

1 AUTHORIZATION OF APPROPRIATIONS

2 SEC. 102. The Export Administration Act of 1969 is
3 amended by inserting after section 12 the following new sec-
4 tion 13 and redesignating existing sections 13 and 14 as
5 sections 14 and 15, respectively:

6 "AUTHORIZATION OF APPROPRIATIONS

7 "SEC. 13. Notwithstanding any other provision of law,
8 no appropriation shall be made under any law to the Depart-
9 ment of Commerce for expenses to carry out the purposes of
10 this Act for any fiscal year commencing on or after October 1,
11 1977, unless previously and specifically authorized by legis-
12 lation enacted after the enactment of this section."

13 CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES;

14 FOREIGN AVAILABILITY

15 SEC. 103. (a) Section 4(b) of the Export Administra-
16 tion Act of 1969 is amended—

17 (1) by striking out the third sentence of paragraph

18 (1);

19 (2) by striking out paragraphs (2) through (4);

20 and

21 (3) by inserting the following new paragraph (2):

22 "(2) (A) In administering export controls for national
23 security purposes as prescribed in section 3(2)(C) of this
24 Act, United States policy toward individual countries shall
25 not be determined exclusively on the basis of a country's

1 Communist or non-Communist status but shall take into ac-
2 count such factors as the country's present and potential re-
3 lationship to the United States, its present and potential
4 relationship to countries friendly or hostile to the United
5 States, its ability and willingness to control retransfers of
6 United States exports in accordance with United States
7 policy, and such other factors as the President may deem ap-
8 propriate. The President shall periodically review United
9 States policy toward individual countries to determine
10 whether such policy is appropriate in light of the factors
11 specified in the preceding sentence. The results of such
12 review, together with the justification for United States policy
13 in light of such factors, shall be included in the semiannual
14 report of the Secretary of Commerce required by section 10
15 of this Act for the first half of 1977 and in every second such
16 report thereafter.

17 “(B) Rules and regulations under this subsection may
18 provide for denial of any request or application for author-
19 ity to export articles, materials, or supplies, including techni-
20 cal data, or any other information, from the United States,
21 its territories, and possessions, to any nation or combination
22 of nations threatening the national security of the United
23 States if the President determines that their export would
24 prove detrimental to the national security of the United
25 States. The President shall not impose export controls for

1 national security purposes on the export from the United
2 States of articles, materials, or supplies, including technical
3 data or other information, which he determines are available
4 without restriction from sources outside the United States
5 in significant quantities and comparable in quality to those
6 produced in the United States, unless the President deter-
7 mines that adequate evidence has been presented to him
8 demonstrating that the absence of such controls would prove
9 detrimental to the national security of the United States.
10 The nature of such evidence shall be included in the semi-
11 annual report required by section 10 of this Act. Where, in
12 accordance with this paragraph, export controls are im-
13 posed for national security purposes notwithstanding foreign
14 availability, the President shall take steps to initiate negoti-
15 ations with the governments of the appropriate foreign coun-
16 tries for the purpose of eliminating such availability.”.

17 (b) (1) Section 4 (h) of the Export Administration Act
18 of 1969 is amended by striking out “controlled country” in
19 the first sentence of paragraph (1) and in the second sen-
20 tence of paragraph (2) and inserting in lieu thereof “coun-
21 try to which exports are restricted for national security
22 purposes”.

23 (2) Section 4 (h) (2) (A) of such Act is amended by
24 striking out “controlled” and inserting in lieu thereof “such”.

25 (3) Section 4 (h) (4) of such Act is amended—

1 (A) by inserting “and” at the end of subpara-
2 graph (A) ; and

3 (B) by striking out the semicolon at the end of
4 subparagraph (B) thereof and all that follows the semi-
5 colon and inserting in lieu thereof a period.

6 (4) The amendments made by this subsection shall be-
7 come effective upon the expiration of 90 days after the receipt
8 by the Congress of the semiannual report of the Secretary of
9 Commerce required by section 10 of such Act for the first
10 half of 1977.

11 (c) Section 4 (h) of such Act is amended—

12 (1) in paragraph (1) —

13 (A) in the first sentence by striking out “sig-
14 nificantly increase the military capability of such
15 country” and inserting in lieu thereof “make a
16 significant contribution to the military potential of
17 such country”; and

18 (B) in the second sentence by striking out
19 “significantly increase the military capability of
20 such country” and inserting in lieu thereof “make a
21 significant contribution, which would prove detri-
22 mental to the national security of the United States,
23 to the military potential of such country”; and

24 (2) in paragraph (2) (A), by striking out “sig-
25 nificantly increase the military capability of such coun-

1 try” and inserting in lieu thereof “make a significant
2 contribution, which would prove detrimental to the
3 national security of the United States, to the military
4 potential of such country or any other country”.

5 (d) Section 6 (b) of such Act is amended by striking
6 out “Communist-dominated nation” and inserting in lieu
7 thereof “country to which exports are restricted for na-
8 tional security or foreign policy purposes”.

9 EXEMPTION FOR CERTAIN AGRICULTURAL COMMODITIES
10 FROM CERTAIN EXPORT LIMITATIONS

11 SEC. 104. Section 4 (f) of the Export Administration
12 Act of 1969 is amended—

13 (1) by redesignating such section as section
14 4 (f) (1) ; and

15 (2) by adding at the end thereof the following new
16 paragraph:

17 “(2) Upon approval of the Secretary of Commerce, in
18 consultation with the Secretary of Agriculture, agricultural
19 commodities purchased by or for use in a foreign country
20 may remain in the United States for export at a later date
21 free from any quantitative limitations on export which may
22 be imposed pursuant to section 3 (2) (A) of this Act sub-
23 sequent to such approval. The Secretary of Commerce may
24 not grant approval hereunder unless he receives adequate
25 assurance and, in conjunction with the Secretary of Agri-

1 culture, finds that such commodities will eventually be
2 exported, that neither the sale nor export thereof will
3 result in an excessive drain of scarce materials and have
4 a serious domestic inflationary impact, that storage of such
5 commodities in the United States will not unduly limit the
6 space available for storage of domestically owned commodi-
7 ties, and that the purpose of such storage is to establish a
8 reserve of such commodities for later use, not including resale
9 to or use by another country. The Secretary of Commerce
10 is authorized to issue such rules and regulations as may be
11 necessary to implement this paragraph.”.

12 CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON

13 AGRICULTURAL COMMODITIES

14 SEC. 105. Section 4 (f) of the Export Administration
15 Act of 1969, as amended by section 104 of this Act, is fur-
16 ther amended by adding at the end thereof the following new
17 paragraph:

18 “(3) If the authority conferred by this section is exer-
19 cised to prohibit or curtail the exportation of any agricul-
20 tural commodity in order to effectuate the policies set forth
21 in clause (B) of paragraph (2) of section 3 of this Act, the
22 President shall immediately report such prohibition or cur-
23 tailment to the Congress, setting forth the reasons therefor
24 in detail. If the Congress, within 30 days after the date of its
25 receipt of such report, adopts a concurrent resolution disap-

1 proving such prohibition or curtailment, then such prohibi-
2 tion or curtailment shall cease to be effective with the adop-
3 tion of such resolution. In the computation of such 30-day
4 period, there shall be excluded the days on which either
5 House is not in session because of an adjournment of more
6 than 3 days to a day certain or because of an adjournment
7 of the Congress sine die.”.

8 PERIOD FOR ACTION ON EXPORT LICENSE APPLICATIONS

9 SEC. 106. Section 4 (g) of the Export Administration
10 Act of 1969 is amended to read as follows:

11 “(g) (1) It is the intent of Congress that any export
12 license application required under this Act shall be approved
13 or disapproved within 90 days of its receipt. Upon the ex-
14 piration of the 90-day period beginning on the date of its
15 receipt, any export license application required under this
16 Act which has not been approved or disapproved shall be
17 deemed to be approved and the license shall be issued unless
18 the Secretary of Commerce or other official exercising au-
19 thority under this Act finds that additional time is required
20 and notifies the applicant in writing of the specific circum-
21 stances requiring such additional time and the estimated date
22 when the decision will be made.

23 “(2) (A) With respect to any export license applica-
24 tion not finally approved or disapproved within 90 days of
25 its receipt as provided in paragraph (1) of this subsection,

1 the applicant shall, to the maximum extent consistent with
2 the national security of the United States, be specifically in-
3 formed in writing of questions raised and negative considera-
4 tions or recommendations made by any agency or depart-
5 ment of the Government with respect to such license appli-
6 cation, and shall be accorded an opportunity to respond to
7 such questions, considerations, or recommendations in writ-
8 ing prior to final approval or disapproval by the Secretary
9 of Commerce or other official exercising authority under this
10 Act. In making such final approval or disapproval, the Sec-
11 retary of Commerce or other official exercising authority
12 under this Act shall take fully into account the applicant's
13 response.

14 “(B) Whenever the Secretary determines that it is
15 necessary to refer an export license application to any multi-
16 lateral review process for approval, he shall first, if the ap-
17 plicant so requests, provide the applicant with an oppor-
18 tunity to review any documentation to be submitted to such
19 process for the purpose of describing the export in question,
20 in order to determine whether such documentation accurately
21 describes the proposed export.

22 “(3) In any denial of an export license application, the
23 applicant shall be informed in writing of the specific statutory
24 basis for such denial.”

1 EXPORTS OF TECHNICAL INFORMATION

2 SEC. 107. Section 4 of the Export Administration Act
3 of 1969 is amended by adding at the end thereof the follow-
4 ing new subsection (j) :

5 “(j) (1) Any person (including any college, university,
6 or other educational institution) who enters into any con-
7 tract, protocol, agreement, or other understanding for, or
8 which may result in, the transfer from the United States of
9 technical data or other information to any country to which
10 exports are restricted for national security or foreign policy
11 purposes shall furnish to the Secretary of Commerce such
12 documents and information with respect to such agreement
13 as the Secretary shall by regulation require in order to enable
14 him to monitor the effects of such transfers on the national
15 security and foreign policy of the United States.

16 “(2) The Secretary of Commerce shall conduct a study
17 of the problem of the export, by publications or any other
18 means of public dissemination, of technical data or other
19 information from the United States, the export of which
20 might prove detrimental to the national security of foreign
21 policy of the United States. Not later than 6 months after
22 the enactment of this subsection, the Secretary shall report
23 to the Congress his assessment of the impact of the export
24 of such technical data or other information by such means
25 on the national security and foreign policy of the United

1 States and his recommendations for monitoring such exports
2 without impairing freedom of speech, freedom of press, or the
3 freedom of scientific exchange. Such report may be included
4 in the semiannual report required by section 10 of this Act.”.

5 CERTAIN PETROLEUM EXPORTS

6 SEC. 108. Section 4 of the Export Administration Act
7 of 1969, as amended by section 107 of this Act, is further
8 amended by adding at the end thereof the following new
9 subsection (k) :

10 “(k) Petroleum products refined in United States
11 Foreign-Trade Zones, or in the United States Territory of
12 Guam, from foreign crude oil shall be excluded from any
13 quantitative restrictions imposed pursuant to section 3 (2)
14 (A) of this Act, except that, if the Secretary of Commerce
15 finds that a product is in short supply, the Secretary of Com-
16 merce may issue such rules and regulations as may be
17 necessary to limit exports.”.

18 EXPORT OF HORSES

19 SEC. 109. Section 4 of the Export Administration Act
20 of 1969, as amended by sections 107 and 108 of this Act,
21 is further amended by adding at the end thereof the follow-
22 ing new subsection (l) :

23 “(l) (1) Notwithstanding any other provision of this
24 Act, no horse may be exported by sea from the United
25 States, its territories and possessions, unless such horse is

1 part of a consignment of horses with respect to which a
2 waiver has been granted under paragraph (2) of this sub-
3 section.

4 “(2) The Secretary of Commerce, in consultation with
5 the Secretary of Agriculture, may issue rules and regula-
6 tions providing for the granting of waivers permitting the
7 export by sea of a specified consignment of horses, if the
8 Secretary of Commerce, in consultation with the Secretary
9 of Agriculture, determines that no horse in that consignment
10 is being exported for purposes of slaughter.”.

11 TECHNICAL ADVISORY COMMITTEES

12 SEC. 110. (a) Section 5 (c) (1) of the Export Admin-
13 istration Act of 1969 is amended by striking out “two” in
14 the last sentence thereof and inserting in lieu thereof “four”.

15 (b) The second sentence of section 5 (c) (2) of such
16 Act is amended to read as follows: “Such committees, where
17 they have expertise in such matters, shall be consulted with
18 respect to questions involving (A) technical matters, (B)
19 worldwide availability and actual utilization of production
20 technology, (C) licensing procedures which affect the level
21 of export controls applicable to any articles, materials, and
22 supplies, including technical data or other information, and
23 (D) exports subject to multilateral controls in which the
24 United States participates including proposed revisions of
25 any such multilateral controls.”.

1 (c) Section 5 (c) (2) of such Act is further amended
2 by striking out the third sentence and inserting in lieu thereof
3 the following: "The Secretary shall include in each semi-
4 annual report required by section 10 of this Act an account-
5 ing of the consultations undertaken pursuant to this para-
6 graph, the use made of the advice rendered by the tech-
7 nical advisory committees pursuant to this paragraph, and
8 the contributions of the technical advisory committees to
9 carrying out the policies of this Act."

10 PENALTIES FOR VIOLATIONS

11 SEC. 111. (a) Section 6 (a) of the Export Administra-
12 tion Act of 1969 is amended—

13 (1) in the first sentence, by striking out "\$10,000"
14 and inserting in lieu thereof "\$25,000"; and

15 (2) in the second sentence, by striking out
16 "\$20,000" and inserting in lieu thereof "\$50,000".

17 (b) Section 6 (b) of such Act is amended by striking
18 out "\$20,000" and inserting in lieu thereof "\$50,000".

19 (c) Section 6 (c) of such Act is amended by striking
20 out "\$1,000" and inserting in lieu thereof "\$10,000".

21 (d) Section 6 (d) of such Act is amended by adding at
22 the end thereof the following new sentence: "In addition,
23 the payment of any penalty imposed under subsection (c)
24 may be deferred or suspended in whole or in part for a
25 period of time no longer than any probation period (which

1 may exceed one year) that may be imposed upon such
2 person. Such a deferral or suspension shall not operate as
3 a bar to the collection of the penalty in the event that the
4 conditions of the suspension, deferral, or probation are not
5 fulfilled.”.

6 AVAILABILITY OF INFORMATION TO CONGRESS

7 SEC. 112. (a) Section 7 (c) of the Export Administra-
8 tion Act of 1969 is amended by adding at the end thereof the
9 following new sentence: “Nothing in this Act shall be con-
10 strued as authorizing the withholding of information from
11 Congress, and any information obtained under this Act,
12 including any report or license application required under
13 section 4 (b) and any document or information required
14 under section 4 (j) (1), shall be made available upon request
15 to any committee of Congress or any subcommittee thereof.”.

16 (b) Section 4 (c) (1) of such Act is amended by insert-
17 ing immediately before the period at the end of the last sen-
18 tence thereof “and in the last sentence of section 7 (c) of this
19 Act”.

20 SIMPLIFICATION OF EXPORT REGULATIONS AND LISTS

21 SEC. 113. Section 7 of the Export Administration Act
22 of 1969 is amended by adding at the end thereof the follow-
23 ing new subsection (e) :

24 “(e) The Secretary of Commerce, in consultation with
25 appropriate United States Government departments and

1 agencies and with appropriate technical advisory committees
2 established under section 5 (c), shall review the rules and
3 regulations issued under this Act and the lists of articles, ma-
4 terials, and supplies which are subject to export controls in
5 order to determine how compliance with the provisions of
6 this Act can be facilitated by simplifying such rules and
7 regulations, by simplifying or clarifying such lists, or by any
8 other means. Not later than 1 year after the enactment of
9 this subsection, the Secretary of Commerce shall report to
10 Congress on the actions taken on the basis of such review to
11 simplify such rules and regulations. Such report may be in-
12 cluded in the semiannual report required by section 10 of
13 this Act.”.

14 **TERRORISM**

15 **SEC. 114.** Section 3 of the Export Administration Act
16 of 1969 is amended by adding at the end thereof the fol-
17 lowing:

18 “(8) It is the policy of the United States to use export
19 controls to encourage other countries to take immediate
20 steps to prevent the use of their territory or resources to aid,
21 encourage, or give sanctuary to those persons involved in
22 directing, supporting, or participating in acts of international
23 terrorism. To achieve this objective, the President shall make
24 every reasonable effort to secure the removal or reduction
25 of such assistance to international terrorists through inter-

1 national cooperation and agreement before resorting to the
2 imposition of export controls.”.

3 SEMIANNUAL REPORTS

4 SEC. 115. (a) Section 10 of the Export Adminis-
5 tration Act of 1969 is amended by adding at the end thereof
6 the following new subsection (c) :

7 “(c) Each semiannual report shall include an account-
8 ing of—

9 “(1) any organizational and procedural changes
10 instituted, any reviews undertaken, and any means used
11 to keep the business sector of the Nation informed,
12 pursuant to section 4 (a) of this Act;

13 “(2) any changes in the exercise of the authori-
14 ties of section 4 (b) of this Act;

15 “(3) any delegations of authroity under section
16 4 (e) of this Act;

17 “(4) the disposition of export license applications
18 pursuant to sections 4 (g) and (h) of this Act;

19 “(5) the effects on the national security and for-
20 eign policy of the United States of transfers from the
21 United States of technical data or other information
22 which are reported to the Secretary of Commerce pur-
23 suant to section 4 (j) of this Act;

24 “(6) consultations undertaken with technical ad-
25 visory committees pursuant to section 5 (c) of this Act;

1 “(7) violations of the provisions of this Act and
2 penalties imposed pursuant to section 6 of this Act;
3 and

4 “(8) a description of actions taken by the Presi-
5 dent and the Secretary of Commerce to effect the pol-
6 icies set forth in section 3 (5) of this Act.”.

7 (b) (1) The section heading of such section 10 is
8 amended by striking out “QUARTERLY”.

9 (2) Subsection (b) of such section is amended—

10 (A) by striking out “quarterly” each time it ap-
11 pears; and

12 (B) by striking out “second” in the first sentence
13 of paragraph (1).

14 SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

15 SEC. 116. Not later than 12 months after the enactment
16 of this section, the President shall submit to the Congress a
17 special report on multilateral export controls in which the
18 United States participates pursuant to the Export Admin-
19 istration Act of 1969 and pursuant to the Mutual Defense
20 Assistance Control Act of 1951. The purpose of such spe-
21 cial report shall be to assess the effectiveness of such multi-
22 lateral export controls and to formulate specific proposals
23 for increasing the effectiveness of such controls. That special
24 report shall include—

25 (1) the current list of commodities controlled for

1 export by agreement of the group known as the Coordinating Committee of the Consultative Group (hereafter
2 in this section referred to as the "Committee") and an
3 analysis of the process of reviewing such list and of the
4 changes which result from such review;

5
6 (2) data on and analysis of requests for exceptions
7 to such list;

8 (3) a description and an analysis of the process
9 by which decisions are made by the Committee on
10 whether or not to grant such requests;

11 (4) an analysis of the uniformity of interpretation
12 and enforcement by the participating countries
13 of the export controls agreed to by the Committee
14 (including controls over the reexport of such commodities
15 from countries not participating in the Committee),
16 and information on each case where such participating
17 countries have acted contrary to the United States interpretation
18 of the policy of the Committee, including
19 United States representations to such countries and the
20 response of such countries;

21 (5) an analysis of the problem of exports of advanced
22 technology by countries not participating in the
23 Committee, including such exports by subsidiaries or
24 affiliates of United States businesses in such countries;

25 (6) an analysis of the effectiveness of any pro-

1 cedures employed in cases in which an exception for
2 a listed commodity is granted by the Committee, to de-
3 termine whether there has been compliance with any
4 conditions on the use of the excepted commodity which
5 were a basis for the exception; and

6 (7) detailed recommendations for improving,
7 through formalization or other means, the effectiveness
8 of multilateral export controls, including specific recom-
9 mendations for the development of more precise criteria
10 and procedures for collective export decisions and for the
11 development of more detailed and formal enforcement
12 mechanisms to assure more uniform interpretation of and
13 compliance with such criteria, procedures and decisions
14 by all countries participating in such multilateral export
15 controls.

16 REVIEW OF UNILATERAL AND MULTILATERAL EXPORT
17 CONTROL LISTS

18 SEC. 117. The Secretary of Commerce, in cooperation
19 with appropriate United States Government departments
20 and agencies and the appropriate technical advisory commit-
21 tees established pursuant to the Export Administration Act
22 of 1969, shall undertake an investigation to determine
23 whether United States unilateral controls or multilateral con-
24 trols in which the United States participates should be re-
25 moved, modified, or added with respect to particular articles,

1 materials, and supplies, including technical data and other
2 information, in order to protect the national security of the
3 United States. Such investigation shall take into account
4 such factors as the availability of such articles, materials, and
5 supplies from other nations and the degree to which the
6 availability of the same from the United States or from any
7 country with which the United States participates in multi-
8 lateral controls would make a significant contribution to the
9 military potential of any country threatening or potentially
10 threatening the national security of the United States. The
11 results of such investigation shall be reported to the Congress
12 not later than 12 months after enactment of this Act.

13 SUNSHINE IN GOVERNMENT

14 SEC. 118. (a) Each officer or employee of the Depart-
15 ment of Commerce who—

16 (1) performs any function or duty under this Act
17 or the Export Administration Act of 1969; and

18 (2) has any known financial interest in any person
19 subject to such Acts, or in any person who obtains any
20 license, enters into any agreement, or otherwise receives
21 any benefit under such Acts;

22 shall, beginning on February 1, 1977, annually file with
23 the Secretary of Commerce a written statement concerning
24 all such interests held by such officer or employee during the

1 preceding calendar year. Such statement shall be available
2 to the public.

3 (b) The Secretary of Commerce shall—

4 (1) within 90 days after the date of enactment of
5 this Act—

6 (A) define the term “known financial inter-
7 est” for purposes of subsection (a) of this section;
8 and

9 (B) establish the methods by which the re-
10 quirement to file written statements specified in sub-
11 section (a) of this section will be monitored and
12 enforced, including appropriate provisions for the
13 filing by such officers and employees of such state-
14 ments and the review by the Secretary of such
15 statements; and

16 (2) report to the Congress on June 1 of each calen-
17 dar year with respect to such disclosures and the ac-
18 tions taken in regard thereto during the preceding
19 calendar year.

20 (c) In the rules prescribed under subsection (b) of
21 this section, the Secretary may identify specific positions
22 within the Department of Commerce which are of a non-
23 regulatory or nonpolicymaking nature and provide that of-

1 ficers or employees occupying such positions shall be exempt
2 from the requirements of this section.

3 (d) Any officer or employee who is subject to, and
4 knowingly violates, this section or any regulation issued
5 hereunder, shall be fined not more than \$2,500 or im-
6 prisoned not more than 1 year, or both.

7 TITLE II—FOREIGN BOYCOTTS

8 PROHIBITION ON COMPLIANCE WITH FOREIGN BOYCOTTS

9 SEC. 201. (a) The Export Administration Act of 1969
10 is amended by redesignating section 4A as section 4B and
11 by inserting after section 4 the following new section:

12 “FOREIGN BOYCOTTS

13 “SEC. 4A. (a) (1) For the purpose of implementing
14 the policies set forth in section 3 (5) (A) and (B), the
15 President shall issue rules and regulations prohibiting any
16 United States person from taking any of the following actions
17 with intent to comply with, further, or support any boycott
18 fostered or imposed by a foreign country against a country
19 which is friendly to the United States and which is not itself
20 the object of any form of embargo by the United States:

21 “(A) Refraining from doing business with or in
22 the boycotted country, with any business concern orga-
23 nized under the laws of the boycotted country, or with
24 any national or resident of the boycotted country, pur-
25 suant to an agreement with, a requirement of, or a

1 request from or on behalf of the boycotting country.
2 The mere absence of a business relationship with or in
3 the boycotted country, with any business concern orga-
4 nized under the laws of the boycotted country, or with
5 any national or resident of the boycotted country, does
6 not indicate the existence of the intent required to
7 establish a violation of rules and regulations issued
8 to carry out this subparagraph.

9 “(B) Refraining from doing business with any per-
10 son (other than the boycotted country, any business con-
11 cern organized under the laws of the boycotted country,
12 or any national or resident of the boycotted country).
13 The mere absence of a business relationship with a per-
14 son does not indicate the presence of the intent required
15 to establish a violation of rules and regulations issued to
16 carry out this subparagraph.

17 “(C) Refraining from employing or otherwise dis-
18 criminating against any United States person on the
19 basis of race, religion, nationality, or national origin.

20 “(D) Furnishing information with respect to the
21 race, religion, nationality, or national origin of any other
22 United States person.

23 “(E) Furnishing information about whether any
24 person has, has had, or proposes to have any business
25 relationship (including a relationship by way of sale,

1 purchase, legal or commercial representation, shipping
2 or other transport, insurance, investment, or supply)
3 with or in the boycotted country, with any business con-
4 cern organized under the laws of the boycotted country,
5 with any national or resident of the boycotted country,
6 or with any other person which is known or believed
7 to be restricted from having any business relationship
8 with or in the boycotting country.

9 “(2) Rules and regulations issued pursuant to para-
10 graph (1) shall provide exceptions for—

11 “(A) compliance with requirements (i) pro-
12 hibiting the import of goods from the boycotted coun-
13 try or of goods produced by any business concern
14 organized under the laws of the boycotted country or
15 by nationals or residents of the boycotted country, or
16 (ii) prohibiting the shipment of goods to the boy-
17 cotting country on a carrier of the boycotted country
18 or by a route other than that prescribed by the boy-
19 cotting country or the recipient of the shipment;

20 “(B) compliance with import and shipping docu-
21 ment requirements with respect to country of origin,
22 the name of the carrier and route of shipment, and
23 the name of the supplier of the shipment;

24 “(C) compliance with export requirements of the
25 boycotting country relating to transshipments of ex-

1 ported goods to the boycotted country, to any business
2 concern organized under the laws of the boycotted
3 country, or to any national or resident of the boycotted
4 country;

5 “(D) compliance by an individual with the im-
6 migration or passport requirements of any country; or

7 “(E) the refusal of a United States person to pay,
8 honor, advise, confirm, process, or otherwise implement
9 a letter of credit in the event of the failure of the
10 beneficiary of the letter to comply with the conditions
11 or requirements of the letter, other than conditions or
12 requirements compliance with which is prohibited by
13 rules and regulations issued pursuant to paragraph (1)
14 which conditions or requirements shall be null and void.

15 “(3) Nothing in this subsection may be construed to
16 supersede or limit the operation of the antitrust laws of the
17 United States.

18 “(4) Rules and regulations pursuant to this subsection
19 and section 11 (2) shall be issued and become effective not
20 later than 90 days after the date of enactment of this section,
21 except that rules and regulations issued pursuant to this sub-
22 section shall apply to actions taken pursuant to contracts
23 or other agreements in effect on such date of enactment only
24 after the expiration of 90 days following the date such rules
25 and regulations become effective.

1 “(b) (1) In addition to the rules and regulations issued
2 pursuant to subsection (a) of this section, rules and regula-
3 tions issued under section 4 (b) of this Act shall implement
4 the policies set forth in section 3 (5) .

5 “(2) Such rules and regulations shall require that any
6 United States person receiving a request for the furnishing
7 of information, the entering into or implementing of agree-
8 ments, or the taking of any other action referred to in sec-
9 tion 3 (5) shall report that fact to the Secretary of Com-
10 merce, together with such other information concerning such
11 request as the Secretary may require for such action as he
12 may deem appropriate for carrying out the policies of that
13 section. Such person shall also report to the Secretary of
14 Commerce whether he intends to comply and whether he
15 has complied with such request. Any report filed pursuant
16 to this paragraph after the date of enactment of this section
17 shall be made available promptly for public inspection and
18 copying, except that information regarding the quantity,
19 description, and value of any articles, materials, and sup-
20 plies, including technical data and other information, to
21 which such report relates may be kept confidential if the
22 Secretary determines that disclosure thereof would place the
23 United States person involved at a competitive disadvantage.
24 The Secretary of Commerce shall periodically transmit sum-
25 maries of the information contained in such reports to the

1 Secretary of State for such action as the Secretary of State,
2 in consultation with the Secretary of Commerce, may deem
3 appropriate for carrying out the policies set forth in section
4 3 (5) of this Act.”.

5 (b) Section 4 (b) (1) of such Act is amended by strik-
6 ing out the next to the last sentence.

7 (c) Section 7 (c) of such Act is amended by striking
8 out “No” and inserting in lieu thereof “Except as otherwise
9 provided by the third sentence of section 4A (b) (2) and
10 by section 6 (c) (2) (C) of this Act, no”.

11 STATEMENT OF POLICY

12 SEC. 202. (a) Section 3 (5) (A) of the Export Admin-
13 istration Act of 1969 is amended by inserting immediately
14 after “United States” the following: “or against any United
15 States person”.

16 (b) Section 3 (5) (B) of such Act is amended to read
17 as follows: “(B) to encourage and, in specified cases, to
18 require United States persons engaged in the export of
19 articles, materials, supplies, or information to refuse to take
20 actions, including furnishing information or entering into or
21 implementing agreements, which have the effect of further-
22 ing or supporting the restrictive trade practices or boycotts
23 fostered or imposed by any foreign country against a country
24 friendly to the United States or against any United States
25 person,”.

ENFORCEMENT

1

2 SEC. 203. (a) Section 6 (c) of the Export Administra-
3 tion Act of 1969 is amended—

4 (A) by redesignating such section as section 6
5 (c) (1) ; and

6 (B) by adding at the end thereof the following
7 new paragraph:

8 “(2) (A) The authority of this Act to suspend or
9 revoke the authority of any United States person to export
10 articles, materials, supplies, or technical data or other in-
11 formation, from the United States, its territories or posses-
12 sions, may be used with respect to any violation of the rules
13 and regulations issued pursuant to section 4A (a) of this
14 Act.

15 “(B) Any sanction (including any civil penalty or
16 any suspension or revocation of authority to export) im-
17 posed under this Act for a violation of the rules and regula-
18 tions issued pursuant to section 4A (a) of this Act may be
19 imposed only after notice and opportunity for an agency
20 hearing on the record in accordance with sections 554
21 through 557 of title 5, United States Code.

22 “(C) Any charging letter or other document initiating
23 proceedings for the imposition of sanctions for violations of

1 the rules and regulations issued pursuant to section 4A (a)
2 of this Act shall be made available for public inspection and
3 copying.”.

4 (b) Section 8 of such Act is amended by striking out
5 “The” and inserting in lieu thereof “Except as provided in
6 section 6 (c) (2), the”.

7 DEFINITIONS

8 SEC. 204. Section 11 of the Export Administration Act
9 of 1969 is amended to read as follows:

10 “DEFINITIONS

11 “SEC. 11. As used in this Act—

12 “(1) the term ‘person’ includes the singular and
13 the plural and any individual, partnership, corporation,
14 or other form of association, including any government
15 or agency thereof; and

16 “(2) the term ‘United States person’ includes any
17 United States resident or national, any domestic con-
18 cern (including any subsidiary or affiliate of any foreign
19 concern with respect to its activities in the United
20 States), and any foreign subsidiary or affiliate of any
21 domestic concern which is controlled in fact by such
22 domestic concern, as determined under regulations of
23 the President.”.

1 TITLE III—EXPORTS OF NUCLEAR MATERIAL
2 AND TECHNOLOGY

3 NUCLEAR EXPORTS

4 SEC. 301. The Export Administration Act of 1969 is
5 amended by adding at the end thereof the following new sec-
6 tion:

7 “NUCLEAR EXPORTS

8 “SEC. 16. (a) (1) The Congress finds that the export
9 by the United States of nuclear material, equipment, and
10 devices, if not properly regulated, could allow countries to
11 come unacceptably close to a nuclear weapon capability,
12 thereby adversely affecting international stability, the foreign
13 policy objectives of the United States, and undermining the
14 principle of nuclear nonproliferation agreed to by the United
15 States as a signatory to the Treaty on the Non-Proliferation
16 of Nuclear Weapons.

17 “(2) The Congress finds that nuclear export activities
18 which enable countries to possess strategically significant
19 quantities of unirradiated, readily fissionable material are
20 inherently unsafe.

21 “(3) It is, therefore, the purpose of this section to
22 implement the policies stated in paragraphs (1) and (2)
23 of section 3 of this Act by regulating the export of nuclear
24 material, equipment, and devices which could prove detri-

1 mental to United States national security and foreign policy
2 objectives.

3 “(b) (1) No agreement for cooperation providing for
4 the export of any nuclear material, equipment, or devices for
5 civil uses may be entered into with any foreign country,
6 group of countries, or international organization, and no
7 amendment to or renewal of any such agreement may be
8 agreed to, unless—

9 “(A) the provisions of the agreement concerning
10 the reprocessing of special nuclear material supplied by
11 the United States will apply equally to all special nuclear
12 material produced through the use of any nuclear reactor
13 transferred under such agreement; and

14 “(B) the recipient country, group of countries, or
15 international organization, has agreed to permit the
16 International Atomic Energy Agency to report to the
17 United States, upon a request by the United States, on
18 the status of all inventories of plutonium, uranium 233,
19 and highly enriched uranium possessed by that country,
20 group of countries, or international organization and
21 subject to International Atomic Energy Agency safe-
22 guards.

23 “(2) (A) The Secretary of State shall undertake con-
24 sultations with all parties to agreements for cooperation

1 existing on the date of enactment of this section in order
2 to seek inclusion in such agreements of the provisions de-
3 scribed in paragraph (1) (A) and (1) (B) of this sub-
4 section.

5 “(B) The Secretary of State shall seek to acquire,
6 from any party to an agreement for cooperation who is
7 not a nuclear-weapons State (as defined in article IX (3)
8 of the Treaty on the Non-Proliferation of Nuclear Weap-
9 ons), periodic reports on the status of all inventories of
10 plutonium, U-233, and highly enriched uranium possessed
11 by that party which are not subject to International Atomic
12 Energy Agency safeguards.

13 “(3) (A) No license may be issued for the export of
14 any nuclear material, equipment, or devices pursuant to an
15 agreement for cooperation unless the recipient country,
16 group of countries, or international organization, has agreed
17 that the material, equipment, and devices subject to that
18 agreement will not be used for any nuclear explosive device,
19 regardless of how the device itself is intended to be used.

20 “(B) Subparagraph (A) of this paragraph shall take
21 effect at the end of the 1-year period beginning on the date
22 of enactment of this section.

23 “(4) In any case in which a party to any agreement
24 for cooperation seeks to reprocess special nuclear material
25 produced through the use of any nuclear material, equipment,

1 or devices supplied by the United States, the Secretary of
2 State may only determine that safeguards can be applied
3 effectively to such reprocessing if he finds that the reliable
4 detection of any diversion and the timely warning to the
5 United States of such diversion will occur well in advance
6 of the time at which that party could transform strategic
7 quantities of diverted nuclear material into explosive nuclear
8 devices.”.

9 INTERNATIONAL AGREEMENT ON NUCLEAR EXPORTS

10 SEC. 302. (a) It is the sense of the Congress that the
11 President should actively seek, and by the earliest possible
12 date secure, an agreement or other arrangement under
13 which—

14 (A) nuclear exporting nations will not transfer to
15 any other nation any equipment, material, or tech-
16 nology designed or prepared for, or which would mate-
17 rially assist the establishment of, national uranium
18 enrichment, nuclear fuels reprocessing, or heavy water
19 production facilities until and while alternatives to such
20 national facilities are explored and pursued;

21 (B) nuclear exporting nations will not transfer any
22 nuclear equipment, material, or technology to any other
23 nation that has not agreed to implement safeguards pro-
24 mulgated by the International Atomic Energy Agency;

25 (C) minimum physical security standards are

1 established to prevent the unauthorized diversion of
2 nuclear equipment, materials, and technology;

3 (D) arrangements are established for effective and
4 prompt responses in the event of violations of any inter-
5 national agreement to control the use of nuclear mate-
6 rials and technology;

7 (E) nuclear exporting nations, in cooperation with
8 nuclear importing nations, pursue the concept of multi-
9 national facilities for the purpose of meeting the world's
10 nuclear fuel needs while reducing the risks associated
11 with the spread of national facilities for fuel reprocessing,
12 fabrication, and enrichment; and

13 (F) nuclear exporting nations establish arrange-
14 ments for appropriate response, including the suspen-
15 sion of transfers of nuclear equipment, material, or tech-
16 nology, to any non-nuclear weapons country which has
17 detonated a nuclear explosive device or which has clearly
18 demonstrated the intention to embark upon a nuclear
19 weapons program.

20 Within 1 year after the date of enactment of this Act,
21 the President shall report to the Congress on the progress
22 made toward the achievement of international agreement
23 or other arrangements on the matters specified in this
24 section.

1 (b) For purposes of this section, the term “nuclear
2 exporting nations” means the United States, the United
3 Kingdom, France, the Federal Republic of Germany, Can-
4 ada, Japan, the Union of Soviet Socialist Republics, and
5 such other countries as the President may determine.

6 EXPORTS OF NUCLEAR TECHNOLOGY

7 SEC. 303. Section 4 (j) of the Export Administration
8 Act of 1969, as added by section 107 of this Act, is amended
9 by adding at the end thereof the following new paragraph:

10 “(3) The President shall conduct an in-depth study of
11 whether, or the extent to which, the education and training
12 of foreign nationals within the United States in nuclear engi-
13 neering and related fields contributes to the proliferation of
14 explosive nuclear devices or the development of a capability
15 of producing explosive nuclear devices. Not later than the end
16 of the 6-month period beginning on the date of enactment of
17 this paragraph, the President shall submit to the Congress a
18 detailed report containing the findings and conclusions of such
19 study. Such report shall analyze the direct and indirect contri-
20 bution of such education and training to nuclear proliferation.”.

21 NUCLEAR POWERPLANTS

22 SEC. 304. None of the funds authorized by the Foreign
23 Assistance Act of 1961 may be used to finance the construc-
24 tion of, the operation or maintenance of, or the supply of

1 fuel for, any nuclear powerplant under an agreement for
2 cooperation between the United States and any other
3 country.

95TH CONGRESS
1ST SESSION

S. 69

A BILL

To amend and extend the Export Admin-
istration Act.

By Mr. STEVENSON and Mr. MOYNIHAN

JANUARY 10, 1977

Read twice and referred to the Committee on
Banking, Housing and Urban Affairs