106TH CONGRESS 1ST SESSION  
H. R. 3406

To require the President to report annually to the Congress on the effects of the imposition of unilateral economic sanctions by the United States.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 1999

Mr. Sawyer introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To require the President to report annually to the Congress on the effects of the imposition of unilateral economic sanctions by the United States.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. FINDINGS.

3 The Congress finds that—

4 (1) in the face of a more politically complicated and commercially integrated world in the post-cold war era, the unilateral economic sanctions policy of the United States must become a more sophisticated
tool in order to better serve the national interests of the United States;

(2) Members of Congress need more detailed and unbiased information that can be compared on a yearly basis in order to evaluate accurately the costs and benefits of unilateral economic sanctions; and

(3) a comprehensive annual report to pertinent congressional committees from the executive branch on sanctions policy will allow the United States Government to view economic sanctions in a more effective, targeted, and flexible manner and better analyze the success of meeting foreign policy objectives.

SEC. 2. ANNUAL REPORT TO CONGRESS BY THE PRESIDENT.

(a) IN GENERAL.—The President, in consultation with the Secretaries of State, Commerce, Defense, Agriculture, Energy, and Transportation, and the United States Trade Representative, shall, by not later than December 31 of each year, report to all committees of Congress with jurisdiction affected by United States policies on unilateral economic sanctions on the costs and benefits within the United States, and, to the extent possible, the economic implications for the targeted foreign countries or entities concerned, of the imposition of unilateral eco-
(b) Details of Report.—

(1) In general.—Each report under subsection (a) shall set forth the costs and benefits of unilateral economic sanctions to specific sectors of the United States economy, including the services sector, expressed in terms of economic indicators. Among other indicators, the report shall compare levels of imports and exports of domestic products and services with those of internationally competitive products and services. The analyses in the reports under subsection (a) shall be presented in a consistent fashion so as to ensure an accurate comparison of the costs and effects of unilateral economic sanctions from year to year. Each report shall, as well as stating current effects, project future effects of the unilateral economic sanctions at issue.

(2) Economic effects on targeted countries or entities.—To the extent possible, each report shall address the economic effects of unilateral economic sanctions on the countries and entities on which the sanctions are imposed, and the extent to which the foreign policy goals of the United States have been achieved by the sanctions. The re-
port shall also project the economic effects of the
continued application of unilateral economic sanc-
tions on each such country or entity and how this
will further achieve the foreign policy goals of the
United States.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) UNILATERAL ECONOMIC SANCTION.—

(A) IN GENERAL.—The term “unilateral
economic sanction” means any prohibition, re-
striction, or condition on economic activity, in-
cluding economic assistance, with respect to a
foreign country or foreign entity that is im-
posed by the United States for reasons of for-
egn policy or national security, including any of
the measures described in subparagraph (B),
except in a case in which the United States im-
poses the measure pursuant to a multilateral
regime and the other members of that regime
have agreed to impose substantially equivalent
measures.

(B) PARTICULAR MEASURES.—The meas-
ures referred to in subparagraph (A) are the
following:
(i) The suspension, restriction, or prohibition of exports or imports of any product, technology, or service to or from a foreign country or entity.

(ii) The suspension of, or any restriction or prohibition on, financial transactions with a foreign country or entity.

(iii) The suspension of, or any restriction or prohibition on, direct or indirect investment in or from a foreign country or entity.

(iv) The imposition of increased tariffs on, or other restrictions on imports of, products of a foreign country or entity, including the denial, revocation, or conditioning of nondiscriminatory trade treatment (normal trade relations).

(v) The suspension of, or any restriction or prohibition on—

(I) the authority of the Export-Import Bank of the United States to give approval to the issuance of any guarantee, insurance, or extension of credit in connection with the export of
goods or services to a foreign country
or entity;

(II) the authority of the Trade
and Development Agency to provide
assistance in connection with projects
in a foreign country or in which a
particular foreign entity participates;
or

(III) the authority of the Over-
seas Private Investment Corporation
to provide insurance, reinsurance, or
financing, or conduct other activities
in connection with projects in a for-
egn country or in which a particular
foreign entity participates.

(vi) Any prohibition or restriction on
the sale, export, lease, or other transfer of
any defense article, defense service, or de-
sign and construction service under the
Arms Export Control Act, or on any fi-
nancing provided under that Act.

(vii) A requirement that the United
States representative to an international fi-
nancial institution vote against any loan or
other utilization of funds to, for, or in a foreign country or particular foreign entity.

(viii) A measure imposing any restriction or condition on economic activity on any foreign government or entity on the grounds that such government or entity does business in or with a foreign country.

(ix) A measure imposing any restriction or condition on economic activity on any person that is a national of a foreign country, or on any government or other entity of a foreign country, on the grounds that the government of that country has not taken measures in cooperation with, or similar to, sanctions imposed by the United States on a third country.

(x) The suspension of, or any restriction or prohibition on, travel rights or air transportation to or from a foreign country.

(xi) Any restriction on the filing or maintenance in a foreign country of any proprietary interest in intellectual property rights (including patents, copyrights, and
trademarks), including payment of patent
maintenance fees.

(C) MULTILATERAL REGIME.—As used in
this paragraph, the term “multilateral regime”
means an agreement, arrangement, or obliga-
tion under which the United States cooperates
with other countries in restricting commerce for
reasons of foreign policy or national security,
including—

(i) obligations under resolutions of the
United Nations;

(ii) nonproliferation and export con-
trol arrangements, such as the Australia
Group, the Nuclear Supplier’s Group, the
Missile Technology Control Regime, and
the Wassenaar Arrangement;

(iii) treaty obligations, such as under
the Chemical Weapons Convention, the
Treaty on the Non-Proliferation of Nuclear
Weapons, and the Biological Weapons Con-
vention; and

(iv) agreements concerning protection
of the environment, such as the Inter-
national Convention for the Conservation
of Atlantic Tunas, the Declaration of Pan-

(D) Economic assistance.—The term “economic assistance” means—

(i) any assistance under part I or chapter 2, 4, 5, or 8 of part II of the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation), any benefits under part IV of that Act (relating to the Enterprise for the Americas Initiative), or any benefits under part V of that Act, relating to tropical forest preservation;

(ii) the provision of agricultural commodities, or other assistance or benefits, under the Agricultural Trade Development
and Assistance Act of 1954, including the Enterprise for the Americas Initiative; and

(iii) any assistance under the FREE-DOM Support Act or the Support for East European Democracy (SEED) Act of 1989.

(E) FINANCIAL TRANSACTION.—As used in this paragraph, the term “financial transaction” has the meaning given that term in section 1956(c)(4) of title 18, United States Code.

(F) INVESTMENT.—As used in this paragraph, the term “investment” means any contribution or commitment of funds, commodities, services, patents, or other forms of intellectual property, processes, or techniques, including—

(i) a loan or loans;

(ii) the purchase of a share of ownership;

(iii) participation in royalties, earnings, or profits; and

(iv) the furnishing or commodities or services pursuant to a lease or other contract.

(G) EXCLUSIONS.—The term “unilateral economic sanction” does not include—
(i) any measure imposed to remedy unfair trade practices or to enforce United States rights under a trade agreement, including under section 337 of the Tariff Act of 1930, title VII of that Act, title III of the Trade Act of 1974, sections 1374, 1376, and 1377 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3103 and 3106), and section 3 of the Act of March 3, 1933 (41 U.S.C. 10b–1);

(ii) any measure imposed to remedy market disruption or to respond to injury to a domestic industry for which increased imports are a substantial cause or threat thereof, including remedies under sections 201 and 406 of the Trade Act of 1974, and textile import restrictions (including those imposed under section 204 of the Agricultural Act of 1956 (7 U.S.C. 1784));

(iii) any measure imposed to restrict imports of agricultural commodities to protect food safety or to ensure the orderly marketing of commodities in the United States, including actions taken under sec-
tion 22 of the Agricultural Adjustment Act (7 U.S.C. 624);

(iv) any measure imposed to restrict imports of any other products in order to protect domestic health or safety; and

(v) any measure authorized by, or imposed under, a multilateral or bilateral trade agreement to which the United States is a signatory, including the Uruguay Round Agreements, the North American Free Trade Agreement, the United States-Israel Free Trade Agreement, and the United States-Canada Free Trade Agreement.

(2) AGRICULTURAL COMMODITY.—The term “agricultural commodity” has the meaning given that term in section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)).