

108TH CONGRESS
1ST SESSION

S. 1861

To provide a framework for consideration by the legislative and executive branches of proposed 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

NOVEMBER 14 (legislative day, NOVEMBER 12), 2003

Mr. LUGAR 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 proposed 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 expand trade and investment with the de-
17 veloping world to create the conditions for free mar-
18 ket democracies and the rule of law;

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

1 (4) 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 (5) 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 (6) to avoid the use of restrictions on exports
13 of agricultural commodities as a foreign policy weap-
14 on;

15 (7) 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

19 (8) when economic sanctions are necessary—

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

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 (normal trade
17 relations) 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.—As used in
4 this paragraph, the term “economic assistance”
5 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 of part I of
10 that Act, relating to the Overseas Private
11 Investment Corporation), other than—

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

14 (II) disaster relief assistance, in-
15 cluding any assistance under chapter
16 9 of part I of that Act,

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

20 (IV) assistance for refugees; and

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

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

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

- 10 (i) a loan or loans;
- 11 (ii) the purchase of a share of owner-
- 12 ship;
- 13 (iii) participation in royalties, earn-
- 14 ings, or profits; and
- 15 (iv) the furnishing of commodities or
- 16 services pursuant to a lease or other con-
- 17 tract.

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

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

1 the Trade Act of 1974 (19 U.S.C. 2411 et
2 seq.), sections 1374 and 1377 of the Omni-
3 bus Trade and Competitiveness Act of
4 1988 (19 U.S.C. 3103 and 3106), and sec-
5 tion 3 of the Act of March 3, 1933 (41
6 U.S.C. 10b-1);

7 (ii) any measure imposed to remedy
8 market disruption or to respond to injury
9 to a domestic industry for which increased
10 imports are a substantial cause or threat
11 thereof, including remedies under sections
12 201 and 406 of the Trade Act of 1974 (19
13 U.S.C. 2251 and 2436), and textile import
14 restrictions (including those imposed under
15 section 204 of the Agricultural Act of 1956
16 (7 U.S.C. 1784));

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

22 (iv) any measure imposed to restrict
23 imports of agricultural commodities to pro-
24 tect food safety or to ensure the orderly
25 marketing of commodities in the United

1 States, including actions taken under sec-
2 tion 22 of the Agricultural Adjustment Act
3 (7 U.S.C. 624);

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

7 (vi) any measure authorized by, or im-
8 posed under, a multilateral or bilateral
9 trade agreement to which the United
10 States is a signatory, including the Uru-
11 guay Round Agreements, the North Amer-
12 ican Free Trade Agreement, the United
13 States-Israel Free Trade Agreement, the
14 United States-Jordan Free Trade Agree-
15 ment, the United States-Chile Free Trade
16 Agreement, the United States-Singapore
17 Free Trade Agreement, and the United
18 States-Canada Free Trade Agreement;

19 (vii) any prohibition or restriction on
20 the sale, export, lease, or other transfer of
21 any dual-use article under the Export Ad-
22 ministration Act or similar prohibitions or
23 restrictions under the International Emer-
24 gency Economic Powers Act; and

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

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

11 (3) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES.—The term “appropriate congressional com-
13 mittees” means the Committee on Agriculture, the
14 Committee on International Relations, the Com-
15 mittee on Ways and Means, and the Committee on
16 Financial Services of the House of Representatives,
17 and the Committee on Agriculture, Nutrition, and
18 Forestry, the Committee on Finance, and the Com-
19 mittee on Foreign Relations of the Senate.

20 (4) CONTRACT SANCTITY.—The term “contract
21 sanctity”, with respect to a unilateral economic
22 sanction, refers to the inapplicability of the sanction
23 to—

24 (A) a contract or agreement entered into
25 before the committee of primary jurisdiction

provides notice of the opportunity for public comment in the Congressional Record pursuant to section 6(a) or the President publishes notice in the Federal Register pursuant to section 7(a), or to a valid export license or other authorization to export; and

(B) actions taken to enforce the right to maintain intellectual property rights, in the foreign country against which the sanction is imposed, which existed before the committee of primary jurisdiction provided notice of the opportunity for public comment in the Congressional Record pursuant to section 6(a) or the President published notice in the Federal Register pursuant to section 7(a).

(5) UNILATERAL ECONOMIC SANCTION LEGISLATION.—The term “unilateral economic sanction legislation” means a bill or joint resolution that imposes, or authorizes the imposition of, any unilateral economic sanction.

SEC. 5. GUIDELINES FOR UNILATERAL ECONOMIC SANCTIONS LEGISLATION.

It is the sense of Congress that any unilateral economic sanction legislation that is introduced in or reported

1 to a House of Congress on or after the date of enactment
2 of this Act should—

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

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

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

11 (A) in which execution of the contract is
12 contrary to law;

13 (B) in which the contract involves assets
14 that will be frozen as a consequence of the pro-
15 posed sanction; or

16 (C) in which the contract provides for the
17 supply of goods or services directly to a specific
18 person, government agency, or military unit
19 that is expressly named as a target of the pro-
20 posed sanction;

21 (4) provide authority for the President both to
22 adjust the timing and scope of the sanction and to
23 waive the sanction, if the President determines it is
24 in the national interest to do so;

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

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

6 (C) seek to minimize any adverse impact on the
7 humanitarian activities of United States and foreign
8 nongovernmental organizations in any country
9 against which the sanction may be imposed;

10 (6) include findings based on the report pro-
11 vided by the Secretary of Agriculture pursuant to
12 section 6(c)(2) regarding—

13 (A) the extent to which the proposed sanc-
14 tion is likely to restrict exports of any agricul-
15 tural commodity or is likely to result in retalia-
16 tion against exports of any agricultural com-
17 modity from the United States; and

18 (B) the extent to which the sanction is
19 proposed to be imposed, or is likely to be im-
20 posed, on a country or countries that con-
21 stituted, in the preceding calendar year, the
22 market for more than 3 percent of all export
23 sales from the United States of an agricultural
24 commodity;

1 (7) direct the Secretary of Agriculture to ex-
2 pand agricultural export assistance under United
3 States market development, food assistance, or ex-
4 port promotion programs to offset any potential
5 damage to incomes of producers of any affected ag-
6 ricultural commodity, to the maximum extent per-
7 mitted by law and by the obligations of the United
8 States under the Agreement on Agriculture referred
9 to in section 101(d)(2) of the Uruguay Round
10 Agreements Act (19 U.S.C. 3511(d)(2));

11 (8) take into account any findings of the Sec-
12 retary of the Treasury regarding how the sanction
13 will impact capital markets; and

14 (9) take into account any findings of the Sec-
15 retary of Energy regarding how the sanction will im-
16 pact United States energy markets and the supply
17 of energy in the United States.

18 **SEC. 6. REQUIREMENTS FOR UNILATERAL ECONOMIC**
19 **SANCTIONS LEGISLATION.**

20 (a) PUBLIC COMMENT.—Not later than 15 days prior
21 to the consideration by the committee of primary jurisdic-
22 tion of any unilateral economic sanction legislation, the
23 chairman of the committee shall cause to be printed in
24 the Congressional Record a notice that provides an oppor-

1 tunity for interested members of the public to submit com-
 2 ments to the committee on the proposed sanction.

3 (b) COMMITTEE REPORTS.—In the case of any uni-
 4 lateral economic sanction legislation that is reported by
 5 a committee of the House of Representatives or the Sen-
 6 ate, the committee report accompanying the legislation
 7 shall contain a statement of whether the legislation meets
 8 all the guidelines specified in section 5 and, if the legisla-
 9 tion does not, an explanation of why it does not. The re-
 10 port shall also include a specific statement of whether the
 11 legislation includes any restrictions on the provision of
 12 medicine, medical equipment, or food.

13 (c) REPORTS.—

14 (1) REPORT BY THE PRESIDENT.—Not later
 15 than 30 days after a committee of the House of
 16 Representatives or the Senate reports any unilateral
 17 economic sanction legislation, the President shall
 18 submit to the House of the committee reporting
 19 such legislation a report containing—

20 (A) an assessment of—

21 (i) the likelihood that the proposed
 22 unilateral economic sanction will achieve
 23 its stated objective within a reasonable pe-
 24 riod of time; and

1 (ii) the impact of the proposed unilat-
2 eral economic sanction on—

3 (I) humanitarian conditions, in-
4 cluding the impact on conditions in
5 any specific countries on which the
6 sanction is proposed to be or may be
7 imposed;

8 (II) humanitarian activities of
9 United States and foreign nongovern-
10 mental organizations;

11 (III) relations with United States
12 allies;

13 (IV) other United States national
14 security and foreign policy interests;
15 and

16 (V) countries and entities other
17 than those on which the sanction is
18 proposed to be or may be imposed;
19 and

20 (B) a description and assessment of—

21 (i) diplomatic and other steps the
22 United States has taken to accomplish the
23 intended objectives of the unilateral sanc-
24 tion legislation;

1 (ii) the likelihood of multilateral adop-
2 tion of comparable measures;

3 (iii) comparable measures undertaken
4 by other countries;

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

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

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

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

1 products, technology, agricultural commod-
2 ities, and services.

3 (2) REPORT BY THE SECRETARY OF AGRI-
4 CULTURE.—Not later than 30 days after a com-
5 mittee of the House of Representatives or the Senate
6 reports any unilateral economic sanction legislation
7 affecting the export of agricultural commodities from
8 the United States, the Secretary of Agriculture shall
9 submit to the House of the committee reporting
10 such legislation a report containing an assessment
11 of—

12 (A) the extent to which any country or
13 countries proposed to be sanctioned or likely to
14 be sanctioned are markets that accounted for,
15 in the preceding calendar year, more than 3
16 percent of all export sales from the United
17 States of any agricultural commodity;

18 (B) the likelihood that exports of agricul-
19 tural commodities from the United States will
20 be affected by the proposed sanction or by re-
21 taliation by any country proposed to be sanc-
22 tioned or likely to be sanctioned, and specific
23 commodities which are most likely to be af-
24 fected;

1 (C) the likely effect on incomes of pro-
2 ducers of the specific commodities identified by
3 the Secretary;

4 (D) the extent to which the proposed sanc-
5 tion would permit foreign suppliers to replace
6 United States suppliers; and

7 (E) the likely effect of the proposed sanc-
8 tion on the reputation of United States farmers
9 as reliable suppliers of agricultural commodities
10 in general, and of the specific commodities iden-
11 tified by the Secretary.

12 (3) REPORT BY THE CONGRESSIONAL BUDGET
13 OFFICE.—Any bill or joint resolution that imposes a
14 unilateral economic sanction shall be treated as in-
15 cluding a Federal private sector mandate for pur-
16 poses of part B of title IV of the Congressional
17 Budget and Impoundment Control Act of 1974 (2
18 U.S.C. 658 et seq.) and the Congressional Budget
19 Office shall report accordingly. The report shall in-
20 clude an assessment of—

21 (A) the likely short-term and long-term
22 costs of the proposed sanction to the United
23 States economy, including the potential impact
24 on United States trade performance, employ-
25 ment, and growth;

1 (B) the impact the proposed sanction will
 2 have on the international reputation of the
 3 United States as a reliable supplier of products,
 4 agricultural commodities, technology, and serv-
 5 ices; and

6 (C) the impact the proposed sanction will
 7 have on the economic well-being and inter-
 8 national competitive position of United States
 9 industries, firms, workers, farmers, and commu-
 10 nities.

11 (d) RULES OF THE HOUSE OF REPRESENTATIVES
 12 AND SENATE.—This section is enacted by Congress—

13 (1) as an exercise of the rulemaking power of
 14 the House of Representatives and the Senate, re-
 15 spectively, and as such these rules are deemed a part
 16 of the rules of each House, respectively, and they su-
 17 persede other rules only to the extent that they are
 18 inconsistent therewith; and

19 (2) with full recognition of the constitutional
 20 right of either House to change the rules (so far as
 21 relating to the procedure of that House) at any time,
 22 in the same manner and to the same extent as in
 23 the case of any other rule of that House.

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

25 (a) NOTICE.—

1 (1) IN GENERAL.—

2 (A) NOTICE OF INTENT TO IMPOSE SANC-
3 TION.—Notwithstanding any other provisions of
4 law, the President shall publish notice in the
5 Federal Register, at least 45 days in advance of
6 the imposition of any new unilateral economic
7 sanction under any provision of law with re-
8 spect to a foreign country or foreign entity, of
9 the President’s intention to implement such
10 sanction. The Federal Register notice shall pro-
11 vide the opportunity for interested persons to
12 submit comments regarding the proposed new
13 unilateral economic sanction. The purpose of
14 such notice and opportunity for comment shall
15 be to allow the formulation of an effective sanc-
16 tion that advances United States national secu-
17 rity and economic interests, and to provide an
18 opportunity for negotiations to achieve the ob-
19 jectives specified in the law authorizing imposi-
20 tion of a unilateral economic sanction.

21 (B) WAIVER OF ADVANCE NOTICE RE-
22 QUIREMENT.—The President may waive the
23 provisions of subparagraph (A) if the President
24 determines that the national interest would be
25 jeopardized by the requirements of this section.

1 (C) AUTHORITY TO NEGOTIATE.—Notwith-
2 standing any other provision of law, the Presi-
3 dent is authorized to negotiate with the foreign
4 government against which a unilateral economic
5 sanction is proposed to resolve the underlying
6 reasons for the sanction during the 45-day pe-
7 riod following the publication of notice in the
8 Federal Register.

9 (2) NEW UNILATERAL ECONOMIC SANCTION.—
10 For purposes of this section, the term “new unilat-
11 eral economic sanction” means a unilateral economic
12 sanction imposed pursuant to a law enacted after
13 the date of enactment of this Act or a sanction im-
14 posed after such date of enactment pursuant to the
15 International Emergency Economic Powers Act (50
16 U.S.C. 1701 et seq.).

17 (b) CONSULTATION.—

18 (1) IN GENERAL.—The President shall consult
19 with the appropriate congressional committees re-
20 garding a proposed new unilateral economic sanc-
21 tion, including consultations regarding efforts to
22 achieve or increase multilateral cooperation on the
23 issues or problems prompting the proposed sanction.

24 (2) CLASSIFIED CONSULTATIONS.—The con-
25 sultations described in paragraph (1) may be con-

1 ducted on a classified basis if disclosure would
2 threaten the national security of the United States.

3 (c) REQUIREMENTS FOR EXECUTIVE BRANCH SANC-
4 TIONS.—Any new unilateral economic sanction imposed by
5 the President—

6 (1) shall—

7 (A) provide contract sanctity, except that
8 contract sanctity shall not be required in any
9 case—

10 (i) in which execution of the contract
11 is contrary to law;

12 (ii) in which the contract involves as-
13 sets that will be frozen as a consequence of
14 the proposed sanction; or

15 (iii) in which the contract provides for
16 the supply of goods or services directly to
17 a specific person, government agency, or
18 military unit that is expressly named as a
19 target of the proposed sanction;

20 (B) terminate not later than 2 years after
21 the sanction is imposed, unless specifically ex-
22 tended by the President in accordance with this
23 section;

24 (C)(i) be targeted as narrowly as possible
25 on foreign governments, entities, and officials

1 that are responsible for the conduct being tar-
2 geted; and

3 (ii) seek to minimize any adverse impact
4 on the humanitarian activities of United States
5 and foreign nongovernmental organizations in a
6 country against which the sanction may be im-
7 posed; and

8 (D) not include any restriction on the ex-
9 port, financing, support, or provision of medi-
10 cine, medical equipment, medical supplies, food,
11 or other agricultural commodity (including fer-
12 tilizer), other than restrictions imposed in re-
13 sponse to national security threats, where mul-
14 tilateral sanctions are in place, or restrictions
15 involving a country where the United States is
16 engaged in armed conflict; and

17 (2) should direct the Secretary of Agriculture to
18 expand agricultural export assistance under United
19 States market development, food assistance, and ex-
20 port promotion programs to offset any potential
21 damage to incomes of producers of any affected ag-
22 ricultural commodity, to the maximum extent per-
23 mitted by law and by the obligations of the United
24 States under the Agreement on Agriculture referred

1 to in section 101(d)(2) of the Uruguay Round
 2 Agreements Act (19 U.S.C. 3511(d)(2)).

3 (d) REPORT BY THE PRESIDENT.—

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

15 (A) An explanation of the foreign policy or
 16 national security objective or objectives intended
 17 to be achieved through the proposed sanction.

18 (B) An assessment of—

19 (i) the likelihood that the proposed
 20 sanction will achieve its stated objectives
 21 within the stated period of time; and

22 (ii) the impact of the proposed sanc-
 23 tion on—

24 (I) humanitarian conditions, in-
 25 cluding the impact on conditions in

1 any specific countries on which the
2 sanction is proposed to be imposed;

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

6 (III) relations with United States
7 allies; and

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

13 (C) A description and assessment of—

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

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

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

22 (iv) alternative measures to promote
23 the same objectives, and an assessment of
24 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 ON OTHER SANCTIONS.—In the
21 case of any unilateral economic sanction that is im-
22 posed after the date of enactment of this Act, other
23 than a new unilateral economic sanction described in
24 subsection (a)(2) or a sanction that is a continuation
25 of a sanction in effect on the date of enactment of

1 this Act, the President shall not later than 30 days
2 after imposing such sanction submit to Congress a
3 report described in paragraph (1) relating to such
4 sanction. The report may be provided on a classified
5 basis if disclosure would threaten the national secu-
6 rity of the United States.

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

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

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

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

1 (4) the extent to which the proposed sanction
2 would permit foreign suppliers to replace United
3 States suppliers; and

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

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

22 (g) WAIVER AUTHORITY.—The President may waive
23 any of the requirements of this section in the event that
24 the President determines that such a waiver is in the na-
25 tional interest of the United States. In the event of such

1 a waiver, the requirements waived shall be met during the
 2 60-day period immediately following the imposition of the
 3 new unilateral economic sanction.

4 (h) SANCTIONS REVIEW COMMITTEE.—

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

17 (A) The Secretary of State.

18 (B) The Secretary of the Treasury.

19 (C) The Secretary of Defense.

20 (D) The Secretary of Agriculture.

21 (E) The Secretary of Commerce.

22 (F) The Secretary of Energy.

23 (G) The United States Trade Representa-
 24 tive.

1 (H) The Director of the Office of Manage-
2 ment and Budget.

3 (I) The Chairman of the Council of Eco-
4 nomic Advisers.

5 (J) The Assistant to the President for Na-
6 tional Security Affairs.

7 (K) The Assistant to the President for
8 Economic Policy.

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

12 (i) INAPPLICABILITY OF OTHER PROVISIONS.—This
13 section applies notwithstanding any other provision of law.

14 **SEC. 8. ANNUAL REPORTS.**

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

22 (1) the extent to which the sanction has
23 achieved foreign policy or national security objectives
24 of the United States with respect to that country or
25 entity;

1 (2) the extent to which the sanction has harmed
2 humanitarian interests in that country, the country
3 in which that entity is located, or in other countries;
4 and

5 (3) the impact of the sanction on other national
6 security and foreign policy interests of the United
7 States, including relations with countries friendly to
8 the United States, and on the United States econ-
9 omy.

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

22 **SEC. 9. PRESIDENTIAL WAIVER AUTHORITY.**

23 (a) WAIVER AUTHORITY.—The President may waive
24 the application of any sanction or prohibition (or portion
25 thereof) contained in section 101 or 102 of the Arms Ex-

1 port Control Act, section 620E(e) of the Foreign Assist-
 2 ance Act of 1961, or section 2(b)(4) of the Export Import
 3 Bank Act of 1945 if the President determines that such
 4 a waiver would advance the purposes of such Acts or the
 5 national security interests of the United States.

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

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

19 **SEC. 10. EFFECTIVE DATE.**

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

