "investment" means every kind of investment, in the territory of one Party owned or controlled directly or indirectly by nationals or companies of the other Party, such as equity, debt, and service and investment contracts; and includes:

(i) tangible and intangible property, including rights, such as mortgages, liens and pledges;

(ii) a company or shares of stock or other interests in a company or interests in the assets thereof,

(iii) a claim to money or a claim to performance having economic value, and associated with an investment;

(iv) intellectual and industrial property rights, including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, trade secrets and know-how, and goodwill; and
(v) any right conferred by law or contract, and any licenses and permits pursuant to law;

(c) "national" of a Party means a natural person who is a national of a Party under its applicable law;

(d) "return" means an amount derived from or associated with an investment, including profit; dividend; interest; capital gain; royalty payment; management, technical assistance or other fee; or returns in kind;

(e) "associated activities" include the organization, control, operation, maintenance and disposition of companies, branches, agencies, offices, factories or other facilities for the conduct of business; the making, performance and enforcement of contracts; the acquisition, use, protection and disposition of property of all kinds including intellectual and industrial property rights; and the borrowing of funds, the purchase and issuance of equity shares, and the purchase of foreign exchange for imports.

2. Each Party reserves the right to deny to any company the advantages of this Treaty if nationals of any third country control such company and, in the case of a company of the other Party, that company has no substantial business activities in the territory of the other Party or is controlled by nationals of a third country with which the denying Party does not maintain normal economic relations.

3. Any alteration of the form in which assets are invested or reinvested shall not affect their character as investment.

ARTICLE II

1. Each Party shall permit and treat investment, and activities associated therewith, on a basis no less favorable than that accorded in like situations to investment or associated activities of its own nationals or companies, or of nationals or companies of any third country, whichever is the most favorable, subject to the right of each Party to make or maintain exceptions falling within one of the sectors or matters listed in the Annex to this Treaty. Each Party agrees to notify the other Party before or on the date of entry into force of this Treaty of all such laws and regulations of which it is aware concerning the sectors or matters listed in the Annex. Moreover, each Party agrees to notify the other of any future exception with respect to the sectors or matters listed in the Annex, and to limit such exceptions to a minimum. Any future exception by either Party shall not apply to investment existing in that sector or matter at the time the exception becomes effective. The treatment accorded pursuant to any exceptions shall not be less favorable than that accorded in like situations to investments and associated activities of nationals or companies of any third country, except with respect to ownership of real property. Rights to engage in mining on the public domain shall be dependent on reciprocity.

2. Investment shall at all times be accorded fair and equitable treatment, shall enjoy full protection and security and shall in no case be accorded treatment less than that required by international law. Neither Party shall in any way impair by arbitrary and discriminatory measures the management, operation, maintenance, use, enjoyment,
acquisition, expansion, or disposal of investments. Each Party shall observe any
obligation it may have entered into with regard to investments.

3. Subject to the laws relating to the entry and sojourn of aliens, nationals of either
Party shall be permitted to enter and to remain in the territory of the other Party for
the purpose of establishing, developing, administering or advising on the operation of
an investment to which they, or a company of the first Party, that employs them, have
committed or are in the process of committing a substantial amount of capital or other
resources.

4. Companies which are legally constituted under the applicable laws or regulations
of one Party, and which are investments, shall be permitted to engage top
managerial personnel of their choice, regardless of nationality.

5. Neither Party shall impose performance requirements as a condition of
establishment, expansion or maintenance of investments, which require or enforce
commitments to export goods produced, or which specify that goods or services must
be purchased locally, or which impose any other similar requirements.

6. Each Party shall provide effective means of asserting claims and enforcing rights
with respect to investment agreements, investment authorizations and properties.

7. Each Party shall make public all laws, regulations, administrative practices and
procedures, and adjudicatory decisions that pertain to or affect investments.

8. The treatment accorded by the United States of America to investments and
associated activities under the provisions of this Article shall in any State, Territory or
possession of the United States of America be the treatment accorded therein to
companies legally constituted under the laws and regulations of other States,
Territories or possessions of the United States of America.

9. The most favored nation provisions of this Article shall not apply to advantages
accorded by either Party to nationals or companies of any third country by virtue of
that Party's binding obligations that derive from full membership in a regional
customs union or free trade area.

ARTICLE III

1. Investments shall not be expropriated or nationalized either directly or indirectly
through measures tantamount to expropriation or nationalization ("expropriation")
except for a public purpose; in a non-discriminatory manner; upon payment of
prompt, adequate and effective compensation; and in accordance with due process
of law and the general principles of treatment provided for in Article 11(2).
Compensation shall be equivalent to the fair market value of the expropriated
investment immediately before the expropriatory action was taken or became known;
be paid without delay; include interest at a commercially reasonable rate from the
date of expropriation; be fully realizable; and be freely transferable at the prevailing
market rate of exchange on the date of expropriation.

2. A national or company of either Party that asserts that all or part of its investment
has been expropriated shall have a right to prompt review by the appropriate judicial
or administrative authorities of the other Party to determine whether any such
expropriation has occurred and, if so, whether such expropriation, and any
compensation therefor, conforms to the principles of international law.

3. Nationals or companies of either Party whose investments are losses in the
territory of the other Party owing to war or armed conflict, revolution, state or national
emergency, insurrection, civil disturbance or other similar events shall be accorded
treatment by such other Party no less favorable than that accorded to its own
nationals or companies or to nationals or company of any third country, whichever is
the most favorable treatment, as regards any measures it adopts in relation to such
losses.

ARTICLE IV

1. Each Party shall permit all transfers related to an investment be made freely and
without delay into and out of its territory. Such transfers include: (a) returns; (b)
compensation pursuant to article III; (c) payments arising out of an investment
dispute; (d) agreements made under a contract, including amortization of principle
and accrued interest payments made pursuant to a loan agreement; (e) proceeds
from the sale or liquidation of all or any part of investment; and (f) additional
contributions to capital for the maintenance or development of an investment.

2. Except as provided in Article III paragraph 1, transfers shall be made in a freely
convertible currency at the prevailing market of exchange on the date of transfer with
respect to spot transactions in the currency to be transferred.

3. Notwithstanding the provisions of paragraphs 1 and 2, either may maintain laws
and regulations (a) requiring reports of currency transfer; and (b) imposing income
taxes by such means as withholding tax applicable to dividends or other transfers.
Furthermore, either Party may protect the rights of creditors, or the satisfaction of
judgments in adjudicatory proceedings, through the equitable, nondiscriminatory and
good faith application of its law.

ARTICLE V

The Parties agree to consult promptly, on the request of either, resolve any disputes
in connection with the Treaty, or to discuss matters relating to the interpretation or
application of the treaty.

ARTICLE VI

1. For the purposes of this Article, an investment dispute is deemed as a dispute
involving (a) the interpretation or application of investment agreement between a
Party and a national or company of the other Party; (b) the interpretation or
application of a investment authorization granted by a Party's foreign investment
authority to such national or company; or (c) an alleged breach of any right conferred
or created by this Treaty with respect to an investment.

2. In the event of an investment dispute between a Party and a national or company
of the other Party, the parties to the dispute shall initially seek to resolve the dispute
by consultation and negotiation, which may include the use of non-binding, third party
procedures. Subject to Paragraph 3 of this Article, if the dispute cannot be resolved
through consultation and negotiation, the dispute shall be submitted for settlement in
accordance with previously agreed, applicable dispute-settlement procedures; any
dispute-settlement procedures including those relating to expropriation and specified
in the investment agreement shall remain binding and shall be enforceable in
accordance with the terms of the investment agreement, relevant provisions of
domestic laws, and applicable international agreements regarding enforcement of
arbitral awards.

3. (a) The national or company concerned may choose to consent in writing to the
submission of the dispute to the International Settlement of Investment Disputes
("Centre") or to plying the rules of the Centre, for the settlement or binding arbitration,
at any time after six upon which the dispute arose. Once the national or company
concerned has so consented, either party to the dispute may institute such
proceedings provided:

(i) the dispute has not been submitted by the national or company for resolution in
accordance with any applicable previously agreed dispute settlement procedures;
and

(ii) the national or company concerned has not brought the dispute before the courts
of justice or administrative tribunals or agencies of competent jurisdiction of the Party
that is a party to the dispute. If the parties disagree over whether conciliation or
binding arbitration is the more appropriate procedure to be employed, the opinion of
the national or company concerned shall prevail.

(b) Each Party hereby consents to the submission of an investment dispute to the
Centre for settlement by conciliation or binding arbitration, or, in the event the Centre
is not available, to the submission of the dispute to ad hoc arbitration applying the
rules of the Centre.

(c) Conciliation or binding arbitration of such disputes shall be done applying the
provisions of the Convention of the Settlement of Investment Disputes Between
States and Nationals of Other States done at Washington, March 18, 1965
("Convention") and the Regulations and Rules or the Centre.

4. In any proceeding involving an investment dispute, a Party shall not assert, as a
defense, counter-claim, right of set-off or otherwise, that the national or company
concerned has received or will receive, pursuant to an insurance or guarantee
contract, indemnification or other compensation for all or part of its alleged damages.

5. For the purposes of this Article, any company legally constituted under the
applicable laws and regulations of either Party or a political subdivision thereof but
that, immediately before the occurrence of the event or events giving rise to the
dispute, was an investment of nationals or companies of the other Party, shall, in
accordance with Article 25 (2) (b) of the Convention, be treated as a national or
company of such other Party.

ARTICLE VII
1. Any dispute between the Parties concerning the interpretation or application of the Treaty which is not resolved through consultations other diplomatic channels, shall be submitted, upon the request of either Party, to an arbitral tribunal for binding decision in accordance with the applicable rules of international law. In the absence of an agreement by the Parties to the contrary, the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL), except to the extent modified by the Party or by the arbitrators, shall govern.

2. Within two months of receipt of a request, each Party shall appoint an arbitrator. The two arbitrators shall select a third arbitral as Chairman, who is a national of a third State. The UNCITRAL Rules for appointing members of three member panels shall apply mutatis mutandis to the appointment of the arbitral panel except that the appointing authority referenced in those rules shall be the Secretary General of the Centre.

3. Unless otherwise agreed, all submissions shall be made and all hearings shall be completed within six months of the date of selection of the third arbitrator, and the Tribunal shall render its decision within two months of the date of the final submissions or the of the closing of the hearings, whichever is later.

4. Expenses incurred by the Chairman, the other arbitrators, an other costs of the proceedings shall be paid for equally by the Parties. The Tribunal may, however, at its discretion, direct that a higher proportion of the costs be paid by one of the Parties.

ARTICLE VIII

The provisions of Article VI and VII shall not apply to a dispute arising (a) under the export credit, guarantee or insurance programs of the Export-Import Bank of the United States or (b) under other official credit, guarantee or insurance arrangements pursuant to which the Parties have agreed to other means of settling disputes.

ARTICLE IX

This Treaty shall not derogate from:

(a) laws and regulations, administrative practices or procedures, or administrative or adjudicators decisions of either Party;

(b) international legal obligations; or

(c) obligations assumed by either Party, including those contained in an investment agreement or an investment authorization, that entitle investments or associated activities to treatment more favorable than that accorded by this Treaty in such situations.

ARTICLE X

1. This Treaty shall not preclude the application by either Party of measures necessary for the maintenance of public order, the fulfillment of its obligations with
respect to the maintenance or restoration of international peace or security, or the protection of its own essential security interests.

2. This Treaty shall not preclude either Party from prescribing special formalities in connection with the establishment of investments, but such formalities shall not impair the substance of any of the rights set forth in this Treaty.

ARTICLE XI

1. With respect to its tax policies, each Party should strive to accord fairness and equity in the treatment of investment of nationals and companies of the other Party.

2. Nevertheless, the provisions of this Treaty, and in particular Article VI and VII, shall apply to matters of taxation only with respect to the following:

(a) expropriation, pursuant to Article III;

(b) transfers, pursuant to Article IV; or

(c) the observance and enforcement of terms of an investment agreement or authorization as referred to in Article VI (1) (a) or (b), to the extent they are not subject to the dispute settlement provisions of a Convention for the avoidance of double taxation between the two Parties, or have been raised under such settlement provisions and are not resolved within a reasonable period of time.

ARTICLE XII

This Treaty shall apply, mutatis mutandis, to the political subdivisions of the parties.

ARTICLE XIII

1. This Treaty shall enter into force thirty days after the date of exchange of instruments of ratification. It shall remain in force for a period of ten years and shall continue in force unless terminated in accordance with paragraph 2 of this Article. It shall apply to investments existing at the time of entry into force as well as to investments made or acquired thereafter.

2. Either Party may, by giving one year's written notice to the other Party, terminate this Treaty at the end of the initial ten year period or at any time thereafter.

3. With respect to investments made or acquired prior to the date of termination of this Treaty and to which this Treaty otherwise applies, the provisions of all of the other Articles of this Treaty shall thereafter continue to be effective for a further period of ten years from such date of termination.

4. The Annex shall form an integral part of the Treaty.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Treaty.

DONE in duplicate at Washington on the twelfth day of February, 1990, in the English and French languages, both texts being equally authentic.
Consistent with Article II paragraph 1, each Party reserves the right to maintain limited exceptions in the sectors or matters it has indicated below:

**The United States of America**
Air transportation; ocean and coastal shipping; banking; insurance; government grants; government insurance and loan programs; energy and power production; custom house brokers; ownership of real estate; ownership and operation of broadcast or common carrier radio and television stations; ownership of shares in the Communications Satellite Corporation; the provisions common carrier telephone and telegraph services; the provision of submarine cable services; use of land and natural resources; primary dealerships in government securities; land-based maritime transport facilities.

**The People’s Republic of the Congo**
The insurance sector; government lending and insurance programs; energy production; certified customs agents; real estate, radio and television broadcasts; telephone and telegraph services drinking water supply; rail transportation; air transport.
having considered the same, reports favorably thereon without amendment and recommends that the Senate gave its advise and consent to ratification thereof.

PURPOSE

The Treaty Between the Government of the United States of America and the Government of the People’s Republic of the Congo Concerning the Reciprocal Encouragement and Protection of Investment, signed at Washington on February 12, 1990 was transmitted by President Bush on March 19, 1991 (Treaty Doc. 102-1). The Treaty is part of a series of bilateral investment treaties being negotiated by the United States. The principal purpose of the bilateral investment treaties is to promote the free flow of international investment and to encourage and protect United States investment in developing countries.

MAJOR PROVISIONS

Before entering into negotiations, the United States developed a model treaty which sought to incorporate provisions which would facilitate the free flow of investment, prohibit practices which have emerged in various countries which inhibit the free flow, and generally codify rules on investment and dispute settlement, which the United States views as well as established international law and precedent. Specifically, the model treaty seeks to achieve the following objectives:

-- the better of either national or most-favored nation treatment, for each party to the treaty, thereby providing in the case of United States companies a "level playing field" in competing with national and third country investors, subject to specified exceptions set forth in the annex to each treaty;

-- Application of international law standards to the expropriation of investments, permitting expropriation only for a public purpose and requiring the payment of prompt and fair compensation;

-- The free transfer of funds associated with an investment into and out of the host country;

-- Access to binding international arbitration for settlement of investment disputes;
-- A prohibition on the imposition of performance requirements, which have become important as countries have increasingly imposed requirement to use domestically produced goods; and imposed requirements to use domestically produced goods; and

-- The right of companies to hire top managers of their choice; regardless of nationality.

In each of the bilateral investment treaties, including this treaty, the United States has reserved the right to make or maintain limited exceptions to national or most-favored nation treatment in specific sectors or matters set forth in the annex to the treaty.

INVESTMENT BARRIERS
The Administration submitted the following response to the committee's inquiry regarding investment barriers identified in the process of negotiating this treaty.

As noted above, the USF (United States Government) participates in BIT discussions with countries whose investment regimes are roughly consistent with the BIT principles. In every BIT, countries agree to provide the better of national or most-favored nation treatment to investments subject to each Party's exceptions. These exceptions are designed to accommodate the derogations from national treatment in state and national laws which may constitute investment barriers . . .

Concern was raised over government screening of foreign investment. While some Congolese laws are at present inconsistent with the elements of the treaty, the treaty will supersede domestic law in the Congo. As a result, United States investments will be granted at least the better of national treatment of MFN on entry and post establishment.

BILATERAL INVESTMENT TREATY PROGRAM

The earliest formal economic treaties that the United States negotiated with other countries were a series of Friendship, Commerce, and Navigation (FCN) treaties. These treaties set the framework for U.S. trade and investment relations with foreign countries.

With the advent of the General Agreement on Tariffs and Trade (GATT), U.S. trade relations began to be set with foreign countries through multilateral trade agreements and the use of FCN treaties faded; the last two FCNs were negotiated in the late 1960s. This multilateral approach left a gap in relations with foreign countries involving U.S. investment issue of performance requirements in the Trade Related Investment Measures (TRIMS) of the current Uruguay trade negotiations. The North American Free Trade Agreement also has investment provisions similar to a bilateral investment treaty.

In an attempt to promote the free flow of investment internationally, in the absence of multilaterally agreed to rules, the United States began, in 1981, to negotiate a new series of treaties called the Bilateral Investment Treaties (BITs). The BIT program is designed to provide certain mutual guarantees and protections and to created a more stable and predictable legal framework for foreign investors with each of the treaty partners. A special tenet of the program is to ensure that United States direct investment abroad and foreign investment in the United States receive fair, equitable and non-discriminatory treatment. The BITs are, therefore, the modern successor on the Investment side to the Friendship, Commerce, and Navigation Treaty series. In comparison to its predecessor, the BIT is far more detailed and provides greater protection for the foreign investor, including an investor-to-state disputes mechanism that generates to United States investors the right to binding arbitration against the host state without the involvement of the United States government.

The Senate gave its advise and consent to ratification of BIT's with Senegal, Zaire, Morocco, Turkey, Cameroon, Bangladesh, Egypt and Grenada in 1988, and in 1990 a BIT with Panama and a business and economic relations treaty with Poland was the first extension of this program to facilitate the continuation of economic and political changes which have taken place in Eastern Europe over the last four years. All of these treaties have entered into force except the one with Poland. The treaty
with Poland has not been brought into force because Polish law on intellectual property rights has not yet been revised in conformity with the terms of the treaty.

The negotiation of BITs has accelerated dramatically since 1990. The administration has signed a BIT with Kazakhstan, Argentina and Romania. These treaties should be submitted to the Senate later this year. Negotiations are currently ongoing with Uruguay, Bolivia, Nigeria, Hungary, Jamaica, Armenia, Costa Rica, Hong Kong, Venezuela, Colombia, Pakistan, Peru, Mongolia, Kyrgyzstan, Barbados and Bulgaria. In addition, there are 14 other countries with which the Administration hopes to initiate negotiations in the near future.

EXPERIENCE OF TREATIES IN FORCE

The administration has informed the committee that there have been no major problems involving a U.S. investment, with the exception of Zaire, in countries with which bilateral investment treaties are in force. They have also stated there have been no cases in which the bilateral investment treaty dispute settlement mechanism for international arbitration has been invoked.

Our experience to date with the United States bilateral investment treaties in force is that they are a valuable tool, both for the United States investor and the United States government, to insure that our bilateral investment treaty partners protect United States investment. In two cases (Panama and Zaire), the United States government has been notified by the United States investors of potential bilateral investment treaty violations, and in both cases the United States Embassy in the host country made demarches to the host government. In one case, the host government stopped the offending practice and in the other Zaire (discussed infra) consultations are continuing.

Recently disputes have arisen between United States companies and the Government of Zaire regarding the taking of petroleum product installations, and compensation for the destruction of property during the civil disturbances of September and October 1991. The United States has informed the Government of Zaire that we expect Zaire to fulfill its obligations under the bilateral investment treaty with respect to both these problems, and to return the petroleum installations to their United States owners. We have also advised the United States companies involved of their rights under the bilateral investment treaty. If negotiated settlement cannot be reached after six months, they have the right directly to seek remedy in the courts of Zaire or through international arbitration. We will continue to remain fully engaged with the Government of Zaire in seeking resolution of these issues. (Answer to questions submitted by Chairman Pell to the administration.)

The administration has indicated that in a number of the countries with BITs in effect, U.S. investment has increased since the BIT went into force. However, the administration has pointed out that the existence of a BIT will not guarantee increased U.S. investment. Because investment decisions are based on a variety of factors and the BITs have only been in force for a short period of time, the administration says it would be difficult to draw a relationship between increased investment and the BITs.

TREATY PROVISIONS
The Congo treaty is virtually identical to the model bilateral investment treaty used by the administration and meets all of its objectives set forth above.

The Congo reserved the right to maintain limited exceptions to national or MFN treatment in the following sectors or matters set forth in the Annex to the treaty:

The insurance sector; government lending and insurance programs; energy production; certified customs agents; real estate; radio and television broadcasts; telephone and telegraph services; drinking water supply; rail transportation; and air transport.

ENTRY INTO FORCE

The treaty enters into force 30 days after exchange of ratification and continues in force for at least ten years. Thereafter, either party may terminate the treaty, subject to one year's written notice.

The treaty text and the administration's summary analysis of the treaty is set forth in Treaty Doc. 102-1. The administration's responses to committee questions regarding the interpretation of treaty provisions is available for review as part of the committee's hearing record on this treaty.

COMMITTEE ACTION

On August 4, 1992, the committee held a hearing on this treaty. Testimony was received by the Hon. Eugene J. McAllister, Assistant Secretary for Economic and Business Affairs Bureau, Department of State.

The committee also received answers from the administration to numerous questions regarding the operation of the bilateral investment treaty program and the provisions of this treaty. This material, together with the administration's "Description of the U.S. Model Bilateral Investment Treaty (BIT) of February 1992", has been made a part of the official record of these hearings.

In addition, the committee received statements in support of the treaty from the National Association of Manufacturers, the United States Council for International Business and Kenneth J. Vandevelde, Associate Professor of Law, Western State University College of Law, San Diego, California.

The committee voted to report favorably the treaty, and recommends that the Senate give its advice and consent to ratification thereof by a voice vote, with a quorum being present, at a meeting on August 6, 1992.

TEXT OF RESOLUTION OF RATIFICATION
