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To provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1999

Mr. LUGAR (for himself, Mr. KERREY, Mr. HAGEL, Mr. THOMAS, Mr. SMITH of Oregon, Mr. GRAMS, Mr. ROBB, Mrs. FEINSTEIN, Mr. BINGAMAN, Mr. MURKOWSKI, Mr. COCHRAN, Mr. DOMENICI, Mr. LOTT, Mr. SANTORUM, Mr. BURNS, Mr. ALLARD, Mr. JOHNSON, Mrs. HUTCHISON, Mr. CHAFEE, Mr. GORTON, Mr. BREAUX, Mrs. MURRAY, Mr. DORGAN, Mr. CRAPO, Mr. BAUCUS, Mrs. LINCOLN, Mr. CONRAD, Mr. BOND, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.

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. SHORT TITLE.**

4 This Act may be cited as the “Sanctions Policy Re-
5 form Act”.

1 **SEC. 2. PURPOSE.**

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

7 **SEC. 3. STATEMENT OF POLICY.**

8 It is the policy of the United States—

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

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

23 (3) to promote United States economic growth
24 and job creation by expanding exports of goods,
25 services, and agricultural commodities, and by en-

1 couraging investment that supports the sale abroad
2 of products and services of the United States;

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

9 (5) to avoid the use of restrictions on exports
10 of agricultural commodities as a foreign policy weap-
11 on;

12 (6) to oppose policies of other countries de-
13 signed to discourage economic interaction with coun-
14 tries friendly to the United States or with any
15 United States national, and to avoid use of such
16 policies as instruments of United States foreign pol-
17 icy; and

18 (7) when economic sanctions are necessary—

19 (A) to target them as narrowly as possible
20 on those foreign governments, entities, and offi-
21 cials that are responsible for the conduct being
22 targeted, thereby minimizing unnecessary or
23 disproportionate harm to individuals who are
24 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.

(B) PARTICULAR MEASURES.—The measures referred to in subparagraph (A) are the following:

1 (i) The suspension of, or any restric-
2 tion or prohibition on, exports or imports
3 of any product, technology, or service to or
4 from a foreign 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 (most-fa-
17 vored-nation) trade treatment.

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

21 (vii) A measure imposing any restric-
22 tion or condition on economic activity of
23 any foreign government or entity on the
24 ground that such government or entity
25 does business in or with a foreign country.

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

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

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

20 (C) MULTILATERAL REGIME.—As used in
21 this paragraph, the term “multilateral regime”
22 means an agreement, arrangement, or obliga-
23 tion under which the United States cooperates
24 with other countries in restricting commerce for

1 reasons of foreign policy or national security,
2 including—

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

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

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

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

1 Transboundary Movements of Hazardous
2 Wastes.

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

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

11 (I) assistance under chapter 8 of
12 part I of that Act,

13 (II) disaster relief assistance, in-
14 cluding any assistance under chapter
15 9 of part I of that Act,

16 (III) assistance which involves
17 the provision of food (including mone-
18 tization of food) or medicine, or

19 (IV) assistance for refugees; and

20 (ii) the provision of agricultural com-
21 modities, other than food, under the Agri-
22 cultural Trade Development and Assist-
23 ance Act of 1954.

24 (E) FINANCIAL TRANSACTION.—As used in
25 this paragraph, the term “financial trans-

1 action” has the meaning given that term in sec-
 2 tion 1956(c)(4) of title 18, United States Code.

3 (F) INVESTMENT.—As used in this para-
 4 graph, the term “investment” means any con-
 5 tribution or commitment of funds, commodities,
 6 services, patents, or other forms of intellectual
 7 property, processes, or techniques, including—

8 (i) a loan or loans;

9 (ii) the purchase of a share of owner-
 10 ship;

11 (iii) participation in royalties, earn-
 12 ings, or profits; and

13 (iv) the furnishing of commodities or
 14 services pursuant to a lease or other con-
 15 tract.

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

18 (i) any measure imposed to remedy
 19 unfair trade practices or to enforce United
 20 States rights under a trade agreement, in-
 21 cluding under section 337 of the Tariff Act
 22 of 1930 (19 U.S.C. 1337), title VII of that
 23 Act (19 U.S.C. 1671 et seq.), title III of
 24 the Trade Act of 1974 (19 U.S.C. 2411 et
 25 seq.), sections 1374 and 1377 of the Omni-

1 bus Trade and Competitiveness Act of
2 1988 (19 U.S.C. 3103 and 3106), and sec-
3 tion 3 of the Act of March 3, 1933 (41
4 U.S.C. 10b-1);

5 (ii) any measure imposed to remedy
6 market disruption or to respond to injury
7 to a domestic industry for which increased
8 imports are a substantial cause or threat
9 thereof, including remedies under sections
10 201 and 406 of the Trade Act of 1974 (19
11 U.S.C. 2251 and 2436), and textile import
12 restrictions (including those imposed under
13 section 204 of the Agricultural Act of 1956
14 (7 U.S.C. 1784));

15 (iii) any action taken under title IV of
16 the Trade Act of 1974 (19 U.S.C. 2431 et
17 seq.), including the enactment of a joint
18 resolution under section 402(d)(2) of that
19 Act;

20 (iv) 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);

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

(vi) 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; and

(vii) 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.

(2) NATIONAL EMERGENCY.—The term “na-
tional emergency” means any unusual or extraor-
dinary threat, which has its source in whole or sub-
stantial part outside the United States, to the na-

1 tional security, foreign policy, or economy of the
2 United States.

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

7 (4) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means the Committee on Agriculture, the
10 Committee on International Relations, the Com-
11 mittee on Ways and Means, and the Committee on
12 Banking and Financial Services of the House of
13 Representatives, and the Committee on Agriculture,
14 Nutrition, and Forestry, the Committee on Finance,
15 and the Committee on Foreign Relations of the Sen-
16 ate.

17 (5) CONTRACT SANCTITY.—The term “contract
18 sanctity”, with respect to a unilateral economic
19 sanction, refers to the inapplicability of the sanction
20 to—

21 (A) a contract or agreement entered into
22 before the sanction is imposed, or to a valid ex-
23 port license or other authorization to export;
24 and

1 (B) actions taken to enforce the right to
 2 maintain intellectual property rights, in the for-
 3 eign country against which the sanction is im-
 4 posed, which existed before the imposition of
 5 the sanction.

6 (6) UNILATERAL ECONOMIC SANCTION LEGIS-
 7 LATION.—The term “unilateral economic sanction
 8 legislation” means a bill or joint resolution that im-
 9 poses, or authorizes the imposition of, any unilateral
 10 economic sanction.

11 **SEC. 5. GUIDELINES FOR UNILATERAL ECONOMIC SANC-**
 12 **TIONS LEGISLATION.**

13 It is the sense of Congress that any unilateral eco-
 14 nomic sanction legislation that is introduced in or reported
 15 to a House of Congress on or after the date of enactment
 16 of this Act should—

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

20 (2) provide that the economic sanction termi-
 21 nate 2 years after it is imposed, unless specifically
 22 reauthorized by Congress;

23 (3) provide contract sanctity, except that con-
 24 tract sanctity shall not be required in any case—

1 (A) in which execution of the contract is
2 contrary to law;

3 (B) in which the contract involves assets
4 that will be frozen as a consequence of the pro-
5 posed sanction; or

6 (C) in which the contract provides for the
7 supply of goods or services directly to a specific
8 person, government agency, or military unit
9 that is expressly named as a target of the pro-
10 posed sanction;

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

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

18 (B) not include restrictions on the provision of
19 medicine, medical equipment, or food; and

20 (C) seek to minimize any adverse impact on the
21 humanitarian activities of United States and foreign
22 nongovernmental organizations in any country
23 against which the sanction may be imposed;

24 (6) provide, to the extent that the Secretary of
25 Agriculture finds, that—

1 (A) the proposed sanction is likely to re-
2 strict exports of any agricultural commodity or
3 is likely to result in retaliation against exports
4 of any agricultural commodity from the United
5 States; and

6 (B) the sanction is proposed to be im-
7 posed, or is likely to be imposed, on a country
8 or countries that constituted, in the preceding
9 calendar year, the market for more than 3 per-
10 cent of all export sales from the United States
11 of an agricultural commodity; and

12 (7) provide that the Secretary of Agriculture
13 expand agricultural export assistance under United
14 States market development, food assistance, or ex-
15 port promotion programs to offset the likely damage
16 to incomes of producers of the affected agricultural
17 commodity, to the maximum extent permitted by law
18 and by the obligations of the United States under
19 the Agreement on Agriculture referred to in section
20 101(d)(2) of the Uruguay Round Agreements Act
21 (19 U.S.C. 3511(d)(2)).

22 **SEC. 6. REQUIREMENTS FOR UNILATERAL ECONOMIC**
23 **SANCTIONS LEGISLATION.**

24 (a) PUBLIC COMMENT.—Not later than 15 days prior
25 to the consideration by the committee of primary jurisdic-

tion of any unilateral economic sanction legislation, the chairman of the committee shall cause to be printed in the Congressional Record a notice that provides an opportunity for interested members of the public to submit comments to the committee on the proposed sanction.

(b) COMMITTEE REPORTS.—In the case of any unilateral economic sanction legislation that is reported by a committee of the House of Representatives or the Senate, the committee report accompanying the legislation shall contain a statement of whether the legislation meets all the guidelines specified in paragraphs (1) through (6) of section 5 and, if the legislation does not, an explanation of why it does not. The report shall also include a specific statement of whether the legislation includes any restrictions on the provision of medicine, medical equipment, or food.

(c) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES AND SENATE.—

(1) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—A motion in the House of Representatives to proceed to the consideration of any unilateral economic sanctions legislation shall not be in order unless the House has received in advance the appropriate report or reports under subsection (d).

1 (2) CONSIDERATION IN THE SENATE.—A mo-
 2 tion in the Senate to proceed to the consideration of
 3 any unilateral economic sanctions legislation shall
 4 not be in order unless the Senate has received in ad-
 5 vance the appropriate report or reports under sub-
 6 section (d).

7 (d) REPORTS.—

8 (1) REPORT BY THE PRESIDENT.—Not later
 9 than 30 days after a committee of the House of
 10 Representatives or the Senate reports any unilateral
 11 economic sanction legislation or the House of Rep-
 12 resentatives or the Senate receives such legislation
 13 from the other House of Congress, the President
 14 shall submit to the House receiving the legislation a
 15 report containing—

16 (A) an assessment of—

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

21 (ii) the impact of the proposed unilat-
 22 eral economic sanction on—

23 (I) humanitarian conditions, in-
 24 cluding the impact on conditions in
 25 any specific countries on which the

1 sanction is proposed to be or may be
2 imposed;

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

6 (III) relations with United States
7 allies;

8 (IV) other United States national
9 security and foreign policy interests;
10 and

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

14 (B) a description and assessment of—

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

19 (ii) the likelihood of multilateral adop-
20 tion of comparable measures;

21 (iii) comparable measures undertaken
22 by other countries;

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

1 (v) any obligations of the United
 2 States under international treaties or trade
 3 agreements with which the proposed sanc-
 4 tion may conflict;

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

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

20 (2) REPORT BY THE SECRETARY OF AGRI-
 21 CULTURE.—Not later than 30 days after a com-
 22 mittee of the House of Representatives or the Senate
 23 reports any unilateral economic sanction legislation
 24 affecting the export of agricultural commodities from
 25 the United States or the House of Representatives

1 or the Senate receives such legislation from the
2 other House of Congress, the Secretary of Agri-
3 culture shall submit to the House receiving the legis-
4 lation a report containing an assessment of—

5 (A) the extent to which any country or
6 countries proposed to be sanctioned or likely to
7 be sanctioned are markets that accounted for,
8 in the preceding calendar year, more than 3
9 percent of all export sales from the United
10 States of any agricultural commodity;

11 (B) the likelihood that exports of agricul-
12 tural commodities from the United States will
13 be affected by the proposed sanction or by re-
14 taliation by any country proposed to be sanc-
15 tioned or likely to be sanctioned, and specific
16 commodities which are most likely to be af-
17 fected;

18 (C) the likely effect on incomes of pro-
19 ducers of the specific commodities identified by
20 the Secretary;

21 (D) the extent to which the proposed sanc-
22 tion would permit foreign suppliers to replace
23 United States suppliers; and

24 (E) the likely effect of the proposed sanc-
25 tion on the reputation of United States farmers

1 as reliable suppliers of agricultural commodities
2 in general, and of the specific commodities identified by the Secretary.

4 (3) REPORT BY THE CONGRESSIONAL BUDGET
5 OFFICE.—Any bill or joint resolution that imposes a
6 unilateral economic sanction shall be treated as including a Federal private sector mandate for purposes of part B of title IV of the Congressional Budget and Impoundment Control Act of 1974 (2
10 U.S.C. 658 et seq.) and the Congressional Budget Office shall report accordingly. The report shall include an assessment of—

13 (A) the likely short-term and long-term
14 costs of the proposed sanction to the United
15 States economy, including the potential impact
16 on United States trade performance, employment, and growth;

18 (B) the impact the proposed sanction will
19 have on the international reputation of the
20 United States as a reliable supplier of products,
21 agricultural commodities, technology, and services; and

23 (C) the impact the proposed sanction will
24 have on the economic well-being and international competitive position of United States
25

1 industries, firms, workers, farmers, and commu-
 2 nities.

3 (e) RULES OF THE HOUSE OF REPRESENTATIVES
 4 AND SENATE.—This section is enacted by Congress—

5 (1) as an exercise of the rulemaking power of
 6 the House of Representatives and the Senate, re-
 7 spectively, and as such these rules are deemed a part
 8 of the rules of each House, respectively, and they su-
 9 persede other rules only to the extent that they are
 10 inconsistent therewith; and

11 (2) with full recognition of the constitutional
 12 right of either House to change the rules (so far as
 13 relating to the procedure of that House) at any time,
 14 in the same manner and to the same extent as in
 15 the case of any other rule of that House.

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

17 (a) NOTICE.—

18 (1) IN GENERAL.—

19 (A) NOTICE OF INTENT TO IMPOSE SANC-
 20 TION.—Notwithstanding any other provisions 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 under any provision of law with re-
 25 spect to a foreign country or foreign entity, of

1 the President's intention to implement such
2 sanction. The purpose of such notice shall be
3 to allow the formulation of an effective sanction
4 that advances United States national security
5 and economic interests, and to provide an op-
6 portunity for negotiations to achieve the objec-
7 tives specified in the law authorizing imposition
8 of a unilateral economic sanction.

9 (B) WAIVER OF ADVANCE NOTICE RE-
10 QUIREMENT.—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 (or in the case of any other sanction)
15 if the President determines that the national in-
16 terest would be jeopardized by the requirements
17 of this section.

18 (C) AUTHORITY TO NEGOTIATE.—Notwith-
19 standing any other provision of law, the Presi-
20 dent is authorized to negotiate with the foreign
21 government against which a unilateral economic
22 sanction is proposed to resolve the underlying
23 reasons for the sanction during the 45-day pe-
24 riod following the publication of notice in the
25 Federal Register.

1 (2) NEW UNILATERAL ECONOMIC SANCTION.—

2 For purposes of this section, the term “new unilat-
3 eral economic sanction” means a unilateral economic
4 sanction imposed pursuant to a law enacted after
5 the date of enactment of this Act or a sanction im-
6 posed after such date of enactment pursuant to the
7 International Emergency Economic Powers Act (50
8 U.S.C. 1701 et seq.).

9 (b) CONSULTATION.—

10 (1) IN GENERAL.—The President shall consult
11 with the appropriate congressional committees re-
12 garding a proposed new unilateral economic sanc-
13 tion, including consultations regarding efforts to
14 achieve or increase multilateral cooperation on the
15 issues or problems prompting the proposed sanction.

16 (2) CLASSIFIED CONSULTATIONS.—The con-
17 sultations described in paragraph (1) may be con-
18 ducted on a classified basis if disclosure would
19 threaten the national security of the United States.

20 (c) PUBLIC COMMENT.—The President shall publish
21 a notice in the Federal Register of the opportunity for in-
22 terested persons to submit comments on any proposed new
23 unilateral economic sanction.

1 (d) REQUIREMENTS FOR EXECUTIVE BRANCH SANC-
2 TIONS.—Any new unilateral economic sanction imposed by
3 the President—

4 (1) shall—

5 (A) include an assessment of whether—

6 (i) the sanction is likely to achieve a
7 specific United States foreign policy or na-
8 tional security objective within a reason-
9 able period of time, which shall be speci-
10 fied; and

11 (ii) the achievement of the objectives
12 of the sanction outweighs any costs to
13 United States national interests;

14 (B) provide contract sanctity, except that
15 contract sanctity shall not be required in any
16 case—

17 (i) in which execution of the contract
18 is contrary to law;

19 (ii) in which the contract involves as-
20 sets that will be frozen as a consequence of
21 the proposed sanction; or

22 (iii) in which the contract provides for
23 the supply of goods or services directly to
24 a specific person, government agency, or

1 military unit that is expressly named as a
2 target of the proposed sanction;

3 (C) terminate not later than 2 years after
4 the sanction is imposed, unless specifically ex-
5 tended by the President in accordance with this
6 section;

7 (D)(i) be targeted as narrowly as possible
8 on foreign governments, entities, and officials
9 that are responsible for the conduct being tar-
10 geted; and

11 (ii) seek to minimize any adverse impact
12 on the humanitarian activities of United States
13 and foreign nongovernmental organizations in a
14 country against which the sanction may be im-
15 posed; and

16 (E) not include any restriction on the ex-
17 port, financing, support, or provision of medi-
18 cine, medical equipment, medical supplies, food,
19 or other agricultural commodity (including fer-
20 tilizer), other than restrictions imposed in re-
21 sponse to national security threats, where mul-
22 tilateral sanctions are in place, or restrictions
23 involving a country where the United States is
24 engaged in armed conflict;

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

3 (A) a new unilateral economic sanction is
4 likely to restrict exports of any agricultural
5 commodity from the United States or is likely
6 to result in retaliation against exports of any
7 agricultural commodity from the United States;
8 and

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

15 (3) should provide that the Secretary of Agri-
16 culture expand agricultural export assistance under
17 United States market development, food assistance,
18 and export promotion programs to offset the likely
19 damage to incomes of producers of the affected agri-
20 cultural commodity, to the maximum extent per-
21 mitted by law and by the obligations of the United
22 States under the Agreement on Agriculture referred
23 to in section 101(d)(2) of the Uruguay Round
24 Agreements Act (19 U.S.C. 3511(d)(2)).

25 (e) REPORT BY THE PRESIDENT.—

1 (1) IN GENERAL.—Prior to imposing any new
2 unilateral economic sanction, the President shall
3 provide a report to the appropriate congressional
4 committees on the proposed sanction. The report
5 shall include the report of the International Trade
6 Commission under subsection (g) (if timely sub-
7 mitted prior to the filing of the report). The report
8 may be provided on a classified basis if disclosure
9 would threaten the national security of the United
10 States. The President’s report shall contain the fol-
11 lowing:

12 (A) An explanation of the foreign policy or
13 national security objective or objectives intended
14 to be achieved through the proposed sanction.

15 (B) An assessment of—

16 (i) the likelihood that the proposed
17 new unilateral economic sanction will
18 achieve its stated objectives within the
19 stated period of time; and

20 (ii) the impact of the proposed new
21 unilateral economic sanction on—

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

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

4 (III) relations with United States
5 allies; and

6 (IV) other United States national
7 security and foreign policy interests,
8 including countries and entities other
9 than those on which the sanction is
10 proposed to be imposed.

11 (C) A description and assessment of—

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

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

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

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

23 (v) any obligations of the United
24 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 (2) REPORT ON OTHER SANCTIONS.—In the
19 case of any unilateral economic sanction that is im-
20 posed after the date of enactment of this Act, other
21 than a new unilateral economic sanction described in
22 subsection (a)(2) or a sanction that is a continuation
23 of a sanction in effect on the date of enactment of
24 this Act, the President shall not later than 30 days
25 after imposing such sanction submit to Congress a

1 report described in paragraph (1) relating to such
2 sanction. The report may be provided on a classified
3 basis if disclosure would threaten the national secu-
4 rity of the United States.

5 (f) REPORT BY THE SECRETARY OF AGRI-
6 CULTURE.—Prior to the imposition of a new unilateral
7 economic sanction by the President, the Secretary of Agri-
8 culture shall submit to the appropriate congressional com-
9 mittees a report that shall contain an assessment of—

10 (1) the extent to which any country or countries
11 proposed to be sanctioned are markets that ac-
12 counted for, in the preceding calendar year, more
13 than 3 percent of all export sales from the United
14 States of any agricultural commodity;

15 (2) the likelihood that exports of agricultural
16 commodities from the United States will be affected
17 by the proposed sanction or by retaliation by any
18 country proposed to be sanctioned, including specific
19 commodities which are most likely to be affected;

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

22 (4) the extent to which the proposed sanction
23 would permit foreign suppliers to replace United
24 States suppliers; and

1 (5) the likely effect of the proposed sanction on
2 the reputation of United States farmers as reliable
3 suppliers of agricultural commodities in general, and
4 of the specific commodities identified by the Sec-
5 retary.

6 (g) REPORT BY THE UNITED STATES INTER-
7 NATIONAL TRADE COMMISSION.—Before imposing a new
8 unilateral economic sanction, the President shall make a
9 timely request to the United States International Trade
10 Commission for a report on the likely short-term and long-
11 term costs of the proposed sanction to the United States
12 economy, including the potential impact on United States
13 trade performance, employment, and growth, the inter-
14 national reputation of the United States as a reliable sup-
15 plier of products, agricultural commodities, technology,
16 and services, and the economic well-being and inter-
17 national competitive position of United States industries,
18 firms, workers, farmers, and communities.

19 (h) WAIVER AUTHORITY.—The President may waive
20 any of the requirements of subsections (a), (b), (c), (e)(1),
21 (f), and (g), in the event that the President determines
22 that such a waiver is in the national interest of the United
23 States. In the event of such a waiver, the requirements
24 waived shall be met during the 60-day period immediately
25 following the imposition of the new unilateral economic

1 sanction, and the sanction shall terminate 90 days after
 2 being imposed unless such requirements are met. The
 3 President may waive any of the requirements of para-
 4 graphs (1)(B), (1)(D), (1)(E), and (2) of subsection (d)
 5 in the event that the President determines that the new
 6 unilateral economic sanction is related to actual or immi-
 7 nent armed conflict involving the United States.

8 (i) SANCTIONS REVIEW COMMITTEE.—

9 (1) ESTABLISHMENT.—There is established
 10 within the executive branch of Government an inter-
 11 agency committee, which shall be known as the
 12 Sanctions Review Committee, which shall have the
 13 responsibility of coordinating United States policy
 14 regarding unilateral economic sanctions and of pro-
 15 viding appropriate recommendations to the President
 16 prior to any decision regarding the implementation
 17 of any unilateral economic sanction. The Committee
 18 shall be composed of the following 11 members, and
 19 any other member the President considers appro-
 20 priate:

21 (A) The Secretary of State.

22 (B) The Secretary of the Treasury.

23 (C) The Secretary of Defense.

24 (D) The Secretary of Agriculture.

25 (E) The Secretary of Commerce.

1 (F) The Secretary of Energy.

2 (G) The United States Trade Representa-
3 tive.

4 (H) The Director of the Office of Manage-
5 ment and Budget.

6 (I) The Chairman of the Council of Eco-
7 nomic Advisers.

8 (J) The Assistant to the President for Na-
9 tional Security Affairs.

10 (K) The Assistant to the President for
11 Economic Policy.

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

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

17 **SEC. 8. ANNUAL REPORTS.**

18 (a) ANNUAL REPORT.—Not later than 6 months
19 after the date of enactment of this Act, and annually
20 thereafter, unless otherwise required under existing law,
21 the President shall submit to the appropriate congres-
22 sional committees a report detailing with respect to each
23 country or entity against which a unilateral economic
24 sanction has been imposed—

1 (1) the extent to which the sanction has
2 achieved foreign policy or national security objectives
3 of the United States with respect to that country or
4 entity;

5 (2) the extent to which the sanction has harmed
6 humanitarian interests in that country, the country
7 in which that entity is located, or in other countries;
8 and

9 (3) the impact of the sanction on other national
10 security and foreign policy interests of the United
11 States, including relations with countries friendly to
12 the United States, and on the United States econ-
13 omy.

14 (b) REPORT BY THE UNITED STATES INTER-
15 NATIONAL TRADE COMMISSION.—Not later than 6
16 months after the date of enactment of this Act, and annu-
17 ally thereafter, the United States International Trade
18 Commission shall report to the appropriate congressional
19 committees on the costs, individually and in the aggregate,
20 of all unilateral economic sanctions in effect under United
21 States law, regulation, or Executive order. The calculation
22 of such costs shall include an assessment of the impact
23 of such measures on the international reputation of the
24 United States as a reliable supplier of products, agricul-
25 tural commodities, technology, and services.

1 **SEC. 9. PRESIDENTIAL WAIVER AUTHORITY.**

2 (a) WAIVER AUTHORITY.—The President may waive
3 the application of any sanction or prohibition (or portion
4 thereof) contained in section 101 or 102 of the Arms Ex-
5 port Control Act, section 620E(e) of the Foreign Assist-
6 ance Act of 1961, or section 2(b)(4) of the Export Import
7 Bank Act of 1945 if the President determines that such
8 a waiver would advance the purposes of such Acts or the
9 national security interests of the United States.

10 (b) CONSULTATION.—Prior to exercising the waiver
11 authority provided in subsection (a), the President shall
12 consult with the appropriate congressional committees.
13 Such consultations may be conducted on a classified basis
14 if disclosure would threaten the national security of the
15 United States.

16 (c) REPORTS.—At least once every 6 months after
17 exercising the waiver authority in subsection (a), the
18 President shall report to Congress with respect to the ac-
19 tions taken since the submission of the preceding report,
20 and the reasons that continuation of any waiver under
21 subsection (a) remains in the national security interest of
22 the United States.

23 **SEC. 10. EFFECTIVE DATE.**

24 This Act shall take effect on the date that is 20 days
25 after the date of enactment of this Act.

