

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress finds that—

5 (1) in the face of a more politically complicated
6 and commercially integrated world in the post-cold
7 war era, the unilateral economic sanctions policy of
8 the United States must become a more sophisticated

1 tool in order to better serve the national interests of
2 the United States;

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

8 (3) a comprehensive annual report to pertinent
9 congressional committees from the executive branch
10 on sanctions policy will allow the United States Gov-
11 ernment to view economic sanctions in a more effec-
12 tive, targeted, and flexible manner and better ana-
13 lyze the success of meeting foreign policy objectives.

14 **SEC. 2. ANNUAL REPORT TO CONGRESS BY THE PRESI-**
15 **DENT.**

16 (a) IN GENERAL.—The President, in consultation
17 with the Secretaries of State, Commerce, Defense, Agri-
18 culture, Energy, and Transportation, and the United
19 States Trade Representative, shall, by not later than De-
20 cember 31 of each year, report to all committees of Con-
21 gress with jurisdiction affected by United States policies
22 on unilateral economic sanctions on the costs and benefits
23 within the United States, and, to the extent possible, the
24 economic implications for the targeted foreign countries
25 or entities concerned, of the imposition of unilateral eco-

1 nomic sanctions by the United States during the preceding
2 calendar year.

3 (b) DETAILS OF REPORT.—

4 (1) IN GENERAL.—Each report under sub-
5 section (a) shall set forth the costs and benefits of
6 unilateral economic sanctions to specific sectors of
7 the United States economy, including the services
8 sector, expressed in terms of economic indicators.
9 Among other indicators, the report shall compare
10 levels of imports and exports of domestic products
11 and services with those of internationally competitive
12 products and services. The analyses in the reports
13 under subsection (a) shall be presented in a con-
14 sistent fashion so as to ensure an accurate compari-
15 son of the costs and effects of unilateral economic
16 sanctions from year to year. Each report shall, as
17 well as stating current effects, project future effects
18 of the unilateral economic sanctions at issue.

19 (2) ECONOMIC EFFECTS ON TARGETED COUN-
20 TRIES OR ENTITIES.—To the extent possible, each
21 report shall address the economic effects of unilat-
22 eral economic sanctions on the countries and entities
23 on which the sanctions are imposed, and the extent
24 to which the foreign policy goals of the United
25 States have been achieved by the sanctions. The re-

1 port shall also project the economic effects of the
2 continued application of unilateral economic sanc-
3 tions on each such country or entity and how this
4 will further achieve the foreign policy goals of the
5 United States.

6 **SEC. 3. DEFINITIONS.**

7 As used in this Act:

8 (1) UNILATERAL ECONOMIC SANCTION.—

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

22 (B) PARTICULAR MEASURES.—The meas-
23 ures referred to in subparagraph (A) are the
24 following:

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

5 (ii) The suspension of, or any restric-
6 tion or prohibition on, financial trans-
7 actions with a foreign country or entity.

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

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

18 (v) The suspension of, or any restric-
19 tion or prohibition on—

20 (I) the authority of the Export-
21 Import Bank of the United States to
22 give approval to the issuance of any
23 guarantee, insurance, or extension of
24 credit in connection with the export of

1 goods or services to a foreign country
2 or entity;

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

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

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

22 (vii) A requirement that the United
23 States representative to an international fi-
24 nancial institution vote against any loan or

1 other utilization of funds to, for, or in a
2 foreign country or particular foreign entity.

3 (viii) A measure imposing any restric-
4 tion or condition on economic activity on
5 any foreign government or entity on the
6 grounds that such government or entity
7 does business in or with a foreign country.

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

17 (x) The suspension of, or any restric-
18 tion or prohibition on, travel rights or air
19 transportation to or from a foreign coun-
20 try.

21 (xi) Any restriction on the filing or
22 maintenance in a foreign country of any
23 proprietary interest in intellectual property
24 rights (including patents, copyrights, and

1 trademarks), including payment of patent
2 maintenance fees.

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

10 (i) obligations under resolutions of the
11 United Nations;

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

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

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

1 ama referred to in section 2(a)(1) of the
2 International Dolphin Conservation Act
3 (16 U.S.C. 1361 note), the Convention on
4 International Trade in Endangered Spe-
5 cies, the Montreal Protocol on Substances
6 that Deplete the Ozone Layer, and the
7 Basel Convention on the Control of
8 Transboundary Movements of Hazardous
9 Wastes.

10 (D) ECONOMIC ASSISTANCE.—The term
11 “economic assistance” means—

12 (i) any assistance under part I or
13 chapter 2, 4, 5, or 8 of part II of the For-
14 eign Assistance Act of 1961 (including
15 programs under title IV of chapter 2, re-
16 lating to the Overseas Private Investment
17 Corporation), any benefits under part IV
18 of that Act (relating to the Enterprise for
19 the Americas Initiative), or any benefits
20 under part V of that Act, relating to trop-
21 ical forest preservation;

22 (ii) the provision of agricultural com-
23 modities, or other assistance or benefits,
24 under the Agricultural Trade Development

1 and Assistance Act of 1954, including the
2 Enterprise for the Americas Initiative; and
3 (iii) any assistance under the FREE-
4 DOM Support Act or the Support for East
5 European Democracy (SEED) Act of
6 1989.

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

11 (F) INVESTMENT.—As used in this para-
12 graph, the term “investment” means any con-
13 tribution or commitment of funds, commodities,
14 services, patents, or other forms of intellectual
15 property, processes, or techniques, including—

16 (i) a loan or loans;

17 (ii) the purchase of a share of owner-
18 ship;

19 (iii) participation in royalties, earn-
20 ings, or profits; and

21 (iv) the furnishing of commodities or
22 services pursuant to a lease or other con-
23 tract.

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

1 (i) any measure imposed to remedy
2 unfair trade practices or to enforce United
3 States rights under a trade agreement, in-
4 cluding under section 337 of the Tariff Act
5 of 1930, title VII of that Act, title III of
6 the Trade Act of 1974, sections 1374,
7 1376, and 1377 of the Omnibus Trade and
8 Competitiveness Act of 1988 (19 U.S.C.
9 3103 and 3106), and section 3 of the Act
10 of March 3, 1933 (41 U.S.C. 10b–1);

11 (ii) any measure imposed to remedy
12 market disruption or to respond to injury
13 to a domestic industry for which increased
14 imports are a substantial cause or threat
15 thereof, including remedies under sections
16 201 and 406 of the Trade Act of 1974,
17 and textile import restrictions (including
18 those imposed under section 204 of the
19 Agricultural Act of 1956 (7 U.S.C. 1784));

20 (iii) any measure imposed to restrict
21 imports of agricultural commodities to pro-
22 tect food safety or to ensure the orderly
23 marketing of commodities in the United
24 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 im-
posed under, a multilateral or bilateral
trade agreement to which the United
States is a signatory, including the Uru-
guay Round Agreements, the North Amer-
ican 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)).

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