

106TH CONGRESS
1ST SESSION

H. R. 1244

To provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1999

Mr. CRANE (for himself, Mr. DOOLEY of California, Mr. MANZULLO, Mr. ARCHER, Mr. BEREUTER, Mr. ROYCE, Mr. SALMON, Mr. CLEMENT, Mr. HOUGHTON, Mr. CAMPBELL, Mr. BRADY of Texas, Mr. RANGEL, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. HERGER, Mr. MCCRERY, Ms. DUNN, Mr. JEFFERSON, Mr. PORTMAN, Mr. ENGLISH, Mr. WATKINS, Mr. STENHOLM, Mr. BOUCHER, Mr. DREIER, Mr. PRICE of North Carolina, Mr. BLILEY, Mr. MORAN of Virginia, Mr. OXLEY, Mr. MINGE, Mr. KOLBE, Mr. POMEROY, Mr. CALLAHAN, Mr. LUTHER, Mr. EWING, Mr. BLUMENAUER, Mr. BOEHNER, Ms. LOFGREN, Mr. MCINTOSH, Mr. DAVIS of Florida, Mr. HASTINGS of Washington, Mr. JOHN, Mr. NETHERCUTT, Mr. SNYDER, Mr. SESSIONS, Mr. SMITH of Washington, Mr. SHIMKUS, Mrs. TAUSCHER, Mr. REYNOLDS, Mr. SHOWS, Mr. KUYKENDALL, Mrs. NAPOLITANO, Mr. BAIRD, Mr. SKELTON, Mrs. BIGGERT, Mr. RAMSTAD, and Mr. MORAN of Kansas) 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 provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Enhancement of
3 Trade, Security, and Human Rights through Sanctions
4 Reform Act”.

5 **SEC. 2. PURPOSE.**

6 It is the purpose of this Act to establish an effective
7 framework for consideration by the legislative and execu-
8 tive branches of unilateral economic sanctions in order to
9 ensure coordination of United States policy with respect
10 to trade, security, and human rights.

11 **SEC. 3. STATEMENT OF POLICY.**

12 It is the policy of the United States—

13 (1) to pursue United States interests through
14 vigorous and effective diplomatic, political, commer-
15 cial, charitable, educational, cultural, and strategic
16 engagement with other countries, while recognizing
17 that the national security interests of the United
18 States may sometimes require the imposition of eco-
19 nomic sanctions on other countries;

20 (2) to foster multilateral cooperation on vital
21 matters of United States foreign policy, including
22 promoting human rights and democracy, combating
23 international terrorism, proliferation of weapons of
24 mass destruction, and international narcotics traf-
25 ficking, and ensuring adequate environmental pro-
26 tection;

1 (3) to promote United States economic growth
2 and job creation by expanding exports of goods,
3 services, and agricultural commodities, and by en-
4 couraging investment that supports the sale abroad
5 of products and services of the United States;

6 (4) to maintain the reputation of United States
7 businesses and farmers as reliable suppliers to inter-
8 national customers of quality products and services,
9 including United States manufactures, technology
10 products, financial services, and agricultural com-
11 modities;

12 (5) to avoid the use of restrictions on exports
13 of agricultural commodities as a foreign policy weap-
14 on;

15 (6) to oppose policies of other countries de-
16 signed to discourage economic interaction with coun-
17 tries friendly to the United States or with any
18 United States national, and to avoid use of such
19 measures as instruments of United States foreign
20 policy; and

21 (7) when economic sanctions are necessary—

22 (A) to target them as narrowly as possible
23 on those foreign governments, entities, and offi-
24 cials that are responsible for the conduct being
25 targeted, thereby minimizing unnecessary or

disproportionate harm to individuals who are not responsible for such conduct; and

(B) to the extent feasible, to avoid any adverse impact of economic sanctions on the humanitarian activities of United States and foreign nongovernmental organizations in a country against which sanctions are imposed.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) UNILATERAL ECONOMIC SANCTION.—

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

1 (B) PARTICULAR MEASURES.—The meas-
2 ures referred to in subparagraph (A) are the
3 following:

4 (i) The suspension, restriction, or pro-
5 hibition of exports or imports of any prod-
6 uct, technology, or service to or from a for-
7 eign country or entity.

8 (ii) The suspension of, or any restric-
9 tion or prohibition on, financial trans-
10 actions with a foreign country or entity.

11 (iii) The suspension of, or any restric-
12 tion or prohibition on, direct or indirect in-
13 vestment in or from a foreign country or
14 entity.

15 (iv) The imposition of increased tar-
16 iffs on, or other restrictions on imports of,
17 products of a foreign country or entity, in-
18 cluding the denial, revocation, or condi-
19 tioning of nondiscriminatory trade treat-
20 ment (normal trade relations).

21 (v) The suspension of, or any restric-
22 tion or prohibition on—

23 (I) the authority of the Export-
24 Import Bank of the United States to
25 give approval to the issuance of any

1 guarantee, insurance, or extension of
2 credit in connection with the export of
3 goods or services to a foreign country
4 or entity;

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

11 (III) the authority of the Over-
12 seas Private Investment Corporation
13 to provide insurance, reinsurance, fi-
14 nancing, or conduct other activities in
15 connection with projects in a foreign
16 country or in which a particular for-
17 eign entity participates.

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

23 (vii) A measure imposing any restric-
24 tion or condition on economic activity on
25 any foreign government or entity on the

1 grounds that such government or entity
2 does business in or with a foreign country.

3 (viii) A measure imposing any restric-
4 tion or condition on economic activity on
5 any person that is a national of a foreign
6 country, or on any government or other en-
7 tity of a foreign country, on the grounds
8 that the government of that country has
9 not taken measures in cooperation with, or
10 similar to, sanctions imposed by the
11 United States on a third country.

12 (ix) The suspension of, or any restric-
13 tion or prohibition on, travel rights or air
14 transportation to or from a foreign coun-
15 try.

16 (x) Any restriction on the filing or
17 maintenance in a foreign country of any
18 proprietary interest in intellectual property
19 rights (including patents, copyrights, and
20 trademarks), including payment of patent
21 maintenance fees.

22 (C) MULTILATERAL REGIME.—As used in
23 this paragraph, the term “multilateral regime”
24 means an agreement, arrangement, or obliga-
25 tion under which the United States cooperates

1 with other countries in restricting commerce for
2 reasons of foreign policy or national security,
3 including—

4 (i) obligations under resolutions of the
5 United Nations;

6 (ii) nonproliferation and export con-
7 trol arrangements, such as the Australia
8 Group, the Nuclear Supplier's Group, the
9 Missile Technology Control Regime, and
10 the Wassenaar Arrangement;

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

16 (iv) agreements concerning protection
17 of the environment, such as the Inter-
18 national Convention for the Conservation
19 of Atlantic Tunas, the Declaration of Pan-
20 ama referred to in section 2(a)(1) of the
21 International Dolphin Conservation Act
22 (16 U.S.C. 1361 note), the Convention on
23 International Trade in Endangered Spe-
24 cies, the Montreal Protocol on Substances
25 that Deplete the Ozone Layer, and the

1 Basel Convention on the Control of
2 Transboundary Movements of Hazardous
3 Wastes.

4 (D) ECONOMIC ASSISTANCE.—The term
5 “economic assistance” means—

6 (i) any assistance under part I or
7 chapter 4 of part II of the Foreign Assist-
8 ance Act of 1961 (including programs
9 under title IV of chapter 2, relating to the
10 Overseas Private Investment Corporation);
11 and

12 (ii) the provision of agricultural com-
13 modities, other than food, under the Agri-
14 cultural Trade Development and Assist-
15 ance Act of 1954.

16 (E) FINANCIAL TRANSACTION.—As used in
17 this paragraph, the term “financial trans-
18 action” has the meaning given that term in sec-
19 tion 1956(c)(4) of title 18, United States Code.

20 (F) INVESTMENT.—As used in this para-
21 graph, the term “investment” means any con-
22 tribution or commitment of funds, commodities,
23 services, patents, or other forms of intellectual
24 property, processes, or techniques, including—

25 (i) a loan or loans;

1 (ii) the purchase of a share of owner-
2 ship;

3 (iii) participation in royalties, earn-
4 ings, or profits; and

5 (iv) the furnishing of commodities or
6 services pursuant to a lease or other con-
7 tract.

8 (G) EXCLUSIONS.—The term “unilateral
9 economic sanction” does not include—

10 (i) any measure imposed to remedy
11 unfair trade practices or to enforce United
12 States rights under a trade agreement, in-
13 cluding under section 337 of the Tariff Act
14 of 1930, title VII of that Act, title III of
15 the Trade Act of 1974, sections 1374 and
16 1377 of the Omnibus Trade and Competi-
17 tiveness Act of 1988 (19 U.S.C. 3103 and
18 3106), and section 3 of the Act of March
19 3, 1933 (41 U.S.C. 10b–1);

20 (ii) any measure imposed to remedy
21 market disruption or to respond to injury
22 to a domestic industry for which increased
23 imports are a substantial cause or threat
24 thereof, including remedies under sections
25 201 and 406 of the Trade Act of 1974,

1 and textile import restrictions (including
2 those imposed under section 204 of the
3 Agricultural Act of 1956 (7 U.S.C. 1784));

4 (iii) any action taken under title IV of
5 the Trade Act of 1974, including the en-
6 actment of a joint resolution under section
7 402(d)(2) of that Act;

8 (iv) any measure imposed to restrict
9 imports of agricultural commodities to pro-
10 tect food safety or to ensure the orderly
11 marketing of commodities in the United
12 States, including actions taken under sec-
13 tion 22 of the Agricultural Adjustment Act
14 (7 U.S.C. 624);

15 (v) any measure imposed to restrict
16 imports of any other products in order to
17 protect domestic health or safety;

18 (vi) any measure authorized by, or im-
19 posed under, a multilateral or bilateral
20 trade agreement to which the United
21 States is a signatory, including the Uru-
22 guay Round Agreements, the North Amer-
23 ican Free Trade Agreement, the United
24 States-Israel Free Trade Agreement, and

1 the United States-Canada Free Trade
2 Agreement; and

3 (vii) any prohibition or restriction on
4 the sale, export, lease, or other transfer of
5 any defense article, defense service, or de-
6 sign and construction service under the
7 Arms Export Control Act, or on any fi-
8 nancing provided under that Act.

9 (2) NATIONAL EMERGENCY.—The term “na-
10 tional emergency” means any unusual or extraor-
11 dinary threat, which has its source in whole or sub-
12 stantial part outside the United States, to the na-
13 tional security, foreign policy, or economy of the
14 United States.

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

19 (4) APPROPRIATE COMMITTEES.—The term
20 “appropriate committees” means the Committee on
21 Agriculture, the Committee on International Rela-
22 tions, the Committee on Ways and Means, and the
23 Committee on Banking and Financial Services of the
24 House of Representatives, and the Committee on
25 Agriculture, Nutrition, and Forestry, the Committee

1 on Finance, the Committee on Banking, Housing,
2 and Urban Affairs, and the Committee on Foreign
3 Relations of the Senate.

4 (5) CONTRACT SANCTITY.—The term “contract
5 sanctity”, with respect to a unilateral economic
6 sanction, refers to the inapplicability of the sanction
7 to—

8 (A) a contract or agreement entered into
9 before the sanction is imposed, or to a valid ex-
10 port license or other authorization to export;
11 and

12 (B) actions taken to enforce the right to
13 maintain intellectual property rights, in the for-
14 eign country against which the sanction is im-
15 posed, which existed before the imposition of
16 the sanction.

17 **SEC. 5. GUIDELINES FOR UNILATERAL ECONOMIC SANC-**
18 **TIONS LEGISLATION.**

19 It is the sense of Congress that any bill or joint reso-
20 lution that imposes any unilateral economic sanction, or
21 authorizes the imposition of any unilateral economic sanc-
22 tion by the executive branch, and is considered by the
23 House of Representatives or the Senate, should—

1 (1) state the foreign policy or national security
2 objective or objectives of the United States that the
3 economic sanction is intended to achieve;

4 (2) provide that the economic sanction termi-
5 nate 2 years after it is imposed, unless specifically
6 reauthorized by the Congress;

7 (3) provide for contract sanctity;

8 (4) provide authority for the President both to
9 adjust the timing and scope of the sanction and to
10 waive the sanction, if the President determines it is
11 in the national interest to do so;

12 (5)(A) target the sanction as narrowly as pos-
13 sible on foreign governments, entities, and officials
14 that are responsible for the conduct being targeted;

15 (B) not include restrictions on—

16 (i) the provision of medicine, medical
17 equipment, or food;

18 (ii) assistance under chapter 8 of part I of
19 the Foreign Assistance Act of 1961; or

20 (iii) disaster relief assistance, or assistance
21 for refugees, under part I or chapter 4 of part
22 II of the Foreign Assistance Act of 1961; and

23 (C) seek to minimize any adverse impact on the
24 humanitarian activities of United States and foreign

1 nongovernmental organizations in any country
2 against which the sanction may be imposed; and

3 (6) provide, to the extent that the Secretary of
4 Agriculture or the Congressional Budget Office finds
5 that—

6 (A) the proposed sanction is likely to re-
7 strict exports of any agricultural commodity or
8 is likely to result in retaliation against exports
9 of any agricultural commodity from the United
10 States, and

11 (B) the sanction is proposed to be im-
12 posed, or is likely to be imposed, on a country
13 or countries that constituted, in the preceding
14 calendar year, the market for more than 3 per-
15 cent of all export sales from the United States
16 of an agricultural commodity,

17 that the Secretary of Agriculture expand agricultural
18 export assistance under United States market devel-
19 opment, food assistance, or export promotion pro-
20 grams to offset the likely damage to incomes of pro-
21 ducers of the affected agricultural commodity or
22 commodities, to the maximum extent permitted by
23 law and by the obligations of the United States
24 under the Agreement on Agriculture referred to in

1 section 101(d)(2) of the Uruguay Round Agree-
2 ments Act (19 U.S.C. 3511(d)(2)).

3 **SEC. 6. REQUIREMENTS FOR BILL OR JOINT RESOLUTION.**

4 (a) PUBLIC COMMENT.—Not later than 15 days prior
5 to the consideration by the committee of primary jurisdic-
6 tion of a bill or joint resolution that imposes any unilateral
7 economic sanction, or authorizes the imposition of any
8 unilateral economic sanction by the executive branch, the
9 chairman of that committee shall publish a notice which
10 provides an opportunity for interested members of the
11 public to submit comments to the committee on the pro-
12 posed sanction.

13 (b) COMMITTEE REPORTS.—In the case of any bill
14 or joint resolution described in subsection (a) that is re-
15 ported by a committee of the House of Representatives
16 or the Senate, the committee report accompanying the bill
17 or joint resolution shall contain a statement of whether
18 the legislation meets all the guidelines specified in para-
19 graphs (1) through (6) of section 5 and, if the bill or joint
20 resolution does not, an explanation of why it does not. The
21 report shall also include a specific statement of whether
22 the bill or joint resolution includes any restrictions de-
23 scribed in clauses (i), (ii), or (iii) of section 5(5)(B).

24 (c) REPORTS BY THE PRESIDENT AND SECRETARY
25 OF AGRICULTURE.—

1 (1) REPORT REQUIRED.—Not later than 30
2 days after a committee of the House of Representa-
3 tives or the Senate reports any bill or joint resolu-
4 tion described in subsection (a) or the House of
5 Representatives or the Senate receives such bill or
6 joint resolution from the other House of Congress,
7 the President and the Secretary of Agriculture shall
8 submit to the House filing the report or receiving
9 the bill or joint resolution the reports described in
10 paragraphs (2) and (3).

11 (2) CONTENT OF REPORT BY THE PRESI-
12 DENT.—The President's report to the Congress
13 under paragraph (1) shall contain—

14 (A) an assessment of—

15 (i) the likelihood that the proposed
16 unilateral economic sanction will achieve
17 its stated objective within a reasonable pe-
18 riod of time; and

19 (ii) the impact of the proposed unilat-
20 eral economic sanction on—

21 (I) humanitarian conditions, in-
22 cluding the impact on conditions in
23 any specific countries on which the
24 sanction is proposed to be or may be
25 imposed;

1 (II) humanitarian activities of
2 United States and foreign nongovern-
3 mental organizations;

4 (III) relations with United States
5 allies;

6 (IV) other United States national
7 security and foreign policy interests;
8 and

9 (V) countries and entities other
10 than those on which the sanction is
11 proposed to be or may be imposed;

12 (B) a description and assessment of—

13 (i) diplomatic and other steps the
14 United States has taken to accomplish the
15 intended objectives of the unilateral sanc-
16 tion legislation;

17 (ii) the likelihood of multilateral adop-
18 tion of comparable measures;

19 (iii) comparable measures undertaken
20 by other countries;

21 (iv) alternative measures to promote
22 the same objectives, and an assessment of
23 their potential effectiveness;

24 (v) any obligations of the United
25 States under international treaties or trade

1 agreements with which the proposed sanc-
2 tion may conflict;

3 (vi) the likelihood that the proposed
4 sanction will lead to retaliation against
5 United States interests, including agricul-
6 tural interests; and

7 (vii) whether the achievement of the
8 objectives of the proposed sanction out-
9 weighs any likely costs to United States
10 foreign policy, national security, economic,
11 and humanitarian interests, including any
12 potential harm to United States business,
13 agriculture, and consumers, and any poten-
14 tial harm to the international reputation of
15 the United States as a reliable supplier of
16 products, technology, agricultural commod-
17 ities, and services.

18 (3) CONTENT OF REPORT BY THE SECRETARY
19 OF AGRICULTURE.—The Secretary of Agriculture’s
20 report to Congress under paragraph (1) shall con-
21 tain an assessment of—

22 (A) the extent to which any country or
23 countries proposed to be sanctioned or likely to
24 be sanctioned are markets that accounted for,
25 in the preceding calendar year, more than 3

1 percent of all export sales from the United
2 States of any agricultural commodity;

3 (B) the likelihood that exports of agricul-
4 tural commodities from the United States will
5 be affected by the proposed sanction or by re-
6 taliation by any country proposed to be sanc-
7 tioned or likely to be sanctioned, and specific
8 commodities which are most likely to be af-
9 fected;

10 (C) the likely effect on incomes of pro-
11 ducers of the specific commodities identified by
12 the Secretary;

13 (D) the extent to which the proposed sanc-
14 tion would permit foreign suppliers to replace
15 United States suppliers; and

16 (E) the likely effect of the proposed sanc-
17 tion on the reputation of United States farmers
18 as reliable suppliers of agricultural commodities
19 in general, and of the specific commodities iden-
20 tified by the Secretary.

21 (d) FEDERAL PRIVATE SECTOR MANDATE.—

22 (1) IN GENERAL.—Any bill or joint resolution
23 described in section 5 shall be considered to include
24 a Federal private sector mandate for purposes of

1 part B of title IV of the Congressional Budget Act
2 of 1974.

3 (2) REPORT BY THE CONGRESSIONAL BUDGET
4 OFFICE.—The report by the Congressional Budget
5 Office pursuant to paragraph (1) shall include an
6 assessment of the likely short-term and long-term
7 costs of the proposed sanction to the United States
8 economy, including the potential impact on United
9 States trade performance, employment, and growth,
10 the international reputation of the United States as
11 a reliable supplier of products, agricultural commod-
12 ities, technology, and services, and the economic
13 well-being and international competitive position of
14 United States industries, firms, workers, farmers,
15 and communities.

16 **SEC. 7. REQUIREMENTS FOR EXECUTIVE ACTION.**

17 (a) IN GENERAL.—

18 (1) ADVANCE NOTICE.—

19 (A) NOTICE OF INTENT TO IMPOSE SANC-
20 TION.—Notwithstanding any other provision of
21 law, the President shall publish notice in the
22 Federal Register at least 45 days in advance of
23 the imposition of any new unilateral economic
24 sanction with respect to a foreign country or
25 foreign entity of the President's intention to im-

1 plement such sanction. The purpose of such no-
2 tice shall be to allow the formulation of an ef-
3 fective sanction that advances United States
4 national security and economic interests, and to
5 provide an opportunity for negotiations to
6 achieve the objectives specified in the law au-
7 thorizing imposition of the unilateral economic
8 sanction.

9 (B) WAIVER OF ADVANCE ANNOUNCEMENT
10 REQUIREMENT.—The President may waive the
11 provisions of subparagraph (A) in the case of
12 any new unilateral economic sanction that in-
13 volves freezing the assets of a foreign country
14 or entity if the President determines that the
15 national interest would be jeopardized by the
16 requirements of this section.

17 (2) NEW UNILATERAL ECONOMIC SANCTION.—
18 For purposes of this section, the term “new unilat-
19 eral economic sanction” means a unilateral economic
20 sanction imposed pursuant to a law enacted after
21 the date of the enactment of this Act or a sanction
22 imposed after such date of enactment pursuant to
23 the International Emergency Economic Powers Act
24 (50 U.S.C. 1701 et seq.).

25 (b) CONSULTATION.—

1 (1) APPROPRIATE COMMITTEES.—The Presi-
2 dent shall consult with the appropriate committees
3 regarding any proposed new unilateral economic
4 sanction, including consultations regarding efforts to
5 achieve or increase multilateral cooperation on the
6 issues or problems prompting the proposed sanction.

7 (2) CLASSIFIED CONSULTATIONS.—Such con-
8 sultations may be conducted on a classified basis if
9 disclosure would threaten the national security of
10 the United States.

11 (c) PUBLIC HEARINGS; RECORD.—The President
12 shall publish a notice in the Federal Register of the oppor-
13 tunity for interested persons to submit comments on any
14 proposed new unilateral economic sanction.

15 (d) REQUIREMENTS FOR EXECUTIVE BRANCH SANC-
16 TIONS.—Any new unilateral economic sanction imposed by
17 the President—

18 (1) shall—

19 (A) include an assessment of whether the
20 sanction is likely to achieve a specific United
21 States foreign policy or national security objec-
22 tive within a reasonable period of time, which
23 shall be specified, and whether the achievement
24 of the objectives of the sanction outweighs any
25 costs to United States national interests;

1 (B) provide for contract sanctity, except in
2 the case of a contract—

3 (i) the execution of which would be
4 contrary to law in the absence of the pro-
5 posed sanction, such as a contract to deal
6 illicitly in controlled substances;

7 (ii) that deals in assets that would be
8 frozen as a consequence of the proposed
9 sanction; or

10 (iii) that provides for the supply of ar-
11 ticles or services directly to a specific per-
12 son, corporation, government, or unit
13 thereof, or military entity, that is expressly
14 named as a target in the proposed sanc-
15 tion;

16 (C) terminate not later than 2 years after
17 the sanction is imposed, unless specifically ex-
18 tended by the President in accordance with the
19 procedures of this section;

20 (D)(i) be targeted as narrowly as possible
21 on foreign governments, entities, and officials
22 that are responsible for the conduct being tar-
23 geted; and

24 (ii) seek to minimize any adverse impact
25 on the humanitarian activities of United States

1 and foreign nongovernmental organizations in a
2 country against which the sanction may be im-
3 posed; and

4 (E) not include any restrictions on the ex-
5 port (including commercial or Federal financing
6 or support) of food, other agricultural commod-
7 ities (including fertilizer), medicine, medical
8 supplies, or medical equipment, other than re-
9 strictions imposed in response to national secu-
10 rity threats or restrictions involving a country
11 with which the United States is engaged in
12 armed conflict; and

13 (2) should provide, to the extent that the Sec-
14 retary of Agriculture finds that—

15 (A) a unilateral economic sanction is likely
16 to restrict exports of any agricultural com-
17 modity from the United States or is likely to
18 risk retaliation against exports of any agricul-
19 tural commodity from the United States, and

20 (B) the sanction is proposed to be im-
21 posed, or is likely to be imposed, on a country
22 or countries that constituted, in the preceding
23 calendar year, the market for more than 3 per-
24 cent of all export sales from the United States
25 of an agricultural commodity,

1 that the Secretary of Agriculture expand agricultural
2 export assistance under United States market devel-
3 opment, food assistance, or export promotion pro-
4 grams to offset the likely damage to incomes of pro-
5 ducers of the affected agricultural commodity or
6 commodities, to the maximum extent permitted by
7 law and by the obligations of the United States
8 under the Agreement on Agriculture referred to in
9 section 101(d)(2) of the Uruguay Round Agree-
10 ments Act (19 U.S.C. 3511(d)(2)).

11 (e) REPORT BY THE PRESIDENT.—

12 (1) IN GENERAL.—Prior to imposing any new
13 unilateral economic sanction, the President shall
14 provide a report to the appropriate committees on
15 the proposed sanction. The report shall include the
16 report of the International Trade Commission under
17 subsection (g) (if timely submitted prior to the filing
18 of the report). The report may be provided on a
19 classified basis if disclosure would threaten the na-
20 tional security of the United States. The President's
21 report shall contain the following:

22 (A) An explanation of the foreign policy or
23 national security objective or objectives intended
24 to be achieved through the proposed sanction.

25 (B) An assessment of—

1 (i) the likelihood that the proposed
2 new unilateral economic sanction will
3 achieve its stated objectives within the
4 stated period of time; and

5 (ii) the impact of the proposed new
6 unilateral economic sanction on—

7 (I) humanitarian conditions, in-
8 cluding the impact on conditions in
9 any specific countries on which the
10 sanction is proposed to be imposed;

11 (II) humanitarian activities of
12 United States and foreign nongovern-
13 mental organizations;

14 (III) relations with United States
15 allies;

16 (IV) other United States national
17 security and foreign policy interests;
18 and

19 (V) countries and entities other
20 than those on which the sanction is
21 proposed to be imposed.

22 (C) A description and assessment of—

23 (i) diplomatic and other steps the
24 United States has taken to accomplish the

1 intended objectives of the proposed sanc-
2 tion;

3 (ii) the likelihood of multilateral adop-
4 tion of comparable measures;

5 (iii) comparable measures undertaken
6 by other countries;

7 (iv) alternative measures to promote
8 the same objectives, and an assessment of
9 their potential effectiveness;

10 (v) any obligations of the United
11 States under international treaties or trade
12 agreements with which the proposed sanc-
13 tion may conflict;

14 (vi) the likelihood that the proposed
15 sanction will lead to retaliation against
16 United States interests, including agricul-
17 tural interests; and

18 (vii) whether the achievement of the
19 objectives of the proposed sanction out-
20 weighs any likely costs to United States
21 foreign policy, national security, economic,
22 and humanitarian interests, including any
23 potential harm to United States business,
24 agriculture, and consumers, and any poten-
25 tial harm to the international reputation of

1 the United States as a reliable supplier of
2 products, technology, agricultural commod-
3 ities, and services.

4 (2) REPORT ON OTHER SANCTIONS.—In the
5 case of any unilateral economic sanction that is im-
6 posed after the date of the enactment of this Act,
7 other than a new unilateral economic sanction de-
8 scribed in subsection (a)(1) or a sanction that is a
9 continuation of a sanction in effect on the date of
10 the enactment of this Act, the President shall, not
11 later than 30 days after imposing such sanction,
12 submit to the appropriate committees a report de-
13 scribed in paragraph (1) relating to such sanction.
14 Such report may be provided on a classified basis if
15 disclosure would threaten the national security of
16 the United States.

17 (f) REPORT BY THE SECRETARY OF AGRI-
18 CULTURE.—Prior to the imposition of a new unilateral
19 economic sanction by the President, the Secretary of Agri-
20 culture shall submit to the appropriate committees a re-
21 port which shall contain an assessment of—

22 (1) the extent to which any country or countries
23 proposed to be sanctioned are markets that ac-
24 counted for, in the preceding calendar year, more

1 than 3 percent of all export sales from the United
2 States of any agricultural commodity;

3 (2) the likelihood that exports of agricultural
4 commodities from the United States will be affected
5 by the proposed sanction or by retaliation by any
6 country proposed to be sanctioned, including specific
7 commodities which are most likely to be affected;

8 (3) the likely effect on incomes of producers of
9 the specific commodities identified by the Secretary;

10 (4) the extent to which the proposed sanction
11 would permit foreign suppliers to replace United
12 States suppliers; and

13 (5) the likely effect of the proposed sanction on
14 the reputation of United States farmers as reliable
15 suppliers of agricultural commodities in general, and
16 of the specific commodities identified by the Sec-
17 retary.

18 (g) REPORT BY THE UNITED STATES INTER-
19 NATIONAL TRADE COMMISSION.—Before imposing a uni-
20 lateral economic sanction, the President shall make a
21 timely request to the United States International Trade
22 Commission for a report on the likely short-term and long-
23 term costs of the proposed sanction to the United States
24 economy, including the potential impact on United States
25 trade performance, employment, and growth, the inter-

1 national reputation of the United States as a reliable sup-
2 plier of products, agricultural commodities, technology,
3 and services, and the economic well-being and inter-
4 national competitive position of United States industries,
5 firms, workers, farmers, and communities.

6 (h) WAIVER IN CASE OF NATIONAL EMERGENCY.—

7 The President may waive any of the requirements of sub-
8 sections (a), (b), (c), (d)(1)(B), (e)(1), (f), and (g), in the
9 event that the President determines that there exists a na-
10 tional emergency that requires the exercise of the waiver.
11 In the event of such a waiver, the requirements waived
12 shall be met during the 60-day period immediately fol-
13 lowing the imposition of the unilateral economic sanction,
14 and the sanction shall terminate 90 days after being im-
15 posed unless such requirements are met. The President
16 may also waive any of the requirements of paragraphs
17 (1)(D), (1)(E), and (2) of subsection (d) with respect to
18 a new unilateral economic sanction in the event that the
19 President determines that the new unilateral economic
20 sanction is related to actual or imminent armed conflict
21 involving the United States.

22 (i) SANCTIONS REVIEW COMMITTEE.—

23 (1) ESTABLISHMENT.—There is established
24 within the executive branch of the Government an
25 interagency committee, which shall be known as the

1 “Sanctions Review Committee”, which shall have the
2 responsibility of coordinating United States policy
3 regarding unilateral economic sanctions and of pro-
4 viding appropriate recommendations to the President
5 prior to any decision regarding the implementation
6 of any unilateral economic sanction. The Committee
7 shall be composed of the following 11 members, and
8 any other member the President deems appropriate:

9 (A) The Secretary of State.

10 (B) The Secretary of the Treasury.

11 (C) The Secretary of Defense.

12 (D) The Secretary of Agriculture.

13 (E) The Secretary of Commerce.

14 (F) The Secretary of Energy.

15 (G) The United States Trade Representa-
16 tive.

17 (H) The Director of the Office of Manage-
18 ment and Budget.

19 (I) The Chairman of the Council of Eco-
20 nomic Advisers.

21 (J) The Assistant to the President for Na-
22 tional Security Affairs.

23 (K) The Assistant to the President for
24 Economic Policy.

1 (2) CHAIR.—The President shall designate one
2 of the members specified in paragraph (1) to serve
3 as chair of the Sanctions Review Committee.

4 (j) INAPPLICABILITY OF OTHER PROVISIONS.—This
5 section applies notwithstanding any other provision of law.

6 **SEC. 8. PRESIDENTIAL WAIVER AUTHORITY FOR CERTAIN**
7 **SANCTIONS.**

8 (a) AUTHORITY.—Notwithstanding any other provi-
9 sion of this or any other Act, the President may waive
10 the application of any sanction or prohibition (or portion
11 thereof) contained in section 101 or 102 of the Arms Ex-
12 port Control Act, section 620E(e) of the Foreign Assist-
13 ance Act of 1961, or section 2(b)(4) of the Export-Import
14 Bank Act of 1945 for periods of 6 months each if he deter-
15 mines that such a waiver would advance the purposes of
16 such Acts or the national security interests of the United
17 States.

18 (b) CONSULTATION.—Prior to exercising the waiver
19 authority under subsection (a), the President shall consult
20 with the appropriate committees. Such consultations may
21 be conducted on a classified basis if disclosure would
22 threaten the national security of the United States.

23 (c) REPORTS.—At least once in every 6-month period
24 after exercising the waiver authority under subsection (a),
25 the President shall report to the appropriate committees

1 with respect to the actions taken, during that 6-month pe-
2 riod, concerning the acts of the foreign country or person
3 concerned prompting the sanctions for which the waiver
4 was granted, and the reasons that continuation of such
5 waiver remains in the national security interest of the
6 United States.

7 **SEC. 9. ANNUAL REPORTS.**

8 (a) ANNUAL REPORT.—Not later than 6 months
9 after the date of the enactment of this Act, and annually
10 thereafter, unless otherwise required by law, the President
11 shall submit to the appropriate committees a report detail-
12 ing with respect to each country or entity against which
13 a unilateral economic sanction has been imposed—

14 (1) the extent to which the sanction has
15 achieved foreign policy or national security objectives
16 of the United States with respect to that country or
17 entity;

18 (2) the extent to which the sanction has harmed
19 humanitarian interests in that country, the country
20 in which that entity is located, or in other countries;
21 and

22 (3) the impact of the sanction on other national
23 security and foreign policy interests of the United
24 States, including relations with countries friendly to

1 the United States, and on the United States econ-
2 omy.

3 (b) REPORT BY THE UNITED STATES INTER-
4 NATIONAL TRADE COMMISSION.—Not later than 6
5 months after the date of the enactment of this Act, and
6 annually thereafter, the United States International Trade
7 Commission shall report to the appropriate committees on
8 the costs, individually and in the aggregate, of all unilat-
9 eral economic sanctions in effect under United States law,
10 regulation, or Executive order. The calculation of such
11 costs shall include an assessment of the impact of such
12 measures on the international reputation of the United
13 States as a reliable supplier of products, agricultural com-
14 modities, technology, and services.

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