

Union Calendar No. 525

93^D CONGRESS
2^D SESSION

H. R. 15264

[Report No. 93-1122]

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1974

Mr. ASHLEY (for himself; Mr. REES, Mr. MITCHELL of Maryland, Mr. KOCH, Mr. YOUNG of Georgia, Mr. BROWN of Michigan, Mr. JOHNSON of Pennsylvania, Mr. MCKINNEY, and Mr. FRENZEL) introduced the following bill; which was referred to the Committee on Banking and Currency

JUNE 19, 1974

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To further amend and extend the authority for regulation of exports.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) paragraph (2) of section 3 of the Export Admin-
4 istration Act of 1969 (50 U.S.C. App. 2402 (2)) is
5 amended by striking out "and" immediately before "(C)"
6 and by inserting immediately before the period at the end
7 thereof the following: ", and (D) to the extent appropriate
8 to retaliate against a nation or group of nations which have
9 unreasonably restricted United States access to their supply
10 of a particular commodity".

1 (b) Section 3 (2) (A) of the Export Administration
2 Act of 1969 is amended by striking out "and" and inserting
3 in lieu thereof "or" and by striking out "abnormal".

4 (c) Paragraph (3) of section 3 of the Export Admin-
5 istration Act of 1969 is amended by striking out "and" im-
6 mediately before "(B)" and by inserting immediately be-
7 fore the period at the end thereof the following: ", and (C)
8 to deal with world shortages of particular commodities,
9 whenever feasible, through international cooperation with
10 the major suppliers and consumers of such commodities,
11 rather than by taking unilateral actions".

12 SEC. 2. (a) Section 4 (c) of the Export Administration
13 Act of 1969 (50 U.S.C. App. 2403(e)) is amended to
14 read as follows:

15 "(e) (1) The Secretary of Commerce, in consultation
16 with appropriate United States departments and agencies
17 and any appropriate technical advisory committee estab-
18 lished under section 5 (c) (2), shall undertake an investi-
19 gation to determine which materials or commodities shall
20 be subject to export controls because of the present or pro-
21 spective domestic inflationary impact or short supply of such
22 material or commodity in the absence of any such export
23 control. The Secretary shall develop forecast indices of the
24 domestic supply and demand and, to the extent necessary,
25 foreign supply and demand for such materials and commodi-

1 ties to help assure their availability on a priority basis to
2 domestic users at stable prices.

3 “(2) To effectuate the policy set forth in clause (A) of
4 paragraph (2) of section 3 with respect to any agricultural
5 commodity, the authority conferred by this section shall not
6 be exercised without the approval of the Secretary of Agri-
7 culture.”

8 (b) Section 5 (c) of the Export Administration Act of
9 1969 (50 U.S.C. App. 2404 (c)) is amended by redesignat-
10 ing paragraphs (2), (3), and (4) as paragraphs (3), (4),
11 and (5), and—

12 (1) by inserting immediately after paragraph (1)
13 the following new paragraph:

14 “(2) Upon written request by representatives of a sub-
15 stantial segment of any industry which processes materials
16 or commodities which are subject to export controls or are
17 being considered for such controls because of the present or
18 prospective domestic inflationary impact or short supply of
19 such materials or commodities in the absence of any such
20 export controls, the Secretary of Commerce shall appoint a
21 technical advisory committee for any grouping of such mate-
22 rials or commodities to evaluate technical matters, licensing
23 procedures, worldwide availability, and actual use of domes-
24 tic production facilities and technology. Each such committee
25 shall consist of representatives of United States industry and

1 government. No person serving on any such committee who
2 is representative of industry shall serve on such committee
3 for more than two consecutive years. Nothing in this subsec-
4 tion shall prevent the Secretary from consulting, at any time,
5 with any person representing industry or the general public
6 regardless of whether such person is a member of a technical
7 advisory committee. Members of the public shall be given a
8 reasonable opportunity, pursuant to regulations prescribed
9 by the Secretary of Commerce, to present evidence to such
10 committees.”;

11 (2) in paragraph (4) thereof, as redesignated by
12 this subsection, by striking out “such committee” and
13 by inserting in lieu thereof “committee established under
14 paragraph (1) or (2)”;

15 (3) in paragraph (5) thereof, as redesignated by
16 this subsection, by striking out “such committee” the
17 first time it appears therein and inserting in lieu thereof
18 “committee established under paragraph (1) or (2)”.

19 SEC. 3. The Export Administration Act of 1969 is
20 amended by redesignating sections 6 through 14 as sections
21 8 through 16, respectively, and by inserting immediately
22 after section 5 the following new sections:

1 “PETITION PROCEDURE FOR SHORT SUPPLY EXPORT

2 CONTROLS AND MONITORING

3 “SEC. 6. (a) (1) Any person who represents a sub-
4 stantial segment of an industry which processes any material
5 or commodity may transmit a written petition to the Secre-
6 tary of Commerce requesting the imposition of controls, or
7 the monitoring of exports, or both, with respect to such
8 material or commodity in order to effectuate the policy set
9 forth in section 3 (2) (A).

10 “(2) Each petition shall be in such form as the Secre-
11 tary of Commerce shall prescribe and shall contain infor-
12 mation in support of its request.

13 “(b) Within fifteen days of receipt of any petition de-
14 scribed in subsection (a) the Secretary of Commerce shall
15 cause to be published a notice in the Federal Register. The
16 notice shall include the name of the material or commodity
17 which is the subject of the petition; whether the petitioner
18 is requesting that control or monitoring, or both, be imposed
19 with respect to the exportation of such material or com-
20 modity, and provide that interested persons shall have a
21 period of thirty days commencing with the date of publica-
22 tion of this notice to submit to the Secretary of Commerce

1 written data, views, or arguments with or without oppor-
2 tunity for oral presentation.

3 “(c) Within thirty days after the end of the thirty-day
4 period described in subsection (b), the Secretary of Com-
5 merce shall—

6 “(1) impose monitoring on the exportation of such
7 material or commodity;

8 “(2) impose controls on the exportation of such
9 material or commodity; or

10 “(3) publish in the Federal Register a detailed
11 statement of his reasons for nonimposition of such moni-
12 toring or controls.

13 “(d) The authority under this section shall not be
14 construed to affect the authority of the Secretary of Com-
15 merce under any other provision of this Act.

16 “PETITION PROCEDURE FOR HARDSHIP RELIEF FROM
17 EXPORT CONTROLS

18 “SEC. 7. (a) (1) Any representative of a substantial
19 segment of an industry which processes any material or com-
20 modity subject to export control in order to effectuate the
21 policy set forth in section 3 (2)) (A) may transmit a written
22 petition of hardship to the Secretary of Commerce requesting
23 that the appropriate rule or rules be amended to alleviate the
24 hardship resulting from the controls.

25 “(2) Any person who processes any material or com-

1 commodity subject to export to export control in order to effec-
2 tuate the policy set forth in section 3 (2) (A), or who ex-
3 ports any such material or commodity, or who in its manu-
4 facturing process utilizes any such material or commodity
5 may transmit a petition of hardship to the Secretary of Com-
6 merce requesting an exemption from such controls in order
7 to alleviate the hardship.

8 “(3) Each petition shall be in such form as the Secre-
9 tary of Commerce shall prescribe and shall contain infor-
10 mation in support of its request.

11 “(b) (1) Within fifteen days of receipt of any petition
12 described in subsection (a) (1) the Secretary of Commerce
13 shall cause to be published a notice in the Federal Register.
14 The notice shall include the name of the material or com-
15 modity which is the subject of the petition and a brief
16 description of the petition.

17 “(2) If specifically requested by the petitioner, within
18 fifteen days of receipt of any petition described in subsection
19 (a) (2) the Secretary of Commerce shall cause to be pub-
20 lished a notice in the Federal Register. The notice shall
21 include the name of the material or commodity which is the
22 subject of the petition and a brief description of the petition.

23 “(3) Any notice which is published under this subsec-
24 tion shall provide that interested persons shall have a period
25 of thirty days commencing with the date of publication of

1 the notice to submit to the Secretary of Commerce written
2 data, views, or arguments with or without opportunity for
3 oral presentation.

4 “(c) (1) Within thirty days after the end of the thirty-
5 day period described in subsection (b), the Secretary of
6 Commerce shall publish in the Federal Register his decision
7 with respect to the petition and his reasons therefor.

8 “(2) In the case of any petition by any person under
9 subsection (a) (2) which is not published by the Secretary of
10 Commerce under subsection (b) (2), the Secretary shall,
11 within sixty days of receipt of the petition, transmit a written
12 decision to such person which includes his reasons therefor.

13 “(d) For purposes of this section, when making a deci-
14 sion with respect to a petition transmitted to him concerning
15 hardship relief from export controls, the Secretary of Com-
16 merce shall take into account such factors as—

17 “(1) the adverse effect on employment in the
18 United States or any region thereof resulting from the
19 controls;

20 “(2) the probability of insolvency of a person re-
21 sulting from the controls;

22 “(3) any interference with imports into the United
23 States which are essential to the domestic economy
24 or would cause undue disruption of the domestic economy
25 resulting from the controls;

1 “(4) the adverse effect of the controls upon a
2 domestic company which manufactures or assembles a
3 product which includes a critical component which is
4 produced outside of the United States in whole or in
5 part from an item or items subject to the controls; and

6 “(5) any other factors which the Secretary deems
7 to be relevant.”

8 SEC. 4. Section 9 (as redesignated by section 3 of this
9 Act) of the Export Administration Act of 1969 is amended
10 by redesignating subsections (c) and (d) as subsections
11 (d) and (e), respectively, and by inserting immediately
12 after subsection (b) the following new subsection:

13 “(c) Any person who enters into a contract, protocol,
14 agreement, or other written understanding, which contem-
15 plates, or is likely to result in, the exportation to a Com-
16 munist country or area, of United States origin technical
17 data which is not generally available, shall report the details
18 of the transaction to the Secretary of Commerce within
19 sixty days from entering into such contract, protocol, agree-
20 ment, or other written understanding.”.

21 SEC. 5. Section 16 (as redesignated by section 3 of this
22 Act) of the Export Administration Act of 1969 is amended
23 by striking out “1974” and inserting in lieu thereof “1976”.

24 SEC. 6. Section 4 (c) of the Export Administration Act
25 of 1969 is amended to read as follows:

1 “(c) Nothing in this Act, or in the rules and regula-
2 tions authorized by it, shall in any way be construed to
3 require authority and permission to export articles, materials,
4 supplies, data, or information except where implementation
5 of the policies contained in section 3 (2) of this Act makes
6 such requirement necessary.”

7 SEC. 7. This Act may be cited as the “Export Admin-
8 istration Act Amendments of 1974”.

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