

1 TITLE I—EXPORT ADMINISTRATION

2 IMPROVEMENTS AND EXTENSION

3 EXTENSION OF EXPORT ADMINISTRATION ACT

4 SEC. 101. Section 14 of the Export Administration Act
5 of 1969 is amended by striking out “September 30, 1976”
6 and inserting in lieu thereof “September 30, 1978”.

7 AUTHORIZATION OF APPROPRIATIONS

8 SEC. 102. The Export Administration Act of 1969 is
9 amended by inserting after section 12 the following new
10 section 13 and redesignating existing sections 13 and 14 as
11 sections 14 and 15, respectively:

12 “AUTHORIZATION OF APPROPRIATIONS

13 “SEC. 13. Notwithstanding any other provision of law,
14 no appropriation shall be made under any law to the De-
15 partment of Commerce for expenses to carry out the purposes
16 of this Act for any fiscal year commencing on or after Octo-
17 ber 1, 1977, unless previously and specifically authorized by
18 legislation enacted after the enactment of this section.”.

19 CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES;

20 FOREIGN AVAILABILITY

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

23 (1) by striking out the third sentence of para-
24 graph (1);

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

2 and

3 (3) by inserting the following new paragraph

4 (2) :

5 “(2) (A) In administering export controls for national
6 security purposes as prescribed in section 3 (2) (C) of this
7 Act, United States policy toward individual countries shall
8 not be determined exclusively on the basis of a country’s
9 Communist or non-Communist status but shall take into
10 account such factors as the country’s present and potential
11 relationship to the United States, its present and potential
12 relationship to countries friendly or hostile to the United
13 States, its ability and willingness to control retransfers of
14 United States exports in accordance with United States pol-
15 icy, and such other factors as the President may deem ap-
16 propriate. The President shall periodically review United
17 States policy toward individual countries to determine
18 whether such policy is appropriate in light of the factors
19 specified in the preceding sentence. The results of such re-
20 view, together with the justification for United States policy
21 in light of such factors, shall be included in the semiannual
22 report of the Secretary of Commerce required by section 10
23 of this Act for the first half of 1977 and in every second such
24 report thereafter.

1 “(B) Rules and regulations under this subsection may
2 provide for denial of any request or application for authority
3 to export articles, materials, or supplies, including technical
4 data, or any other information, from the United States, its
5 territories and possessions, to any nation or combination of
6 nations threatening the national security of the United States
7 if the President determines that their export would prove
8 detrimental to the national security of the United States.
9 The President shall not impose export controls for national
10 security purposes on the export from the United States of
11 articles, materials, or supplies, including technical data or
12 other information, which he determines are available without
13 restriction from sources outside the United States in signifi-
14 cant quantities and comparable in quality to those produced
15 in the United States, unless the President determines that
16 adequate evidence has been presented to him demonstrating
17 that the absence of such controls would prove detrimental to
18 the national security of the United States. The nature of
19 such evidence shall be included in the semiannual report re-
20 quired by section 10 of this Act. Where, in accordance with
21 this paragraph, export controls are imposed for national
22 security purposes notwithstanding foreign availability, the
23 President shall take steps to initiate negotiations with the
24 governments of the appropriate foreign countries for the pur-
25 pose of eliminating such availability.”

1 (b) (1) Section 4 (h) of the Export Administration
2 Act of 1969 is amended by striking out “controlled country”
3 in the first sentence of paragraph (1) and in the second
4 sentence of paragraph (2) and inserting in lieu thereof
5 “country to which exports are restricted for national security
6 purposes”.

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

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

10 (A) by inserting “and” at the end of subparagraph
11 (A) ; and

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

15 (4) The amendments made by this subsection shall be-
16 come effective upon the expiration of ninety days after the
17 receipt by the Congress of the semiannual report of the Sec-
18 retary of Commerce required by section 10 of such Act for
19 the first half of 1977.

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

21 (1) in paragraph (1) —

22 (A) in the first sentence by striking out “sig-
23 nificantly increase the military capability of such
24 country” and inserting in lieu thereof “make a sig-

1 “(2) Upon approval of the Secretary of Commerce, in
2 consultation with the Secretary of Agriculture, agricultural
3 commodities purchased by or for use in a foreign country
4 may remain in the United States for export at a later date
5 free from any quantitative limitations on export which may
6 be imposed pursuant to section 3 (2) (A) of this Act sub-
7 sequent to such approval. The Secretary of Commerce may
8 not grant approval hereunder unless he receives adequate
9 assurance and, in conjunction with the Secretary of Agri-
10 culture, finds that such commodities will eventually be ex-
11 ported, that neither the sale nor export thereof will result
12 in an excessive drain of scarce materials and have a serious
13 domestic inflationary impact, that storage of such commodi-
14 ties in the United States will not unduly limit the space avail-
15 able for storage of domestically owned commodities, and that
16 the purpose of such storage is to establish a reserve of such
17 commodities for later use, not including resale to or use by
18 another country. The Secretary of Commerce is authorized to
19 issue such rules and regulations as may be necessary to imple-
20 ment this paragraph.”.

21 CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON

22 AGRICULTURAL COMMODITIES

23 SEC. 105. Section 4 (f) of the Export Administration
24 Act of 1969, as amended by section 104 of this Act, is
25 further amended by adding at the end thereof the following
26 new paragraph:

1 “(3) If the authority conferred by this section is exer-
2 cised to prohibit or curtail the exportation of any agricul-
3 tural commodity in order to effectuate the policies set forth
4 in clause (B) of paragraph (2) of section 3 of this Act,
5 the President shall immediately report such prohibition or
6 curtailment to the Congress, setting forth the reasons there-
7 for in detail. If the Congress, within 30 days after the date
8 of its receipt of such report, adopts a concurrent resolution
9 disapproving such prohibition or curtailment, then such pro-
10 hibition or curtailment shall cease to be effective with the
11 adoption of such resolution. In the computation of such 30-
12 day period, there shall be excluded the days on which either
13 House is not in session because of an adjournment of more
14 than 3 days to a day certain or because of an adjournment
15 of the Congress sine die.”.

16 PERIOD FOR ACTION ON EXPORT LICENSE APPLICATIONS

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

19 “(g) (1) It is the intent of Congress that any export
20 license application required under this Act shall be ap-
21 proved or disapproved within 90 days of its receipt. Upon
22 the expiration of the 90-day period beginning on the date
23 of its receipt, any export license application required under
24 this Act which has not been approved or disapproved shall
25 be deemed to be approved and the license shall be issued

1 unless the Secretary of Commerce or other official exercising
2 authority under this Act finds that additional time is re-
3 quired and notifies the applicant in writing of the specific
4 circumstances requiring such additional time and the esti-
5 mated date when the decision will be made.

6 “(2) (A) With respect to any export license applica-
7 tion not finally approved or disapproved within 90 days of
8 its receipt as provided in paragraph (1) of this subsection,
9 the applicant shall, to the maximum extent consistent with
10 the national security of the United States, be specifically
11 informed in writing of questions raised and negative consid-
12 erations or recommendations made by any agency or depart-
13 ment of the Government with respect to such license appli-
14 cation, and shall be accorded an opportunity to respond to such
15 questions, considerations, or recommendations in writing
16 prior to final approval or disapproval by the Secretary of
17 Commerce or other official exercising authority under this
18 Act. In making such final approval or disapproval, the Secre-
19 tary of Commerce or other official exercising authority under
20 this Act shall take fully into account the applicant’s response.

21 “(B) Whenever the Secretary determines that it is
22 necessary to refer an export license application to any multi-
23 lateral review process for approval, he shall first, if the appli-
24 cant so requests, provide the applicant with an opportunity
25 to review any documentation to be submitted to such process

1 for the purpose of describing the export in question, in order
2 to determine whether such documentation accurately de-
3 scribes the proposed export.

4 “(3) In any denial of an export license application, the
5 applicant shall be informed in writing of the specific statu-
6 tory basis for such denial.”

7 EXPORTS OF TECHNICAL INFORMATION

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

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

22 “(2) The Secretary of Commerce shall conduct a study
23 of the problem of the export, by publications or any other
24 means of public dissemination, of technical data or other

1 information from the United States, the export of which
2 might prove detrimental to the national security or foreign
3 policy of the United States. Not later than 6 months after
4 the enactment of this subsection, the Secretary shall report
5 to the Congress his assessment of the impact of the export
6 of such technical data or other information by such means
7 on the national security and foreign policy of the United
8 States and his recommendations for monitoring such exports
9 without impairing freedom of speech, freedom of press, or the
10 freedom of scientific exchange. Such report may be included
11 in the semiannual report required by section 10 of this Act.”.

12 **CERTAIN PETROLEUM EXPORTS**

13 **SEC. 108.** Section 4 of the Export Administration Act of
14 1969, as amended by section 107 of this Act, is further
15 amended by adding at the end thereof the following new sub-
16 section (k) :

17 “(k) Petroleum products refined in United States For-
18 eign-Trade Zones, or in the United States Territory of Guam,
19 from foreign crude oil shall be excluded from any quanti-
20 tative restrictions imposed pursuant to section 3 (2) (A) of
21 this Act, except that, if the Secretary of Commerce finds that
22 a product is in short supply, the Secretary of Commerce may
23 issue such rules and regulations as may be necessary to limit
24 exports.”.

1

EXPORT OF HORSES

2

SEC. 109. Section 4 of the Export Administration Act
3 of 1969, as amended by sections 107 and 108 of this Act,
4 is further amended by adding at the end thereof the follow-
5 ing new subsection (1) :

6

“(1) (1) Notwithstanding any other provision of this
7 Act, no horse may be exported by sea from the United
8 States, its territories and possessions, unless such horse is part
9 of a consignment of horses with respect to which a waiver has
10 been granted under paragraph (2) of this subsection.

11

“(2) The Secretary of Commerce, in consultation with
12 the Secretary of Agriculture, may issue rules and regulations
13 providing for the granting of waivers permitting the export
14 by sea of a specified consignment of horses, if the Secretary
15 of Commerce, in consultation with the Secretary of Agricul-
16 ture, determines that no horse in that consignment is being
17 exported for purposes of slaughter.”.

18

TECHNICAL ADVISORY COMMITTEES

19

SEC. 110. (a) Section 5 (c) (1) of the Export Adminis-
20 tration Act of 1969 is amended by striking out “two” in
21 the last sentence thereof and inserting in lieu thereof “four”.

22

(b) The second sentence of section 5 (c) (2) of such
23 Act is amended to read as follows: “Such committees, where
24 they have expertise in such matters, shall be consulted with
25 respect to questions involving (A) technical matters, (B)

1 worldwide availability and actual utilization of production
2 technology, (C) licensing procedures which affect the level
3 of export controls applicable to any articles, materials, and
4 supplies, including technical data or other information, and
5 (D) exports subject to multilateral controls in which the
6 United States participates including proposed revisions of
7 any such multilateral controls.”.

8 (c) Section 5(c)(2) of such Act is further amended
9 by striking out the third sentence and inserting in lieu
10 thereof the following: “The Secretary shall include in each
11 semiannual report required by section 10 of this Act an
12 accounting of the consultations undertaken pursuant to this
13 paragraph, the use made of the advice rendered by the tech-
14 nical advisory committees pursuant to this paragraph, and
15 the contributions of the technical advisory committees to
16 carrying out the policies of this Act.”.

17 PENALTIES FOR VIOLATIONS

18 SEC. 111. (a) Section 6(a) of the Export Admin-
19 istration Act of 1969 is amended—

20 (1) in the first sentence, by striking out “\$10,000”
21 and inserting in lieu thereof “\$25,000”; and

22 (2) in the second sentence, by striking out
23 “\$20,000” and inserting in lieu thereof “\$50,000”.

24 (b) Section 6(b) of such Act is amended by striking
25 out “\$20,000” and inserting in lieu thereof “\$50,000”.

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

3 (d) Section 6 (d) of such Act is amended by adding at
4 the end thereof the following new sentence: "In addition,
5 the payment of any penalty imposed under subsection (c)
6 may be deferred or suspended in whole or in part for a
7 period of time no longer than any probation period (which
8 may exceed one year) that may be imposed upon such
9 person. Such a deferral or suspension shall not operate as
10 a bar to the collection of the penalty in the event that the
11 conditions of the suspension, deferral, or probation are not
12 fulfilled."

13 AVAILABILITY OF INFORMATION TO CONGRESS.

14 SEC. 112. (a) Section 7 (c) of the Export Administra-
15 tion Act of 1969 is amended by adding at the end thereof the
16 following new sentence: "Nothing in this Act shall be con-
17 strued as authorizing the withholding of information from
18 Congress, and any documents or information obtained under
19 this Act, including any report or license application required
20 under section 4 (b) and any information required under sec-
21 tion 4 (j) (1), shall be made available upon request to any
22 committee of Congress or any subcommittee thereof."

23 (b) Section 4 (c) (1) of such Act is amended by in-
24 serting immediately before the period at the end of the last
25 sentence thereof "and in the last sentence of section 7 (c) of
26 this Act".

1 SIMPLIFICATION OF EXPORT REGULATIONS AND LISTS

2 SEC. 113. Section 7 of the Export Administration Act
3 of 1969 is amended by adding at the end thereof the fol-
4 lowing new subsection (e) :

5 “(e) The Secretary of Commerce, in consultation with
6 appropriate United States Government departments and
7 agencies and with appropriate technical advisory commit-
8 tees established under section 5 (c), shall review the rules
9 and regulations issued under this Act and the lists of articles,
10 materials, and supplies which are subject to export controls
11 in order to determine how compliance with the provisions of
12 this Act can be facilitated by simplifying such rules and
13 regulations, by simplifying or clarifying such lists, or by any
14 other means. Not later than one year after the enactment
15 of this subsection, the Secretary of Commerce shall report to
16 Congress on the actions taken on the basis of such review
17 to simplify such rules and regulations. Such report may be
18 included in the semiannual report required by section 10 of
19 this Act.”

20

TERRORISM

21 SEC. 114. Section 3 of the Export Administration Act
22 of 1969 is amended by adding at the end thereof the follow-
23 ing:

24 “(8) It is the policy of the United States to use export
25 controls to encourage other countries to take immediate steps

1 to prevent the use of their territory or resources to aid,
 2 encourage, or give sanctuary to those persons involved in
 3 directing, supporting, or participating in acts of international
 4 terrorism. To achieve this objective, the President shall make
 5 every reasonable effort to secure the removal or reduction of
 6 such assistance to international terrorists through interna-
 7 tional cooperation and agreement before resorting to the
 8 imposition of export controls.”.

9

SEMIANNUAL REPORTS

10 SEC. 115. (a) Section 10 of the Export Administration
 11 Act of 1969 is amended by adding at the end thereof the
 12 following new subsection (c) :

13 “(c) Each semiannual report shall include an account-
 14 ing of—

15 “(1) any organizational and procedural changes in-
 16 stituted, any reviews undertaken, and any means used
 17 to keep the business sector of the Nation informed, pur-
 18 suant to section 4 (a) of this Act;

19 “(2) any changes in the exercise of the authorities
 20 of section 4 (b) of this Act;

21 “(3) any delegations of authority under section
 22 4 (e) of this Act;

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

25 “(5) the effects on the national security and for-

1 eign policy of the United States of transfers from the
2 United States of technical data or other information
3 which are reported to the Secretary of Commerce pur-
4 suant to section 4 (j) of this Act;

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

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

9 “(8) a description of actions taken by the Presi-
10 dent and the Secretary of Commerce to effect the poli-
11 cies set forth in section 3 (5) of this Act.”.

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

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

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

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

19 SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

20 SEC. 116. Not later than 12 months after the enactment
21 of this section, the President shall submit to the Congress a
22 special report on multilateral export controls in which the
23 United States participates pursuant to the Export Adminis-
24 tration Act of 1969 and pursuant to the Mutual Defense

1 Assistance Control Act of 1951. The purpose of such special
2 report shall be to assess the effectiveness of such multilateral
3 export controls and to formulate specific proposals for in-
4 creasing the effectiveness of such controls. That special report
5 shall include—

6 (1) the current list of commodities controlled for
7 export by agreement of the group known as the Coordi-
8 nating Committee of the Consultative Group (hereafter
9 in this section referred to as the “Committee”) and an
10 analysis of the process of reviewing such list and of the
11 changes which result from such review;

12 (2) data on and analysis of requests for excep-
13 tions to such list;

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

17 (4) an analysis of the uniformity of interpretation
18 and enforcement by the participating countries of
19 the export controls agreed to by the Committee
20 (including controls over the re-export of such commodi-
21 ties from countries not participating in the Committee),
22 and information on each case where such participating
23 countries have acted contrary to the United States in-

1 interpretation of the policy of the Committee, including
2 United States representations to such countries and the
3 response of such countries;

4 (5) an analysis of the problem of exports of ad-
5 vanced technology by countries not participating in the
6 Committee, including such exports by subsidiaries or
7 affiliates of United States businesses in such countries;

8 (6) an analysis of the effectiveness of any pro-
9 cedures employed, in cases in which an exception for
10 a listed commodity is granted by the Committee, to de-
11 termine whether there has been compliance with any
12 conditions on the use of the excepted commodity which
13 were a basis for the exception; and

14 (7) detailed recommendations for improving,
15 through formalization or other means, the effectiveness
16 of multilateral export controls, including specific recom-
17 mendations for the development of more precise criteria
18 and procedures for collective export decisions and for the
19 development of more detailed and formal enforcement
20 mechanisms to assure more uniform interpretation of and
21 compliance with such criteria, procedures, and decisions
22 by all countries participating in such multilateral export
23 controls.

1 REVIEW OF UNILATERAL AND MULTILATERAL EXPORT
2 CONTROL LISTS

3 SEC. 117. The Secretary of Commerce, in cooperation
4 with appropriate United States Government departments
5 and agencies and the appropriate technical advisory com-
6 mittees established pursuant to the Export Administration
7 Act of 1969, shall undertake an investigation to determine
8 whether United States unilateral controls or multilateral con-
9 trols in which the United States participates should be re-
10 moved, modified, or added with respect to particular articles,
11 materials, and supplies, including technical data and other
12 information, in order to protect the national security of the
13 United States. Such investigation shall take into account
14 such factors as the availability of such articles, materials, and
15 supplies from other nations and the degree to which the
16 availability of the same from the United States or from any
17 country with which the United States participates in multi-
18 lateral controls would make a significant contribution to the
19 military potential of any country threatening or potentially
20 threatening the national security of the United States. The
21 results of such investigation shall be reported to the Congress
22 not later than twelve months after enactment of this Act.

23 SUNSHINE IN GOVERNMENT

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

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

3 (2) has any known financial interest in any person
4 subject to such Acts, or in any person who obtains any
5 license, enters into any agreement, or otherwise receives
6 any benefit under such Acts;

7 shall, beginning on February 1, 1977, annually file with
8 the Secretary of Commerce a written statement concerning
9 all such interests held by such officer or employee during
10 the preceding calendar year. Such statement shall be avail-
11 able to the public.

12 (b) The Secretary of Commerce shall—

13 (1) within ninety days after the date of enact-
14 ment of this Act—

15 (A) define the term “known financial inter-
16 est” for purposes of subsection (a) of this section;
17 and

18 (B) establish the methods by which the re-
19 quirement to file written statements specified in
20 subsection (a) of this section will be monitored
21 and enforced, including appropriate provisions for
22 the filing by such officers and employees of such
23 statements and the review by the Secretary of
24 such statements; and

25 (2) report to the Congress on June 1 of each calen-

1 dar year with respect to such disclosures and the actions
2 taken in regard thereto during the preceding calendar
3 year.

4 (c) In the rules prescribed under subsection (b) of
5 this section, the Secretary may identify specific positions
6 within the Department of Commerce which are of a nonreg-
7 ulatory or nonpolicymaking nature and provide that officers
8 or employees occupying such positions shall be exempt from
9 the requirements of this section.

10 (d) Any officer or employee who is subject to, and
11 knowingly violates, this section or any regulation issued here-
12 under, shall be fined not more than \$2,500 or imprisoned not
13 more than one year, or both.

14 TITLE II—FOREIGN BOYCOTTS

15 PROHIBITION ON COMPLIANCE WITH FOREIGN BOYCOTTS

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

19 “FOREIGN BOYCOTTS

20 “SEC. 4A. (a) (1) For the purpose of implementing
21 the policies set forth in section 3 (5) (A) and (B), the
22 President shall issue rules and regulations prohibiting any
23 United States person from taking or agreeing to take any of
24 the following actions to comply with, further, or support any
25 boycott fostered or imposed by a foreign country against a

1 country which is friendly to the United States and which is
2 not itself the object of any form of embargo by the United
3 States:

4 “(A) Refraining from doing business with or in
5 the boycotted country, with any business concern orga-
6 nized under the laws of the boycotted country, or with
7 any national or resident of the boycotted country, pur-
8 suant to an agreement with, a requirement of, or a
9 request from or on behalf of the boycotting country. The
10 absence of a business relationship with or in the boy-
11 cotted country, with any business concern organized
12 under the laws of the boycotted country, or with any
13 national or resident of the boycotted country, does not
14 alone establish a violation of rules and regulations issued
15 to carry out this subparagraph.

16 “(B) Refraining from doing business with any per-
17 son (other than the boycotted country, any business
18 concern organized under the laws of the boycotted coun-
19 try, or any national or resident of the boycotted coun-
20 try). The absence of a business relationship with a
21 person does not alone establish a violation of rules and
22 regulations issued to carry out this subparagraph.

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

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

4 “(E) Furnishing information about whether any
5 person has, has had, or proposes to have any business
6 relationship (including a relationship by way of sale,
7 purchase, legal or commercial representation, shipping
8 or other transport, insurance, investment, or supply)
9 with or in the boycotted country, with any business
10 concern organized under the laws of the boycotted coun-
11 try, with any national or resident of the boycotted coun-
12 try, or with any other person which is known or believed
13 to be restricted from having any business relationship
14 with or in the boycotting country.

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

17 “(A) compliance with requirements (i) prohibiting
18 the import of goods from the boycotted country or of
19 goods produced by any business concern organized under
20 the laws of the boycotted country or by nationals or
21 residents of the boycotted country, or (ii) prohibiting
22 the shipment of goods to the boycotting country on a
23 carrier of the boycotted country or by a route other than
24 that prescribed by the boycotting country or the recipi-
25 ent of the shipment;

1 “(B) compliance with import and shipping docu-
2 ment requirements with respect to a positive designation
3 of country of origin, the name of the carrier and route
4 of shipment, and the name of the supplier of the ship-
5 ment;

6 “(C) compliance with export requirements of the
7 boycotting country relating to transshipments of ex-
8 ported goods to the boycotted country, to any business
9 concern organized under the laws of the boycotted coun-
10 try, or to any national or resident of the boycotted
11 country; or

12 “(D) the refusal of a United States person to pay,
13 honor, advise, confirm, process, or otherwise implement
14 a letter of credit in the event of the failure of the bene-
15 ficiary of the letter to comply with the conditions or
16 requirements of the letter, other than conditions or
17 requirements compliance with which is prohibited by
18 rules and regulations issued pursuant to paragraph (1)
19 which conditions or requirements shall be null and void.

20 “(3) Nothing in this subsection may be construed to
21 supersede or limit the operation of the antitrust laws of the
22 United States.

23 “(4) Rules and regulations pursuant to this subsection
24 and section 11(2) shall be issued and become effective not
25 later than 90 days after the date of enactment of this section,

1 except that rules and regulations issued pursuant to this sub-
2 section shall apply to actions taken pursuant to contracts
3 or other agreements in effect on such date of enactment only
4 after the expiration of 90 days following the date such rules
5 and regulations become effective.

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

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

1 which such report relates may be kept confidential if the
2 Secretary determines that disclosure thereof would place
3 the United States person involved at a competitive disad-
4 vantage. The Secretary of Commerce shall periodically trans-
5 mit summaries of the information contained in such reports to
6 the Secretary of State for such action as the Secretary of
7 State, in consultation with the Secretary of Commerce, may
8 deem appropriate for carrying out the policies set forth in
9 section 3 (5) of this Act.”.

10 (b) Section 4 (b) (1) of such Act is amended by
11 striking out the next to the last sentence.

12 (c) Section 7 (c) of such Act is amended by striking
13 out “No” and inserting in lieu thereof “Except as other-
14 wise provided by the third sentence of section 4A (b) (2)
15 and by section 6 (c) (2) (C) of this Act, no”.

16 STATEMENT OF POLICY

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

21 (b) Section 3 (5) (B) of such Act is amended to read
22 as follows:

23 “(B) to encourage and, in specified cases, to re-
24 quire United States persons engaged in the export of
25 articles, materials, supplies, or information to refuse to

1 take actions, including furnishing information or enter-
2 ing into or implementing agreements, which have the
3 effect of furthering or supporting the restrictive trade
4 practices or boycotts fostered or imposed by any foreign
5 country against a country friendly to the United States
6 or against any United States person.”.

7 **ENFORCEMENT**

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

10 (A) by redesignating such section as section 6
11 (c) (1) ; and

12 (B) by adding at the end thereof the following new
13 paragraph:

14 “(2) (A) The authority of this Act to suspend or re-
15 voke the authority of any United States person to export
16 articles, materials, supplies, or technical data or other infor-
17 mation, from the United States, its territories or possessions,
18 may be used with respect to any violation of the rules and
19 regulations issued pursuant to section 4A (a) of this Act.

20 “(B) Any sanction (including any civil penalty or any
21 suspension or revocation of authority to export) imposed
22 under this Act for a violation of the rules and regulations
23 issued pursuant to section 4A (a) of this Act may be imposed
24 only after notice and opportunity for an agency hearing on

1 the record in accordance with sections 554 through 557 of
2 title 5, United States Code.

3 “(C) Any charging letter or other document initiating
4 proceedings for the imposition of sanctions for violations of
5 the rules and regulations issued pursuant to section 4A (a)
6 of this Act shall be made available for public inspection and
7 copying.”.

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

11 DEFINITIONS

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

14 “DEFINITIONS

15 “SEC. 11. As used in this Act—

16 “(1) the term ‘person’ includes the singular and
17 the plural and any individual, partnership, corporation,
18 or other form of association, including any government
19 or agency thereof; and

20 “(2) the term ‘United States person’ includes any
21 United States resident or national, any domestic concern
22 (including any subsidiary or affiliate of any foreign
23 concern with respect to its activities in the United
24 States), and any foreign subsidiary or affiliate of any

1 domestic concern which is controlled in fact by such
2 domestic concern, as determined under regulations of the
3 President.”.

4 TITLE III—EXPORTS OF NUCLEAR MATERIAL
5 AND TECHNOLOGY

6 NUCLEAR EXPORTS

7 SEC. 301. The Export Administration Act of 1969 is
8 amended by adding at the end thereof the following new sec-
9 tion:

10 “NUCLEAR EXPORTS

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

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

24 “(3) It is, therefore, the purpose of this section to
25 implement the policies stated in paragraphs (1) and (2)

1 of section 3 of this Act by regulating the export of nuclear
2 material, equipment, and devices which could prove detri-
3 mental to United States national security and foreign policy
4 objectives.

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

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

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

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

1 existing on the date of enactment of this section in order to
2 seek inclusion in such agreements of the provisions described
3 in paragraph (1) (A) and (1) (B) of this subsection.

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

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

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

22 “(4) In any case in which a party to any agreement
23 for cooperation seeks to reprocess special nuclear material
24 produced through the use of any nuclear material, equipment,
25 or devices supplied by the United States, the Secretary of

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

8 INTERNATIONAL AGREEMENT ON NUCLEAR EXPORTS

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

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

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

25 (C) minimum physical security standards are estab-

1 lished to prevent the unauthorized diversion of nuclear
2 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 ma-
6 terials 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 nonnuclear weapons country, which has
17 detonated a nuclear explosive device or which has clear-
18 ly demonstrated the intention to embark upon a nuclear
19 weapons program.

20 Within one 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.

25 (b) For purposes of this section, the term "nuclear
26 exporting nations" means the United States, the United

1 Kingdom, France, the Federal Republic of Germany, Can-
2 ada, Japan, the Union of Soviet Socialist Republics, and
3 such other countries as the President may determine.

4 EXPORTS OF NUCLEAR TECHNOLOGY

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

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

20 NUCLEAR POWERPLANTS

21 SEC. 304. None of the funds authorized by the Foreign
22 Assistance Act of 1961 may be used to finance the construc-
23 tion of, the operation or maintenance of, or the supply of fuel
24 for, any nuclear powerplant under an agreement for coopera-
25 tion between the United States and any other country.

95TH CONGRESS
1ST SESSION

S. 92

A BILL

To amend and extend the Export Administration Act of 1969 to improve the administration of export controls pursuant to such Act, to strengthen the anti-boycott provisions of such Act, and for other purposes.

By Mr. Williams and Mr. Proxmire

JANUARY 10, 1977

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

95TH CONGRESS
1ST SESSION

H. R. 956

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1977

Mr. LAGOMARSINO introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Export Administration Act of 1969.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 The Export Administration Act of 1969 is amended by
4 adding at the end thereof the following new section:

5 "NUCLEAR EXPORTS

6 "SEC. 17. (a) (1) The Congress finds that the export
7 by the United States of nuclear material, equipment, and
8 devices, if not properly regulated, could allow countries to
9 come unacceptably close to a nuclear weapon capability,
10 thereby adversely affecting international stability, the for-
11 eign policy objectives of the United States, and undermin-

1 ing the principle of nuclear nonproliferation agreed to by the
2 United States as a signatory to the Treaty on the Non-
3 Proliferation of Nuclear Weapons.

4 “(2) The Congress finds that nuclear export activities
5 which enable countries to possess strategically significant
6 quantities of unirradiated, readily fissionable material are
7 inherently unsafe.

8 “(3) It is, therefore, the purpose of this section to
9 implement the policies stated in paragraphs (1) and (2)
10 of section 3 of this Act by regulating the export of nuclear
11 material, equipment, and devices which could prove detri-
12 mental to United States national security and foreign policy
13 objectives.

14 “(b) (1) No agreement for cooperation providing for
15 the export of any nuclear material, equipment, or devices
16 for civil uses may be entered into with any foreign country,
17 group of countries, or international organization, and no
18 amendment to or renewal of any such agreement may be
19 agreed to, unless—

20 “(A) the provisions of the agreement concerning
21 the reprocessing of special nuclear material supplied by
22 the United States will apply equally to all special nu-
23 clear material produced through the use of any nuclear
24 reactor transferred under such agreement; and

25 “(B) the recipient country, group of countries, or

1 international organization, has agreed to permit the
2 International Atomic Energy Agency to report to the
3 United States, upon a request by the United States, on
4 the status of all inventories of plutonium, uranium 233,
5 and highly enriched uranium possessed by that country,
6 group of countries, or international organization and
7 subject to International Atomic Energy Agency safe-
8 guards.

9 “(2) The Secretary of State shall undertake consulta-
10 tions with all parties to agreements for cooperation existing
11 on the date of enactment of this section in order to seek
12 inclusion in such agreements of the provisions described
13 in paragraphs (1) (A) and (1) (B) of this subsection.

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

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

24 “(4) In any case in which a party to any agreement
25 for cooperation seeks to reprocess special nuclear material

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

95TH CONGRESS
1st Session

H. R. 956

A BILL

To amend the Export Administration Act of
1969.

By Mr. LAGOMARSINO

JANUARY 4, 1977

Referred to the Committee on International Relations

H. R. 1505

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1977

Mr. KOCH (for himself and Mr. SCHEUER) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To prohibit United States' companies from participating in the boycott of another United States' company or a country friendly to the United States, or providing certain information, in response to a foreign country's request.

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. This Act may be cited as the "Foreign Boy-
4 cotts Act of 1977."

5 SEC. 2. Section 3 (5) of the Export Administration
6 Act of 1969 (hereinafter in this title referred to as the
7 "Act") is amended to read as follows:

8 "(5) It is the policy of the United States (A) to oppose
9 restrictive trade practices or boycotts fostered or imposed
10 by foreign countries against other countries friendly to the

1 United States or against any domestic concern, (B) to
2 prohibit domestic concerns engaged in the export of articles,
3 materials, supplies, or information from taking any action,
4 including the furnishing of information or the signing of
5 agreements, which has the effect of furthering or supporting
6 the restrictive trade practices or boycotts fostered or imposed
7 by any foreign country against another country friendly to
8 the United States or against any domestic concern, and (C)
9 to foster international cooperation and the development of
10 international rules and institutions to assure reasonable access
11 to world supplies.”.

12 SEC. 3. (a) Section 4 (b) (1) of the Act is amended
13 by striking out the next to the last sentence.

14 (b) Section 4 (b) of the Act is amended by redesignat-
15 ing paragraphs (2) through (4) and any cross-references
16 thereto as paragraphs (3) through (5), respectively, and
17 inserting after paragraph (1) a new paragraph (2) as
18 follows:

19 “(2) (A) Pursuant to such rules and regulations as he
20 may deem necessary and appropriate, the Secretary of Com-
21 merce shall implement the provisions of section 3 (5) of this
22 Act.

23 “(B) Such rules and regulations shall require that any
24 domestic concern which receive a request for the furnishing
25 of information, the signing of agreements, or the taking of

1 any other action referred to in section 3 (5) of this Act, shall
2 transmit to the Secretary of Commerce a report stating that
3 such request was received, together with such other informa-
4 tion concerning such request as the Secretary may require for
5 such action as he may deem appropriate for carrying out the
6 purposes of that section. Such report shall also state whether
7 such concern intends to comply with such request. The format
8 of such report shall be specifically detailed by the Secretary
9 such that it elicits information from the domestic concern
10 which enables the Secretary to make a determination whether
11 the concern, by its compliance with the request, has altered
12 its business practices in any manner which would further
13 restrictive trade practices or boycotts fostered or imposed by
14 foreign countries against countries friendly to the United
15 States or against any domestic concern. Any report filed pur-
16 suant to this subparagraph after the enactment of the Foreign
17 Boycotts Act of 1977 shall be made available promptly for
18 public inspection and copying, and the Secretary of Com-
19 merce shall transmit copies thereof to the Secretary of State
20 who, in consultation with the Secretary of Commerce, shall
21 take such actions as are appropriate for carrying out the
22 purposes of section 3 (5) of this Act.

23 “(C) Rules and regulations implementing such provi-
24 sions shall also prohibit each domestic concern from (i) fur-
25 nishing information regarding race, religion, sex, or national

1 origin of that concern's or any other domestic concern's direc-
2 tors, officers, employees, or shareholders to or for the use by
3 any foreign country, national, or company where such infor-
4 mation is sought for the purpose of enforcing or implementing
5 restrictive trade practices or boycotts against a country
6 friendly to the United States or against any domestic concern,
7 (ii) refusing to do business with any other domestic concern
8 or person pursuant to an agreement with, requirement of,
9 or a request from, or on behalf of, any foreign country,
10 national, or agent thereof made or imposed for the purpose of
11 enforcing or implementing restrictive trade practices or boy-
12 cotts against a country friendly to the United States or against
13 any domestic concern, or (iii) refusing to do business with a
14 country friendly to the United States or national thereof pur-
15 suant to an agreement with, requirement of, or request from,
16 or on behalf of, any other foreign country, national, or agent
17 thereof made or imposed for the purpose of enforcing or im-
18 plementing restrictive trade practices or boycotts against a
19 country friendly to the United States or against any domestic
20 concern. Any civil penalty imposed under this Act for a vio-
21 lation of rules or regulations issued under clause (ii) or (iii)
22 of the preceding sentence may be imposed only after notice
23 and opportunity for an agency hearing on the record in ac-
24 cordance with sections 554 through 557 of title 5, United
25 States Code.”.

1 SEC. 4. (a) Section 6 (c) of the Act is amended—

2 (1) by striking out “The head” and inserting in
3 lieu thereof “Except as otherwise provided in the sec-
4 ond sentence of this subsection, the head”; and

5 (2) by adding at the end thereof the following:

6 “The head of any department or agency exercising any
7 functions under this Act, or any officer or employee of
8 such department or agency specifically designated by the
9 head thereof, may impose a civil penalty not to exceed
10 \$10,000 for each violation of section 4 (b) (2) of this
11 Act or of any rule or regulation issued thereunder, either
12 in addition to or in lieu of any other liability or penalty
13 which may be imposed. Any charging letter or other
14 document initiating proceedings by the Secretary of
15 Commerce after enactment of the Foreign Boycotts Act
16 of 1977 for the imposition of sanctions for violations of
17 section 4 (b) (2) of this Act shall be made available for
18 public inspection and copying.”.

19 (b) Section 6 (g) of such Act is amended by redesignig-
20 nating subsection (g) as subsection (h), and inserting after
21 subsection (f) a new subsection (g) as follows:

22 “(g) Any person aggrieved by action taken as a result
23 of a violation of section 4 (b) (2) of this Act, may institute
24 a civil action in an appropriate United States district court
25 without regard to the amount in controversy, and may re-

1 cover threefold actual damages, reasonable attorney's fees,
2 and other litigation costs reasonably incurred, and obtain
3 other appropriate relief.”.

4 (c) Section 6 (h) of such Act is amended by striking
5 out “or (f)” and inserting in lieu thereof “(f), or (g)”.

6 (d) Section 7 (c) of the Act is amended by striking the
7 word “No” at the beginning thereof and inserting in lieu
8 thereof the following: “Except as otherwise provided by
9 this Act, no”

10 SEC. 5. Section 10 (b) of the Act is amended by add-
11 ing at the end thereof a new paragraph (3) as follows:

12 “(3) Each such report shall also contain a description
13 of actions taken by the President and the Secretary of Com-
14 merce to effect the policy of section 3 (5) of this Act, and a
15 summary, including dollar totals, of the impact on the Amer-
16 ican economy of restrictive trade practices or boycotts fos-
17 tered or imposed by foreign countries against other countries
18 friendly to the United States or against any domestic con-
19 cern.”.

20 SEC. 6. Section 11 of the Act is amended by adding at
21 the end thereof the following: “The term ‘domestic concern’
22 as used in this Act shall include banks and other financial
23 institutions, insurers, freight forwarders, and shipping com-
24 panies organized under the laws of the United States or of
25 any State or any political subdivision thereof, any United

1 States resident or national, any domestic business concern
2 (including any domestic subsidiary or affiliates of any foreign
3 business concern), and any foreign subsidiary or affiliate of
4 any domestic business concern.”.

5 SEC. 7. Termination, in accordance with section 14 of
6 the Export Administration Act of 1969, of the authority
7 granted by such Act shall not affect—

8 (1) the authority contained in such Act to imple-
9 ment the policy set forth in section 3 (5) of such Act;

10 (2) the requirements of section 4 (b) (2) of such
11 Act that rules and regulations be issued implementing
12 the policy set forth in section 3 (5) of such Act;

13 (3) the authority contained in such Act relating
14 to the enforcement of such rules and regulations; and

15 (4) any right of action under section 6 (g) of such
16 Act.

95TH CONGRESS
1ST SESSION

H. R. 1505

A BILL

To prohibit United States' companies from participating in the boycott of another United States' company or a country friendly to the United States, or providing certain information, in response to a foreign country's request.

By Mr. KOCH and Mr. SCHWEUR

JANUARY 6, 1977

Referred to the Committee on International Relations

95TH CONGRESS
1ST SESSION

H. R. 1561

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 1977

Mr. BINGHAM (for himself, Mr. ROSENTHAL, Mr. ZABLOCKI, Mr. FINDLEY, Mr. FASCELL, Mr. DIGGS, Mr. NIX, Mr. FRASER, Mr. WOLFF, Mr. SOLARZ, Mr. WINN, Mr. STUDDS, Mr. LAGOMARSINO, Mr. GILMAN, and Mr. WHALEN) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Export Administration Act of 1969 in order to extend the authorities of that Act and improve the administration of export controls under that Act, to strengthen the antiboycott provisions of that Act, and to provide for stricter controls over exports of nuclear material and technology, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Export
5 Administration Amendments of 1977".

1 TITLE I—EXPORT ADMINISTRATION
2 IMPROVEMENTS AND EXTENSION

3 EXTENSION OF EXPORT ADMINISTRATION ACT

4 SEC. 101. Section 14 of the Export Administration Act
5 of 1969 is amended by striking out “September 30, 1976”
6 and inserting in lieu thereof “September 30, 1978”.

7 AUTHORIZATION OF APPROPRIATIONS

8 SEC. 102. The Export Administration Act of 1969 is
9 amended by inserting after section 12 the following new
10 section 13 and redesignating existing sections 13 and 14
11 as sections 14 and 15, respectively:

12 “AUTHORIZATION OF APPROPRIATIONS

13 “SEC. 13. (a) Notwithstanding any other provision of
14 law, no appropriation shall be made under any law to the
15 Department of Commerce for expenses to carry out the
16 purposes of this Act for any fiscal year commencing on or
17 after October 1, 1977, unless previously and specifically
18 authorized by legislation.

19 “(b) There is hereby authorized to be appropriated to
20 the Department of Commerce \$8,000,000 for fiscal year
21 1978 to carry out the purposes of this Act.”.

22 CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES;

23 FOREIGN AVAILABILITY

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

1 (1) by striking out the third sentence of para-
2 graph (1) ;

3 (2) by striking out paragraphs (2) through (4) ;
4 and

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

6 “(2) (A) In administering export controls for national
7 security purposes as prescribed in section 3 (2) (C) of this
8 Act, United States policy toward individual countries shall
9 not be determined exclusively on the basis of a country’s
10 Communist or non-Communist status but shall take into
11 account such factors as the country’s present and potential
12 relationship to the United States, its present and potential
13 relationship to countries friendly or hostile to the United
14 States, its ability and willingness to control retransfers of
15 United States exports in accordance with United States
16 policy, and such other factors as the President may deem
17 appropriate. The President shall periodically review United
18 States policy toward individual countries to determine
19 whether such policy is appropriate in light of the factors
20 specified in the preceding sentence. The results of such re-
21 view, together with the justification for United States policy
22 in light of such factors, shall be included in the semiannual
23 report of the Secretary of Commerce required by section 10
24 of this Act for the first half of 1977 and in every second
25 such report thereafter.

1 “(B) Rules and regulations under this subsection may
2 provide for denial of any request or application for author-
3 ity to export articles, materials, or supplies, including tech-
4 nical data, or any other information, from the United States,
5 its territories and possessions, to any nation or combination
6 of nations threatening the national security of the United
7 States if the President determines that their export would
8 prove detrimental to the national security of the United
9 States. The President shall not impose export controls for
10 national security purposes on the export from the United
11 States of articles, materials, or supplies, including technical
12 data or other information, which he determines are avail-
13 able without restriction from sources outside the United
14 States in significant quantities and comparable in quality to
15 those produced in the United States, unless the President
16 determines that adequate evidence has been presented to
17 him demonstrating that the absence of such controls would
18 prove detrimental to the national security of the United
19 States. The nature of such evidence shall be included in the
20 semiannual report required by section 10 of this Act. Where,
21 in accordance with this paragraph, export controls are im-
22 posed for national security purposes notwithstanding foreign
23 availability, the President shall take steps to initiate nego-
24 tiations with the governments of the appropriate foreign
25 countries for the purpose of eliminating such availability.”

1 (b) (1) Section 4(h) of the Export Administration
2 Act of 1969 is amended by striking out "controlled country"
3 in the first sentence of paragraph (1) and in the second
4 sentence of paragraph (2) and inserting in lieu thereof
5 countries for the purpose of eliminating such availability."
6 purposes".

7 (2) Section 4(h) (2) (A) of such Act is amended by
8 striking out "controlled" and inserting in lieu thereof "such".

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

10 (A) by inserting "and" at the end of subparagraph
11 (A) ; and

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

15 (4) The amendments made by this subsection shall be-
16 come effective upon the expiration of ninety days after the
17 receipt by the Congress of the semiannual report of the
18 Secretary of Commerce required by section 10 of such Act
19 for the first half of 1977.

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

21 (1) in paragraph (1) —

22 (A) in the first sentence by striking out
23 "significantly increase the military capability of
24 such country" and inserting in lieu thereof "make

1 a significant contribution to the military potential of
2 such country"; and

3 (B) in the second sentence by striking out
4 "significantly increase the military capability of such
5 country" and inserting in lieu thereof "make a
6 significant contribution, which would prove detri-
7 mental to the national security of the United States,
8 to the military potential of such country"; and

9 (2) in paragraph (2) (A), by striking out "signifi-
10 cantly increase the military capability of such country"
11 and inserting in lieu thereof "make a significant con-
12 tribution, which would prove detrimental to the national
13 security of the United States, to the military potential
14 of such country or any other country".

15 (d) Section 6 (b) of such Act is amended by striking
16 out "Communist-dominated nation" and inserting in lieu
17 thereof "country to which exports are restricted for na-
18 tional security or foreign policy purposes".

19 EXEMPTION FOR CERTAIN AGRICULTURAL COMMODITIES
20 FROM CERTAIN EXPORT LIMITATIONS

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

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

3 (2) by adding at the end thereof the following new
4 paragraph :

5 “(2) Upon approval of the Secretary of Commerce, in
6 consultation with the Secretary of Agriculture, agricultural
7 commodities purchased by or for use in a foreign country
8 may remain in the United States for export at a later date
9 free from any quantitative limitations on export which may
10 be imposed pursuant to section 3 (2) (A) of this Act sub-
11 sequent to such approval. The Secretary of Commerce may
12 not grant approval hereunder unless he receives adequate
13 assurance and, in conjunction with the Secretary of Agri-
14 culture, finds that such commodities will eventually be ex-
15 ported, that neither the sale nor export thereof will result
16 in an excessive drain of scarce materials and have a serious
17 domestic inflationary impact, that storage of such commodi-
18 ties in the United States will not unduly limit the space
19 available for storage of domestically owned commodities, and
20 that the purpose of such storage is to establish a reserve of
21 such commodities for later use, not including resale to or use
22 by another country. The Secretary of Commerce is author-

1 ized to issue such rules and regulations as may be necessary
2 to implement this paragraph.”.

3 CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON
4 AGRICULTURAL COMMODITIES

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

9 “(3) If the authority conferred by this section is exer-
10 cised to prohibit or curtail the exportation of any agricul-
11 tural commodity in order to effectuate the policies set forth
12 in clause (B) of paragraph (2) of section 3 of this Act, the
13 President shall immediately report such prohibition or cur-
14 tailment to the Congress, setting forth the reasons therefor in
15 detail. If the Congress, within 30 days after the date of its
16 receipt of such report, adopts a concurrent resolution disap-
17 proving such prohibition or curtailment, then such prohibi-
18 tion or curtailment shall cease to be effective with the adop-
19 tion of such resolution. In the computation of such 30-day
20 period, there shall be excluded the days on which either
21 House is not in session because of an adjournment of more
22 than 3 days to a day certain or because of an adjournment of
23 the Congress sine die.”.

1 PERIOD FOR ACTION ON EXPORT LICENSE APPLICATIONS

2 SEC. 106. Section 4 (g) of the Export Administration

3 Act of 1969 is amended to read as follows:

4 “(g) (1) It is the intent of Congress that any export
5 license application required under this Act shall be approved
6 or disapproved within 90 days of its receipt. Upon the ex-
7 piration of the 90-day period beginning on the date of its
8 receipt, any export license application required under this
9 Act which has not been approved or disapproved shall be
10 deemed to be approved and the license shall be issued unless
11 the Secretary of Commerce or other official exercising
12 authority under this Act finds that additional time is re-
13 quired and notifies the applicant in writing of the specific
14 circumstances requiring such additional time and the esti-
15 mated date when the decision will be made.

16 “(2) (A) With respect to any export license applica-
17 tion not finally approved or disapproved within 90 days of
18 its receipt as provided in paragraph (1) of this subsection,
19 the applicant shall, to the maximum extent consistent with
20 the national security of the United States, be specifically in-
21 formed in writing of questions raised and negative considera-
22 tions or recommendations made by any agency or depart-
23 ment of the Government with respect to such license appli-

1 cation, and shall be accorded an opportunity to respond to
 2 such questions, considerations, or recommendations in writing
 3 prior to final approval or disapproval by the Secretary of
 4 Commerce or other official exercising authority under this
 5 Act. In making such final approval or disapproval, the Sec-
 6 retary of Commerce or other official exercising authority
 7 under this Act shall take fully into account the applicant's
 8 response.

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

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

20 EXPORTS OF TECHNICAL INFORMATION

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

24 “(j) (1) Any person (including any college, univer-

1 sity, or other educational institution) who enters into any
2 contract, protocol, agreement, or other understanding for,
3 or which may result in, the transfer from the United States
4 of technical data or other information to any country to
5 which exports are restricted for national security or foreign
6 policy purposes shall furnish to the Secretary of Commerce
7 such documents and information with respect to such agree-
8 ment as the Secretary shall by regulation require in order
9 to enable him to monitor the effects of such transfers on
10 the national security and foreign policy of the United States.

11 “(2) The Secretary of Commerce shall conduct a study
12 of the problem of the export, by publications or any other
13 means of public dissemination, of technical data or other
14 information from the United States, the export of which
15 might prove detrimental to the national security or foreign
16 policy of the United States. Not later than 6 months after
17 the enactment of the subsection, the Secretary shall report
18 to the Congress his assessment of the impact of the export
19 of such technical data or other information by such means
20 on the national security and foreign policy of the United
21 States and his recommendations for monitoring such exports
22 without impairing freedom of speech, freedom of press, or the
23 freedom of scientific exchange. Such report may be included
24 in the semiannual report required by section 10 of this Act.”.

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

7 TECHNICAL ADVISORY COMMITTEES

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

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

22 (c) Section 5 (c) (2) of such Act is further amended
23 by striking out the third sentence and inserting in lieu thereof
24 the following: “The Secretary shall include in each semi-
25 annual report required by section 10 of this Act an account-

1 ing of the consultations undertaken pursuant to this
2 paragraph, the use made of the advice rendered by the
3 technical advisory committees pursuant to this paragraph,
4 and the contributions of the technical advisory committees to
5 carrying out the policies of this Act.”.

6 PENALTIES FOR VIOLATIONS

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

9 (1) in the first sentence, by striking out “\$10,000”
10 and inserting in lieu thereof “\$25,000”; and

11 (2) in the second sentence, by striking out
12 “\$20,000” and inserting in lieu thereof “\$50,000”.

13 (b) Section 6 (b) of such Act is amended by striking
14 out “\$20,000” and inserting in lieu thereof “\$50,000”.

15 (c) Section 6 (c) of such Act is amended by striking
16 out “\$1,000” and inserting in lieu thereof “\$10,000”.

17 (d) Section 6 (d) of such Act is amended by adding
18 at the end thereof the following new sentence: “In addition,
19 the payment of any penalty imposed under subsection (c)
20 may be deferred or suspended in whole or in part for a
21 period of time no longer than any probation period (which
22 may exceed one year) that may be imposed upon such
23 person. Such a deferral or suspension shall not operate as a
24 bar to the collection of the penalty in the event that the

1 conditions of the suspension, deferral, or probation are not
2 fulfilled.”.

3 AVAILABILITY OF INFORMATION TO CONGRESS

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

14 (b) Section 4.(c) (1) of such Act is amended by in-
15 serting immediately before the period at the end of the last
16 sentence thereof “and in the last sentence of section 7 (c)
17 of this Act”.

18 SIMPLIFICATION OF EXPORT REGULATIONS AND LISTS

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

22 “(e) The Secretary of Commerce, in consultation with
23 appropriate United States Government departments and
24 agencies and with appropriate technical advisory commit-

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

3 SEMIANNUAL REPORTS

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

7 “(c) Each semiannual report shall include an accounting
8 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, pur-
12 suant to section 4 (a) of this Act;

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

15 “(3) any delegations of authority 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;

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

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

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

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

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

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

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

15 SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

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

1 (1) the current list of commodities controlled for
2 export by agreement of the group known as the Coordi-
3 nating Committee of the Consultative Group (hereafter
4 in this section referred to as the "Committee") and an
5 analysis of the process of reviewing such list and of the
6 changes which result from such review;

7 (2) data on and analysis of requests for excep-
8 tions to such list;

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

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

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

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

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

17 REVIEW OF UNILATERAL AND MULTILATERAL EXPORT
18 CONTROL LISTS

19 SEC. 117. The Secretary of Commerce, in cooperation
20 with appropriate United States Government departments
21 and agencies and the appropriate technical advisory com-
22 mittees established pursuant to the Export Administration
23 Act of 1969, shall undertake an investigation to determine
24 whether United States unilateral controls or multilateral
25 controls in which the United States participates should be

1 removed, modified, or added with respect to particular ar-
2 ticles, materials, and supplies, including technical data and
3 other information, in order to protect the national security
4 of the United States. Such investigation shall take into ac-
5 count such factors as the availability of such articles, mate-
6 rials, and supplies from other nations and the degree to
7 which the availability of the same from the United States
8 or from any country with which the United States partic-
9 ipates in multilateral controls would make a significant
10 contribution to the military potential of any country threat-
11 ening or potentially threatening the national security of
12 the United States. The results of such investigation shall be
13 reported to the Congress not later than 12 months after
14 enactment of this Act.

15 **SUNSHINE IN GOVERNMENT**

16 **SEC. 118. (a)** Each officer or employee of the Depart-
17 ment of Commerce who—

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

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

24 shall, beginning on February 1, 1978, annually file with the
25 Secretary of Commerce a written statement concerning all

1 such interests held by such officer or employee during the
2 preceding calendar year. Such statement shall be available
3 to the public.

4 (b) The Secretary of Commerce shall—

5 (1) within ninety days after the date of enactment
6 of this Act—

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

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

17 (2) report to the Congress on June 1 of each cal-
18 endar year with respect to such disclosures and the
19 actions taken in regard thereto during the preceding
20 calendar year.

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

1 or employees occupying such positions shall be exempt from
2 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 imprisoned
6 not more than one 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 the
14 policies set forth in section 3 (5) (A) and (B), the Presi-
15 dent shall issue rules and regulations prohibiting any United
16 States person from taking or agreeing to take any of the
17 following actions to comply with, further, or support any
18 boycott fostered or imposed by a foreign country against a
19 country which is friendly to the United States and which is
20 not itself the object of any form of embargo by the United
21 States:

22 "(A) Refraining from doing business with or in
23 the boycotted country, with any business concern orga-
24 nized under the laws of the boycotted country, or with

1 any national or resident of the boycotted country, pur-
2 suant to an agreement with, a requirement of, or a
3 request from or on behalf of the boycotting country.
4 The absence of a business relationship with or in the
5 boycotted country, with any business concern organized
6 under the laws of the boycotted country, or with any
7 national or resident of the boycotted country, does not
8 alone establish a violation of rules and regulations issued
9 to carry out this subparagraph.

10 “(B) Refraining from doing business with any per-
11 son (other than the boycotted country, any business
12 concern organized under the laws of the boycotted
13 country, or any national or resident of the boycotted
14 country). The absence of a business relationship with
15 a person does not alone establish a violation of rules
16 and regulations issued to 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
22 other 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
4 concern organized under the laws of the boycotted
5 country, with any national or resident of the boycotted
6 country, or with any other person which is known or
7 believed to be restricted from having any business
8 relationship 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) prohibit-
12 ing the import of goods from the boycotted country or
13 of goods produced by any business concern organized
14 under the laws of the boycotted country or by nationals
15 or residents of the boycotted country, or (ii) prohibiting
16 the shipment of goods to the boycotting country on a
17 carrier of the boycotted country or by a route other than
18 that prescribed by the boycotting country or the re-
19 cipient of the shipment;

20 “(B) compliance with import and shipping docu-
21 ment requirements with respect to a positive designation
22 of country of origin, the name of the carrier and route of
23 shipment, and 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 coun-
3 try, or to any national or resident of the boycotted
4 country; or

5 “(D) the refusal of a United States person to pay,
6 honor, advise, confirm, process, or otherwise implement
7 a letter of credit in the event of the failure of the bene-
8 ficiary of the letter to comply with the conditions or re-
9 quirements of the letter, other than conditions or require-
10 ments compliance with which is prohibited by rules and
11 regulations issued pursuant to paragraph (1) which
12 conditions or requirements shall be null and void.

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

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

24 “(b) (1) In addition to the rules and regulations issued
25 pursuant to subsection (a) of this section, rules and reg-

1 ulations issued under section 4 (b) of this Act shall imple-
2 ment the policies set forth in section 3 (5) .

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

1 appropriate for carrying out the policies set forth in section
2 3 (5) of this Act.”.

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

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

9 STATEMENT OF POLICY

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

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

24 ENFORCEMENT

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

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

3 (B) by adding at the end thereof the following
4 new paragraph:

5 “(2) (A) The authority of this Act to suspend or
6 revoke the authority of any United States person to export
7 articles, materials, supplies, or technical data or other infor-
8 mation, from the United States, its territories or possessions,
9 may be used with respect to any violation of the rules and
10 regulations issued pursuant to section 4A (a) of this Act.

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

18 “(C) Any charging letter or other document initiating
19 proceedings for the imposition of sanctions for violations of
20 the rules and regulations issued pursuant to section 4A (a)
21 of this Act shall be made available for public inspection
22 and copying.”.

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

"NUCLEAR EXPORTS

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

11 " (2) The Congress finds that nuclear export activities
12 which enable countries to possess strategically significant
13 quantities of unirradiated, readily fissionable material are
14 inherently unsafe.

15 " (3) It is, therefore, the purpose of this section to
16 implement the policies stated in paragraphs (1) and (2)
17 of section 3 of this Act by regulating the export of nuclear
18 material, equipment, and devices which could prove detri-
19 mental to United States national security and foreign policy
20 objectives.

21 " (b) (1) No agreement for cooperation providing for
22 the export of any nuclear material, equipment, or devices
23 for civil uses may be entered into with any foreign country,

1 group of countries, or international organization, and no
2 amendment to or renewal of any such agreement may be
3 agreed to, unless—

4 “(A) the provisions of the agreement concerning
5 the reprocessing of special nuclear material supplied by
6 the United States will apply equally to all special nuclear
7 material produced through the use of any nuclear reactor
8 transferred under such agreement; and

9 “(B) the recipient country, group of countries, or
10 international organization, has agreed to permit the
11 International Atomic Energy Agency to report to the
12 United States, upon a request by the United States, on
13 the status of all inventories of plutonium, uranium 233,
14 and highly enriched uranium possessed by that coun-
15 try, group of countries, or international organization
16 and subject to International Atomic Energy Agency
17 safeguards.

18 “(2) (A) The Secretary of State shall undertake con-
19 sultations with all parties to agreements for cooperation
20 existing on the date of enactment of this section in order
21 to seek inclusion in such agreements of the provisions de-
22 scribed in paragraph (1) (A) and (1) (B) of this sub-
23 section.

24 “(B) The Secretary of State shall seek to acquire,
25 from any party to an agreement for cooperation who is

1 not a nuclear-weapons State (as defined in article IX (3)
2 of the Treaty on the Non-Proliferation of Nuclear Weap-
3 ons), periodic reports on the status of all inventories of
4 plutonium, U-233, and highly enriched uranium possessed
5 by that party which are not subject to International Atomic
6 Energy Agency safeguards.

7 “(3) (A) No license may be issued for the export of
8 any nuclear material, equipment, or devices pursuant to an
9 agreement for cooperation unless the recipient country, group
10 of countries, or international organization, has agreed that
11 the material, equipment, and devices subject to that agree-
12 ment will not be used for any nuclear explosive device,
13 regardless of how the device itself is intended to be used.

14 “(B) Subparagraph (A) of this paragraph shall take
15 effect at the end of the one year period beginning on the
16 date of enactment of this section.

17 “(4) In any case in which a party to any agreement
18 for cooperation seeks to reprocess special nuclear material
19 produced through the use of any nuclear material, equipment,
20 or devices supplied by the United States, the Secretary of
21 State may only determine that safeguards can be applied
22 effectively to such reprocessing if he finds that the reliable
23 detection of any diversion and the timely warning to the
24 United States of such diversion will occur well in advance
25 of the time at which that party could transform strategic

1 quantities of diverted nuclear material into explosive nuclear
2 devices.”.

3 INTERNATIONAL AGREEMENT ON NUCLEAR EXPORTS

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

8 (A) nuclear exporting nations will not transfer to
9 any other nation any equipment, material, or technology
10 designed or prepared for, or which would materially
11 assist the establishment of, national uranium enrichment,
12 nuclear fuels reprocessing, or heavy water production
13 facilities until and while alternatives to such national
14 facilities are explored and pursued;

15 (B) nuclear exporting nations will not transfer any
16 nuclear equipment, material, or technology to any other
17 nation that has not agreed to implement safeguards
18 promulgated by the International Atomic Energy
19 Agency;

20 (C) minimum physical security standards are
21 established to prevent the unauthorized diversion of
22 nuclear equipment, materials, and technology;

23 (D) arrangements are established for effective and
24 prompt responses in the event of violations of any inter-

1 ada, Japan, the Union of Soviet Socialist Republics, and
2 such other countries as the President may determine.

3 EXPORTS OF NUCLEAR TECHNOLOGY

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

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

19 NUCLEAR POWERPLANTS

20 SEC. 304. None of the funds authorized by the Foreign
21 Assistance Act of 1961 may be used to finance the construc-
22 tion of, the operation or maintenance of, or the supply of fuel
23 for, any nuclear powerplant under an agreement for coopera-
24 tion between the United States and any other country.

1 national agreement to control the use of nuclear mate-
2 rials and technology;

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

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

16 Within one year after the date of enactment of this Act,
17 the President shall report to the Congress on the progress
18 made toward the achievement of international agreement
19 or other arrangements on the matters specified in this
20 section.

21 (b) For purposes of this section, the term "nuclear
22 exporting nations" means the United States, the United
23 Kingdom, France, the Federal Republic of Germany, Can-

95TH CONGRESS
1ST SESSION

H. R. 1561

A BILL

To amend the Export Administration Act of 1969 in order to extend the authorities of that Act and improve the administration of export controls under that Act, to strengthen the antiboycott provisions of that Act, and to provide for stricter controls over exports of nuclear material and technology, and for other purposes.

By Mr. BINGHAM, Mr. ROSENTHAL, Mr. ZAB-
LOCKI, Mr. FINDLEY, Mr. FASCELL, Mr. DIEGS,
Mr. NIX, Mr. FRASER, Mr. WOLFF, Mr.
SOLARZ, Mr. WINN, Mr. STUDDS, Mr. LAGO-
MARSINO, Mr. GILMAN, and Mr. WHALEN

JANUARY 10, 1977

Referred to the Committee on International Relations

1 (a) striking out subsection (5) ;

2 (b) redesignating subsections (6) and (7) as sub-
3 sections (10) and (11) ; and

4 (c) inserting the following new subsections :

5 “(5) It is the policy of the United States to oppose
6 restrictive trade practices or boycotts fostered or imposed
7 against foreign countries friendly to the United States by
8 other foreign countries.

9 “(6) Actions by American companies which have the
10 purpose or effect of furthering or supporting such restrictive
11 trade practices or boycotts are contrary to the commercial
12 and foreign policies of the United States.

13 “(7) American companies are being subjected to in-
14 creased pressures, by threats of boycott and otherwise, to
15 discriminate in their commercial practices on the basis of
16 race, color, religion, sex, and national origin and to refrain
17 from doing business with foreign countries friendly to the
18 United States which are the objects of restrictive trade
19 practices or boycotts imposed by foreign countries, or with
20 the citizens of those countries, or with persons doing business
21 with those countries, or with the citizens of those countries.

22 “(8) Certain American companies have, in response
23 to such pressures, taken actions which have had the purpose
24 or effect of furthering or supporting such restrictive trade
25 practices or boycotts.

1 “(9) It is in the best interests of the United States that
2 such acts and practices be prohibited by law.”.

3 SEC. 103. The Export Administration Act of 1969, as
4 amended (50 App. U.S.C. 2401-2413), is amended further
5 by inserting after section 5 (50 App. U.S.C. 2404) the
6 following new section:

7 “(a) It shall be unlawful for any United States exporter,
8 or any of its subsidiaries or affiliates, to engage in any of the
9 following acts or practices:

10 “(1) Furnishing information to a foreign agent
11 concerning the race, color, religion, sex, or national origin
12 of any of its past, present, or future employees, officers,
13 owners, stockholders, or agents.

14 “(2) Furnishing information to a foreign agent
15 concerning the race, color, religion, sex, or national
16 origin of the past, present, or future employees, officers,
17 owners, stockholders, or agents of any company with
18 which it has done, does, or intends to do business.

19 “(3) Furnishing information to a foreign agent as
20 to whether the exporter, or any of its subsidiaries or
21 affiliates, has had, has, or intends to have any business
22 relationship with a boycotted country or a citizen of a
23 boycotted country.

24 “(4) Furnishing information to a foreign agent as
25 to whether the exporter, or any of its subsidiaries or

1 affiliates, has done, does, or intends to do any business
2 with any firm that has a business relationship with a
3 boycotted country or a citizen of a boycotted country.

4 “(5) Furnishing information to a foreign agent as
5 to whether the exporter, or any of its subsidiaries or
6 affiliates, has had, has, or intends to have any invest-
7 ments, including branches, subsidiaries, affiliates, or hold-
8 ings, or any commercial or legal representative in a
9 boycotted country or in a business firm located or doing
10 business in a boycotted country.

11 “(6) Refusing, because of its business relationships
12 with a foreign agent, to do business with any person on
13 account of the race, color, religion, sex, or national origin
14 of its past, present, or future employees, officers, agents,
15 stockholders, or owners.

16 “(7) Refusing, because of its business relationships
17 with a foreign agent, to do business with a boycotted
18 country or any person within such a boycotted country.

19 “(8) Refusing, because of its business relationships
20 with a foreign agent, to do business with any person
21 which has done, does, or intends to do business with a
22 boycotted country or any person within such a boycotted
23 country.

24 “(b) In addition to the prohibitions contained in sub-
25 section (a), the Secretary of Commerce may, by regulation,

1 proscribe other acts or practices which have the purpose or
2 effect of furthering or supporting restrictive trade practices
3 or boycotts.”.

4 SEC. 104. Section 10 of the Export Administration Act,
5 as amended (50 App. U.S.C. 2409), is amended by adding
6 a new subsection (c) :

7 “(c) (1) In addition to any other information required
8 by law to be submitted to the Secretary, every United States
9 exporter, or any of its subsidiaries or affiliates, shall report,
10 within fifteen days, to the Office of Export Administration
11 of the Department of Commerce any request, direct or
12 indirect, that it engage in any act or practice prohibited by
13 section 103 of this Act.

14 “(2) Each report shall include the following informa-
15 tion: name and address of the exporter submitting the
16 report; the date on which the request was received; the
17 name and address of the person making the request; the
18 nature of the request; a copy of the request, if written, or
19 a description of it, if oral; and a description of the response
20 to the request, if oral, or a copy of it, if written.

21 “(3) The information contained in these reports shall
22 not be made public, without the consent of the exporter
23 submitting it, prior to the institution of any enforcement
24 proceeding.”.

1

TITLE II

2 SEC. 201. Section 6 of the Export Administration Act
3 of 1969 (50 App. U.S.C. 2405) is amended by adding the
4 following new subsection:

5 “(h) Whenever any exporter violates any of the provi-
6 sions of section 103 or section 104 of this Act, the Secretary
7 shall suspend or revoke the export license or privileges of
8 the exporter. The Secretary shall forthwith notify the Equal
9 Employment Opportunity Commission of such suspension
10 or revocation, and refer the matter to it for whatever addi-
11 tional remedial action the Commission deems appropriate.

12 “(i) Whenever a court or administrative agency finds
13 that an exporter has engaged in any discriminatory practice
14 on account of race, color, religion, sex, or national origin,
15 it shall forthwith transmit a copy of the final order, includ-
16 ing findings and all related information, to the Secretary of
17 Commerce for appropriate action under the Export Admin-
18 istration Act of 1969.”.

19 SEC. 202. The Export Administration Act of 1969 is
20 amended by inserting after section 2405 the following new
21 section:

22 “(a) The rights granted by section 103 of this Act may
23 be enforced by civil actions in appropriate United States
24 district courts without regard to the amount in controversy

1 and in appropriate State or local courts of general
2 jurisdiction.

3 “(b) The court may grant as relief any temporary
4 restraining order, preliminary or permanent injunction, or
5 other remedial order, and may award to the plaintiff actual
6 damages and not more than \$5,000 punitive damages,
7 together with court costs and reasonable attorney fees in the
8 case of a prevailing plaintiff financially unable to assume
9 such fees.”.

10 SEC. 203. Section 706 of the Civil Rights Act of 1964
11 (42 U.S.C. 2000e-5), as amended, is amended to add the
12 following provision as a new subsection (1):

13 “(1) Notwithstanding any other provision of law, the
14 Commission, whenever it receives a complaint, or initiates a
15 Commissioner’s charge, against an exporter subject to the
16 Export Administration Act of 1969 (50 App. U.S.C. 2401-
17 2413), shall forthwith transmit a copy of the complaint or
18 charge, and any subsequent information, disposition, or find-
19 ings, to the Secretary of Commerce for appropriate action
20 under that Act.”.

21 SEC. 204. The Equal Employment Opportunity Com-
22 mission and the Department of Commerce shall, within thirty
23 days of enactment of this section, enter into a cooperation
24 agreement for the exchange of information, the sharing of

1 investigative resources, and other matters to facilitate the
2 implementation of this Act. Nothing in this section shall be
3 construed to limit any remedy presently available either to
4 the Commission or the Department of Commerce.

5 SEC. 205. Section 8 of the Export Administration Act
6 of 1969 (50 App. U.S.C. 2407) is amended by striking the
7 number "551".

8 SEC. 206. Section 11 of the Export Administration Act
9 of 1969 (50 App. U.S.C. 2410) is amended by striking out
10 the present section and substituting the following provisions:

11 “(a) The term ‘person’ as used in this Act means the
12 singular and the plural and any individual, partnership, cor-
13 poration, or other form of association, including any govern-
14 ment or agency thereof.

15 “(b) The term ‘United States exporter’ as used in this
16 Act means any person who has the power and responsibility
17 for determining and controlling the ending of any commodi-
18 ties or technical data out of the United States.

19 “(c) The term ‘country friendly to the United States’
20 as used in this Act means any foreign country to which the
21 United States accords formal diplomatic recognition which
22 is not an object of a restrictive or discriminatory trade
23 practice or boycott carried out, in whole or in part, by the
24 United States.

25 “(d) The term ‘foreign agent’ as used in this Act means

1 any person engaged in carrying out, furthering, or support-
2 ing a restrictive trade practice or boycott against a country
3 friendly to the United States; or any person who is acting
4 on behalf of or at the request of such a person.

5 “(e) The term ‘boycotted country’ as used in this Act
6 means any foreign country friendly to the United States
7 which is the object of a restrictive trade practice or boycott
8 carried out by one or more foreign agents.

9 “(f) The term ‘business relationship’ as used in this
10 Act means any past, present, or future trade in commodities
11 or technical information, licensing arrangement, advertise-
12 ment or promotion of goods, or any other agreement which
13 results in the transfer of goods, money, or any other object
14 of value between two or more persons.”.

95TH CONGRESS
1ST SESSION

H. R. 2147

A BILL

To prohibit actions by United States exporters which have the purpose or effect of supporting restrictive trade practices or boycotts imposed against countries friendly to the United States by other foreign countries.

By Mr. ROE

JANUARY 19, 1977

Referred to the Committee on International Relations

95TH CONGRESS
1ST SESSION

H. R. 2171

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1977

Mr. ROE introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel.

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. DENIAL OF FOREIGN TAX CREDIT.**

4 (a) IN GENERAL.—Subpart A of part III of sub-
5 chapter N of the Internal Revenue Code of 1954 (relat-
6 ing to income from sources without the United States) is
7 amended by adding at the end thereof the following new
8 section:

1 **“SEC. 908. DENIAL OF CREDIT TO CERTAIN TAXPAYERS.**

2 “(a) **IN GENERAL.**—A taxpayer, or a member of a
3 controlled group (within the meaning of section 993 (a)
4 (3)) which includes the taxpayer, who is determined by
5 the Secretary or his delegate under section 999 to have par-
6 ticipated in or cooperated with the boycott of Israel (as
7 defined in such section) during the taxable year may not
8 choose to have the benefits of this subpart with respect to
9 income, war profits, or excess profits taxes paid or ac-
10 crued during the taxable year to any country which re-
11 quires such participation or cooperation as a condition of
12 doing business (directly or indirectly) within that country
13 or with the government, a company, or a national of that
14 country.

15 “(b) **DEDUCTIBILITY OF TAXES.**—For purposes of
16 section 275 (a), taxes denied the benefits of this subpart
17 under subsection (a) shall not be treated as not deductible
18 because of section 275 (a) (4).”

19 (b) **CLERICAL AMENDMENT.**—The table of sections for
20 such subpart is amended by adding at the end thereof the
21 following new item:

“Sec. 908. Denial of credit to certain taxpayers.”

22 **SEC. 2. DENIAL OF DEFERRAL.**

23 (a) **DENIAL OF DEFERRAL.**—Section 952 (a) of the

1 Internal Revenue Code of 1954 (relating to general defi-
2 nition of subpart F income) is amended—

3 (1) by striking out “and” at the end of paragraph
4 (1),

5 (2) by striking “section 954).” at the end of para-
6 graph (2) and inserting in lieu thereof “section 954),
7 and”, and

8 (3) by adding at the end thereof the following new
9 paragraph:

10 “(3) the boycott of Israel income (as determined
11 under section 955A).”.

12 (b) **BOYCOTT INCOME DEFINED.**—Subpart F of part
13 III of subchapter N of chapter 1 of the Internal Reve-
14 nue Code of 1954 (relating to controlled foreign corpora-
15 tions) is amended by inserting after section 955 the following
16 new section:

17 **“SEC. 955A. BOYCOTT OF ISRAEL INCOME.**

18 “For purposes of section 952 (a) (3), the term ‘boycott
19 of Israel income’ means that income (other than income
20 from insurance of United States risks, as determined under
21 section 953, or foreign base company income, as determined
22 under section 954) of a controlled foreign corporation
23 which—

24 “(1) as determined by the Secretary or his dele-
25 gate under section 999, has participated in or cooper-

1 ated with the boycott of Israel (as defined in such sec-
 2 tion) during the taxable year, derived from operations
 3 in, or related to, any country which requires such par-
 4 ticipation or cooperation as a condition of doing busi-
 5 ness (directly or indirectly) within that country or with
 6 the government, a company, or a national of that coun-
 7 try, or

8 “(2) is a member of a controlled group (within
 9 the meaning of section 993 (a) (3)) with respect to
 10 which such a determination has been made.”.

11 (c) CLERICAL AMENDMENT.—The table of sections for
 12 such subpart is amended by inserting after the item relating
 13 to section 955 the following new item:

 “Sec. 955A. Boycott of Israel income.”.

14 **SEC. 3. DENIAL OF DISC BENEFITS.**

15 Section 995 (b) of the Internal Revenue Code of 1954
 16 (relating to deemed distributions by a DISC) is amended by
 17 adding at the end thereof the following new paragraph:

18 “(3) DISTRIBUTIONS OF BOYCOTT OF ISRAEL IN-
 19 COME.—If the Secretary or his delegate determines,
 20 under section 999, that a DISC has participated in or
 21 cooperated with the boycott of Israel (as defined in such
 22 section) for the taxable year of the DISC, then in the
 23 application of paragraph (1) to that DISC for that
 24 taxable year to taxable income from any country which

1 requires such participation or cooperation as a condition
2 of doing business with or within that country, the words
3 'one-half of' shall be disregarded where they appear in
4 subparagraph (D) of paragraph (1).”.

5 **SEC. 4. DETERMINATIONS BY THE SECRETARY AS TO**
6 **PARTICIPATION IN, OR COOPERATION WITH,**
7 **THE BOYCOTT OF ISRAEL.**

8 (a) **IN GENERAL.**—Subchapter N of chapter 1 of the
9 Internal Revenue Code of 1954 (relating to tax based on
10 income from sources within or without the United States) is
11 amended by adding at the end thereof the following new
12 part:

13 **“PART V—BOYCOTT OF ISRAEL DETERMINATIONS**

“Sec. 999. Reports by taxpayers; Determinations by Secretary.

14 **“SEC. 999. REPORTS BY TAXPAYERS; DETERMINATIONS**
15 **BY SECRETARY.**

16 “(a) **REPORTS BY TAXPAYERS.**—Any taxpayer with
17 foreign source income for the taxable year derived directly
18 or indirectly from sources within a country which requires
19 participation in or cooperation with the boycott of Israel as
20 a condition of doing business with or within that country,
21 shall report the fact of such income to the Secretary or his
22 delegate, at such time and in such manner as the Secretary
23 or his delegate may prescribe.

1 “(b) DETERMINATIONS BY THE SECRETARY.—When-
2 ever the Secretary or his delegate receives a report from a
3 taxpayer under subsection (a) he shall determine whether
4 the taxpayer participated in or cooperated with the boycott
5 of Israel for the taxable year. The determination shall cover
6 the taxable year with respect to which the report is made.
7 For purposes of this subsection, a person participates in or
8 cooperates with the boycott of Israel—

9 “(1) if he agrees, as a condition of doing business
10 (directly or indirectly) within that country or with the
11 government, a company, or a national of that country—

12 “(A) to refrain from doing business in Israel
13 or with the government, companies, or nationals of
14 Israel;

15 “(B) to refrain from doing business with any
16 United States person engaged in trade in Israel or
17 with the government, companies, or nationals of
18 Israel; or

19 “(C) to refrain from doing business with any
20 company whose ownership or management is all or
21 in part Jewish or to remove (or refrain from select-
22 ing) corporate directors who are Jewish; or

23 “(2) if he agrees, as a condition of the sale of a
24 product to the government, a company, or a national
25 of a country, to ship such products only on a carrier

1 which is not on the boycott of Israel list (as determined
2 by the Secretary or his delegate).”.

3 (b) The table of parts for such subchapter N is amended
4 by adding at the end thereof the following new item:

 “Part V. Boycott of Israel determinations.”.

5 **SEC. 5. EFFECTIVE DATE.**

6 The amendments made by this Act apply to taxable
7 years beginning after December 31, 1975.

95TH CONGRESS
1ST SESSION

H. R. 2171

A BILL

To amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel.

By Mr. ROE

JANUARY 19, 1977

Referred to the Committee on Ways and Means

95TH CONGRESS
1ST SESSION

H. R. 2418

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1977

Mr. DRINAN introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes.

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) subsection (f) of section 4 of the Export Adminis-
4 tration Act of 1969 (50 App. U.S.C. 2403 (f)) is amended
5 by striking out in the first sentence "The" and inserting in
6 lieu thereof "(1) Except as provided for in paragraph (2),
7 the" and by adding at the end of such subsection the follow-
8 ing new paragraph:

9 “(2) (A) No person may export any agricultural com-
10 modity, including fats and oils or animal hides or skins, pur-
11 suant to any agricultural commodity export agreement unless

1 such person has submitted an application for an agricultural
2 export license to the Secretary of Commerce and such ap-
3 plication has been approved by the Secretary of Commerce.
4 The Secretary of Commerce shall, by regulation, prescribe
5 the form, content, and time of submission of such application.

6 “(B) The Secretary of Commerce may not approve any
7 application for an agricultural export license unless he deter-
8 mines that—

9 “(i) the domestic production of the agricultural
10 commodity sought to be exported is likely to be suffi-
11 cient to insure against domestic scarcity of such com-
12 modity during the twelve-month period beginning on
13 the date of the submission of such application.

14 “(ii) the proposed export transaction is not likely
15 to result, directly or indirectly, in an increase of con-
16 sumer prices in the United States, and

17 “(iii) the proposed export transaction is not likely
18 to result, directly or indirectly, in increased unemploy-
19 ment in the United States.

20 Before making any determination under the preceding sen-
21 tence, the Secretary of Commerce shall, when he deems nec-
22 essary, consult with the Secretary of Agriculture, the Secre-
23 tary of Labor, and the Chairman of the Council on Wage
24 and Price Stability. Within ten days after making the deter-
25 mination required under the preceding sentence, the Secre-

1 tary of Commerce shall cause such determination to be pub-
2 lished in the Federal Register as a domestic food protection
3 impact statement.

4 “(C) The Secretary of Commerce shall approve or dis-
5 approve any application submitted to him, and shall notify
6 the applicant of such approval or disapproval, within ten
7 days after the date on which he receives such application.

8 “(D) The provisions of this paragraph shall not apply
9 with respect to any agricultural commodity export agreement
10 involving any agricultural commodity in a quantity the sell-
11 ing price of which is less than \$10,000,000. All such agree-
12 ments occurring within any thirty-day period and involving
13 the same commodity and parties shall be considered a single
14 agricultural commodity export agreement for purposes of
15 this paragraph. If the selling price of the quantity of the
16 agricultural commodity being sold or exported pursuant to
17 any agricultural commodity export agreement is not stated
18 in such agreement, the Secretary of Commerce shall deter-
19 mine such price for purposes of this subparagraph in accord-
20 ance with the market price of such commodity at the time
21 the application for an agricultural export license for the
22 exportation of such commodity is received by the Secretary
23 of Commerce.

24 “(E) For purposes of this paragraph, the term ‘agricul-
25 tural commodity export agreement’ means any written agree-

1 ment for the sale of, export of, or for the exportation of,
2 any amount of an agricultural commodity.”.

3 (b) Subsection (d) of section 4 of the Export Adminis-
4 tration Act of 1969 (50 App. U.S.C. 2403 (d)) is amended
5 by inserting immediately before the period the following:
6 “or where required by subsection (f) (2) of this section”.

7 SEC. 2. The amendments made by the first section of
8 this Act shall take effect ninety days after the date of the
9 enactment of this Act.

95TH CONGRESS
1ST SESSION

H. R. 2418

A BILL

To amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes.

By Mr. DRINAN

JANUARY 26, 1977

Referred to the Committee on International Relations

95TH CONGRESS
1ST SESSION

H. R. 2933

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1977

Mrs. SPELLMAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel.

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. DENIAL OF FOREIGN TAX CREDIT.**

4 (a) IN GENERAL.—Subpart A of part III of subchapter
5 N of the Internal Revenue Code of 1954 (relating to income
6 from sources without the United States) is amended by add-
7 ing at the end thereof the following new section:

8 **“SEC. 908. DENIAL OF CREDIT TO CERTAIN TAXPAYERS.**

9 “(a) IN GENERAL.—A taxpayer, or a member of a
10 controlled group (within the meaning of section 993 (a)

1 (3)) which includes the taxpayer, who is determined by
 2 the Secretary of his delegate under section 999 to have par-
 3 ticipated in or cooperated with the boycott of Israel (as
 4 defined in such section) during the taxable year may not
 5 choose to have the benefits of this subpart with respect to
 6 income, war profits, or excess profits taxes paid or accrued
 7 during the taxable year to any country which requires such
 8 participation or cooperation as a condition of doing business
 9 (directly or indirectly) within that country or with the gov-
 10 ernment, a company, or a national of that country.

11 “(b) DEDUCTIBILITY OF TAXES.—For purposes of sec-
 12 tion 275 (a), taxes denied the benefits of this subpart under
 13 subsection (a) shall not be treated as not deductible because
 14 of section 275 (a) (4).”.

15 (b) CLERICAL AMENDMENT.—The table of sections
 16 for such subpart is amended by adding at the end thereof
 17 the following new item:

“Sec. 908. Denial of credit to certain taxpayers.”.

18 **SEC. 2. DENIAL OF DEFERRAL.**

19 (a) DENIAL OF DEFERRAL.—Section 952 (a) of the
 20 Internal Revenue Code of 1954 (relating to general defini-
 21 tion of subpart F income) is amended—

22 (1) by striking out “and” at the end of paragraph

23 (1),

1 (2) by striking “section 954).” at the end of para-
2 graph (2) and inserting in lieu thereof “section 954),
3 and”, and

4 (3) by adding at the end thereof the following new
5 paragraph:

6 “(3) the boycott of Israel income (as determined
7 under section 955A).”.

8 (b) **BOYCOTT INCOME DEFINED.**—Subpart F of part
9 III of subchapter N of chapter 1 of the Internal Revenue
10 Code of 1954 (relating to controlled foreign corporations) is
11 amended by inserting after section 955 the following new
12 section:

13 **“SEC. 955A. BOYCOTT OF ISRAEL INCOME.**

14 “For purposes of section 952 (a) (3), the term ‘boycott
15 of Israel income’ means that income (other than income from
16 insurance of United States risks, as determined under section
17 953, or foreign base company income, as determined under
18 section 954) of a controlled foreign corporation which—

19 “(1) as determined by the Secretary or his delegate
20 under section 999, has participated in or cooperated with
21 the boycott of Israel (as defined in such section) during
22 the taxable year, derived from operations in, or related
23 to, any country which requires such participation or
24 cooperation as a condition of doing business (directly or

1 indirectly) within that country or with the government,
2 a company, or a national of that country, or

3 “(2) is a member of a controlled group (within the
4 meaning of section 993 (a) (3)) with respect to which
5 such a determination has been made.”.

6 (c) CLERICAL AMENDMENT.—The table of sections
7 for such subpart is amended by inserting after the item
8 relating to section 955 the following new item:

“Sec. 955A. Boycott of Israel income.”.

9 **SEC. 3. DENIAL OF DISC BENEFITS.**

10 Section 995 (b) of the Internal Revenue Code of 1954
11 (relating to deemed distributions by a DISC) is amended
12 by adding at the end thereof the following new paragraph:

13 “(3) DISTRIBUTIONS OF BOYCOTT OF ISRAEL IN-
14 COME.—If the Secretary or his delegate determines, un-
15 der section 999, that a DISC has participated in or
16 cooperated with the boycott of Israel (as defined in such
17 section) for the taxable year of the DISC, then in the
18 application of paragraph (1) to that DISC for that
19 taxable year to taxable income from any country which
20 requires such participation or cooperation as a condition
21 of doing business with or within that country, the words
22 ‘one-half of’ shall be disregarded where they appear in
23 subparagraph (D) of paragraph (1).”.

1 **SEC. 4. DETERMINATIONS BY THE SECRETARY AS TO**
2 **PARTICIPATION IN, OR COOPERATION WITH,**
3 **THE BOYCOTT OF ISRAEL.**

4 (a) **IN GENERAL.**—Subchapter N of chapter 1 of the
5 Internal Revenue Code of 1954 (relating to tax based on
6 income from sources within or without the United States)
7 is amended by adding at the end thereof the following new
8 part:

9 **“PART V—BOYCOTT OF ISRAEL DETERMINATIONS**

“Sec. 999. Reports by taxpayers; Determinations by
Secretary.

10 **“SEC. 999. REPORTS BY TAXPAYERS; DETERMINATIONS**
11 **BY SECRETARY.**

12 “(a) **REPORTS BY TAXPAYERS.**—Any taxpayer with
13 foreign source income for the taxable year derived directly
14 or indirectly from sources within a country which requires
15 participation in or cooperation with the boycott of Israel as a
16 condition of doing business with or within that country, shall
17 report the fact of such income to the Secretary or his dele-
18 gate, at such time and in such manner as the Secretary or his
19 delegate may prescribe.

20 “(b) **DETERMINATIONS BY THE SECRETARY.**—When-
21 ever the Secretary or his delegate receives a report from a
22 taxpayer under subsection (a) he shall determine whether
23 the taxpayer participated in or cooperated with the boycott

1 of Israel for the taxable year. The determination shall cover
2 the taxable year with respect to which the report is made.
3 For purposes of this subsection, a person participates in or
4 cooperates with the boycott of Israel—

5 “(1) if he agrees, as a condition of doing business
6 (directly or indirectly) within that country or with the
7 government, a company or a national of that country—

8 “(A) to refrain from doing business in Israel
9 or with the Government, companies, or nationals of
10 Israel;

11 “(B) to refrain from doing business with any
12 United States person engaged in trade with Israel
13 or with the Government, companies, or nationals of
14 Israel, or

15 “(C) to refrain from doing business with any
16 company whose ownership or management is all
17 or in part Jewish or to remove (or refrain from
18 selecting) corporate directors who are Jewish; or

19 “(2) if he agrees, as a condition of the sale of a
20 product to the government, a company, or a national of
21 a country, to ship such products only on a carrier which
22 is not on the boycott of Israel list (as determined by
23 the Secretary or his delegate).”.

1 (b) The table of parts for such subchapter N is amended
2 by adding at the end thereof the following new item:

“Part V. Boycott of Israel determinations.”.

3 **SEC. 5. EFFECTIVE DATE.**

4 The amendments made by this Act apply to taxable
5 years beginning after December 31, 1976.

95TH CONGRESS
1ST SESSION

H. R. 2933

A BILL

To amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel.

By Mrs. SPELLMAN

FEBRUARY 1, 1977

Referred to the Committee on Ways and Means

95TH CONGRESS
1ST SESSION

H. R. 4144

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1977

Mr. MURPHY of Pennsylvania introduced the following bill; which was referred to the Committee on International Relations

A BILL

To extend and amend the Export Administration Act of 1969, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Export Administration Act of 1969 (Public Law
4 91-184; 50 U.S.C. App. 2401 et seq.), as amended, is
5 further amended by striking out "September 30, 1976" in
6 section 14 and inserting in lieu thereof "September 30,
7 1978".

8 SEC. 2. (a) Section 6 (a) of the Export Administra-
9 tion Act of 1969 is amended—

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

1 (2) in the second sentence, by striking out “\$20,-
2 000” and inserting in lieu thereof “\$50,000”.

3 (b) Section 6 (b) of such Act is amended by striking
4 out “\$20,000” and inserting in lieu thereof “\$50,000”.

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

7 (d) Section 6 (d) of such Act is amended by adding
8 at the end thereof the following new sentences: “Further,
9 the payment of any penalty imposed pursuant to subsection
10 (c) may be deferred or suspended in whole or in part for a
11 time equal to or less than any probation period (which may
12 exceed one year) that may be imposed upon such person.
13 Such deferral or suspension shall not operate as a bar to the
14 collection of the penalty in the event that the conditions of
15 the suspension, deferral, or probation are not fulfilled.”.

16 AUTHORIZATION FOR APPROPRIATIONS

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

21 “AUTHORIZATION OF APPROPRIATIONS

22 “SEC. 13. (a) Notwithstanding any other provision of
23 law, no appropriation shall be made under any law to the
24 Department of Commerce for expenses to carry out the pur-
25 poses of this Act for any fiscal year commencing on or after

1 October 1, 1977, unless previously and specifically author-
2 ized by legislation enacted after the enactment of this
3 section.

4 “(b) There is hereby authorized to be appropriated to
5 the Department of Commerce \$5,500,000 for fiscal year
6 1978 to carry out the purposes of this Act.”.

95TH CONGRESS
1ST SESSION

H. R. 4144

A BILL

To extend and amend the Export Administration Act of 1969, as amended.

By Mr. MURPHY of Pennsylvania

FEBRUARY 28, 1977

Referred to the Committee on International Relations

1 contiguous States of the United States is in the national
2 interest;

3 (2) petroleum and natural gas supply shortages
4 exist in many heavily populated States or portions there-
5 of in the contiguous States of the United States;

6 (3) disruptions in the availability of domestic en-
7 ergy supplies, especially petroleum and natural gas, pose
8 a serious risk to national security, and the health and
9 welfare of the American people;

10 (4) such energy shortages cause unemployment, in-
11 flation, and other severe economic dislocations and hard-
12 ships and jeopardize the normal activities of both public
13 and private enterprise;

14 (5) large reserves of both petroleum and natural
15 gas in the State of Alaska could help significantly to
16 alleviate the supply shortages in the contiguous States
17 of the United States;

18 (6) actions for the production of Alaskan petroleum
19 and natural gas are progressing more rapidly than ac-
20 tions by the same parties involved for sufficient and
21 equitable distribution and storage facilities, which may
22 result in the exportation of Alaskan petroleum and
23 natural gas and their products; and

24 (7) such exportation would be contrary to the pur-
25 poses and congressional intent of the Trans-Alaska Pipe-

1 line Authorization Act (87 Stat. 584; 43 U.S.C. 1651
2 et seq.) and the Alaska Natural Gas Transportation Act
3 of 1976 (90 Stat. 2903; 15 U.S.C. 719 et seq.), and
4 contrary to the national interest and security of the
5 United States.

6 BAN ON EXPORTATION

7 SEC. 3. Section 28 (u) of the Mineral Leasing Act of
8 1920 (87 Stat. 576; 30 U.S.C. 185 (u)) is amended to
9 read as follows:

10 “(u) (1) Notwithstanding the provisions of section 12
11 of the Alaska Natural Gas Transportation Act of 1976 (90
12 Stat. 2903; 15 U.S.C. 719j), no domestically produced
13 petroleum and natural gas, especially from within the State
14 of Alaska, transported by pipeline over rights-of-way
15 granted pursuant to this section shall be exported. The pre-
16 ceding sentence shall not apply in the case of any such petro-
17 leum and natural gas which is either exchanged in similar
18 quantity for convenience or increased efficiency of transpor-
19 tation with persons or the government of an adjacent foreign
20 state, or which is temporarily exported for convenience or
21 increased efficiency of transportation with persons or the
22 government of an adjacent foreign state, or which is tempo-
23 rarily exported for convenience or increased efficiency of
24 transportation across parts of an adjacent foreign state and
25 reenters the United States.

1 “(2) For the purposes of this subsection—

2 “(A) The term ‘State’ means a State, the District
3 of Columbia, and any territory or possession of the
4 United States.

5 “(B) The term ‘petroleum and natural gas’ means—

6 “(i) crude oil,

7 “(ii) natural gas (methane in the vapor state),

8 **and**

9 “(iii) natural gas liquids, including but not
10 limited to gasoline, naphtha, kerosene, distillates,
11 residual fuel oils, diesel fuel, unfinished oils, and
12 other liquefied petroleum gases.

13 “(C) The term ‘person’ includes—

14 “(i) any individual,

15 “(ii) any corporation, company, association,
16 firm, partnership, society, trust, joint venture, or
17 joint stock company, and

18 “(iii) any State or subdivision of a State.

19 “(3) Any person who knowingly violates any provision
20 of this subsection shall be fined not more than \$25,000 or
21 imprisoned not more than one year, or both. For a second or
22 subsequent offense, the offender shall be fined not more than
23 three times the value of the exports involved or \$50,000,
24 whichever is greater; or imprisoned not more than five years,
25 or both.”.

95TH CONGRESS
1ST SESSION

H. R. 4158

A BILL

To amend the Mineral Leasing Act of 1920 to ban the exportation of Alaskan petroleum and natural gas to insure the use of these fuels to alleviate domestic energy shortages.

By Mr. MURPHY of Pennsylvania

FEBRUARY 28, 1977

Referred jointly to the Committees on Interior and Insular Affairs and International Relations

Notice to Departments

House bill H.R. 4317 is identical, as far as content is concerned, with H.R. 1561. Therefore, *by order of the Joint Committee on Printing*, copies of H.R. 4317 will not be printed for distribution to the Departments and also will not be available to the Departments at the Document Rooms.

H. R. 4352

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1977

Mr. KOCH (for himself, Mr. SCHEUER, Mr. DELANEY, Mr. LONG of Maryland, and Mr. TONRY) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To prohibit United States' companies from participating in the boycott of another United States' company or a country friendly to the United States, or providing certain information, in response to a foreign country's request.

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. This Act may be cited as the "Foreign Boy-
4 cotts Act of 1977."

5 SEC. 2. Section 3 (5) of the Export Administration
6 Act of 1969 (hereinafter in this title referred to as the
7 "Act") is amended to read as follows:

8 "(5) It is the policy of the United States (A) to oppose
9 restrictive trade practices or boycotts fostered or imposed
10 by foreign countries against other countries friendly to the

1 United States or against any domestic concern, (B) to
2 prohibit domestic concerns engaged in the export of articles,
3 materials, supplies, or information from taking any action,
4 including the furnishing of information or the signing of
5 agreements, which has the effect of furthering or supporting
6 the restrictive trade practices or boycotts fostered or imposed
7 by any foreign country against another country friendly to
8 the United States or against any domestic concern, and (C)
9 to foster international cooperation and the development of
10 international rules and institutions to assure reasonable access
11 to world supplies.”.

12 SEC. 3. (a) Section 4 (b) (1) of the Act is amended
13 by striking out the next to the last sentence.

14 (b) Section 4 (b) of the Act is amended by redesignat-
15 ing paragraphs (2) through (4) and any cross-references
16 thereto as paragraphs (3) through (5), respectively, and
17 inserting after paragraph (1) a new paragraph (2) as
18 follows:

19 “(2) (A) Pursuant to such rules and regulations as he
20 may deem necessary and appropriate, the Secretary of Com-
21 merce shall implement the provisions of section 3 (5) of this
22 Act.

23 “(B) Such rules and regulations shall require that any
24 domestic concern which receive a request for the furnishing
25 of information, the signing of agreements, or the taking of

1 any other action referred to in section 3 (5) of this Act, shall
2 transmit to the Secretary of Commerce a report stating that
3 such request was received, together with such other informa-
4 tion concerning such request as the Secretary may require for
5 such action as he may deem appropriate for carrying out the
6 purposes of that section. Such report shall also state whether
7 such concern intends to comply with such request. The format
8 of such report shall be specifically detailed by the Secretary
9 such that it elicits information from the domestic concern
10 which enables the Secretary to make a determination whether
11 the concern, by its compliance with the request, has altered
12 its business practices in any manner which would further
13 restrictive trade practices or boycotts fostered or imposed by
14 foreign countries against countries friendly to the United
15 States or against any domestic concern. Any report filed pur-
16 suant to this subparagraph after the enactment of the Foreign
17 Boycotts Act of 1977 shall be made available promptly for
18 public inspection and copying, and the Secretary of Com-
19 merce shall transmit copies thereof to the Secretary of State
20 who, in consultation with the Secretary of Commerce, shall
21 take such actions as are appropriate for carrying out the
22 purposes of section 3 (5) of this Act.

23 “(C) Rules and regulations implementing such provi-
24 sions shall also prohibit each domestic concern from (i) fur-
25 nishing information regarding race, religion, sex, or national

1 origin of that concern's or any other domestic concern's direc-
2 tors, officers, employees, or shareholders to or for the use by
3 any foreign country, national, or company where such infor-
4 mation is sought for the purpose of enforcing or implementing
5 restrictive trade practices or boycotts against a country
6 friendly to the United States or against any domestic concern,
7 (ii) refusing to do business with any other domestic concern
8 or person pursuant to an agreement with, requirement of,
9 or a request from, or on behalf of, any foreign country,
10 national, or agent thereof made or imposed for the purpose of
11 enforcing or implementing restrictive trade practices or boy-
12 cotts against a country friendly to the United States or against
13 any domestic concern, or (iii) refusing to do business with a
14 country friendly to the United States or national thereof pur-
15 suant to an agreement with, requirement of, or request from,
16 or on behalf of, any other foreign country, national, or agent
17 thereof made or imposed for the purpose of enforcing or im-
18 plementing restrictive trade practices or boycotts against a
19 country friendly to the United States or against any domestic
20 concern. Any civil penalty imposed under this Act for a vio-
21 lation of rules or regulations issued under clause (ii) or (iii)
22 of the preceding sentence may be imposed only after notice
23 and opportunity for an agency hearing on the record in ac-
24 cordance with sections 554 through 557 of title 5, United
25 States Code.”.

1 SEC. 4. (a) Section 6 (c) of the Act is amended—

2 (1) by striking out “The head” and inserting in
3 lieu thereof “Except as otherwise provided in the sec-
4 ond sentence of this subsection, the head”; and

5 (2) by adding at the end thereof the following:
6 “The head of any department or agency exercising any
7 functions under this Act, or any officer or employee of
8 such department or agency specifically designated by the
9 head thereof, may impose a civil penalty not to exceed
10 \$10,000 for each violation of section 4 (b) (2) of this
11 Act or of any rule or regulation issued thereunder, either
12 in addition to or in lieu of any other liability or penalty
13 which may be imposed. Any charging letter or other
14 document initiating proceedings by the Secretary of
15 Commerce after enactment of the Foreign Boycotts Act
16 of 1977 for the imposition of sanctions for violations of
17 section 4 (b) (2) of this Act shall be made available for
18 public inspection and copying.”.

19 (b) Section 6 (g) of such Act is amended by redesignig-
20 nating subsection (g) as subsection (h), and inserting after
21 subsection (f) a new subsection (g) as follows:

22 “(g) Any person aggrieved by action taken as a result
23 of a violation of section 4 (b) (2) of this Act, may institute
24 a civil action in an appropriate United States district court
25 without regard to the amount in controversy, and may re-

1 cover threefold actual damages, reasonable attorney's fees,
2 and other litigation costs reasonably incurred, and obtain
3 other appropriate relief.”.

4 (c) Section 6(h) of such Act is amended by striking
5 out “or (f)” and inserting in lieu thereof “(f), or (g)”.

6 (d) Section 7(c) of the Act is amended by striking the
7 word “No” at the beginning thereof and inserting in lieu
8 thereof the following: “Except as otherwise provided by
9 this Act, no”

10 SEC. 5. Section 10(b) of the Act is amended by add-
11 ing at the end thereof a new paragraph (3) as follows:

12 “(3) Each such report shall also contain a description
13 of actions taken by the President and the Secretary of Com-
14 merce to effect the policy of section 3(5) of this Act, and a
15 summary, including dollar totals, of the impact on the Amer-
16 ican economy of restrictive trade practices or boycotts fos-
17 tered or imposed by foreign countries against other countries
18 friendly to the United States or against any domestic con-
19 cern.”.

20 SEC. 6. Section 11 of the Act is amended by adding at
21 the end thereof the following: “The term ‘domestic concern’
22 as used in this Act shall include banks and other financial
23 institutions, insurers, freight forwarders, and shipping com-
24 panies organized under the laws of the United States or of
25 any State or any political subdivision thereof, any United

1 States resident or national, any domestic business concern
2 (including any domestic subsidiary or affiliates of any foreign
3 business concern), and any foreign subsidiary or affiliate of
4 any domestic business concern.”.

5 SEC. 7. Termination, in accordance with section 14 of
6 the Export Administration Act of 1969, of the authority
7 granted by such Act shall not affect—

8 (1) the authority contained in such Act to imple-
9 ment the policy set forth in section 3 (5) of such Act;

10 (2) the requirements of section 4 (b) (2) of such
11 Act that rules and regulations be issued implementing
12 the policy set forth in section 3 (5) of such Act;

13 (3) the authority contained in such Act relating
14 to the enforcement of such rules and regulations; and

15 (4) any right of action under section 6 (g) of such
16 Act.

96TH CONGRESS
1st Session

H. R. 4352

A BILL

To prohibit United States companies from participating in the boycott of another United States company or a country friendly to the United States, or providing certain information, in response to a foreign country's request.

By Mr. KOCH, Mr. SCHUEER, Mr. DELANEY, Mr.
LONG of Maryland, and Mr. TONRY

MARCH 2, 1977

Referred to the Committee on International Relations

Notice to Departments

House bill H.R. 4410 is identical, as far as content is concerned, with H.R. 1561. Therefore, *by order of the Joint Committee on Printing*, copies of H.R. 4410 will not be printed for distribution to the Departments and also will not be available to the Departments at the Document Rooms.

H. R. 4552

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 1977

Mr. DRINAN (for himself, Mr. BRODHEAD, Mrs. COLLINS of Illinois, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. HARRINGTON, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OTTINGER, Mr. ROYBAL, Mr. RYAN, and Mr. STARK) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes.

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) subsection (f) of section 4 of the Export Adminis-
4 tration Act of 1969 (50 App. U.S.C. 2403 (f)) is amended
5 by striking out in the first sentence "The" and inserting in
6 lieu thereof "(1) Except as provided for in paragraph (2),
7 the" and by adding at the end of such subsection the follow-
8 ing new paragraph:

9 “(2) (A) No person may export any agricultural com-
10 modity, including fats and oils or animal hides or skins, pur-
11 suant to any agricultural commodity export agreement unless

1 such person has submitted an application for an agricultural
2 export license to the Secretary of Commerce and such ap-
3 plication has been approved by the Secretary of Commerce.
4 The Secretary of Commerce shall, by regulation, prescribe
5 the form, content, and time of submission of such application.

6 “(B) The Secretary of Commerce may not approve any
7 application for an agricultural export license unless he deter-
8 mines that—

9 “(i) the domestic production of the agricultural
10 commodity sought to be exported is likely to be suffi-
11 cient to insure against domestic scarcity of such com-
12 modity during the twelve-month period beginning on
13 the date of the submission of such application.

14 “(ii) the proposed export transaction is not likely
15 to result, directly or indirectly, in an increase of con-
16 sumer prices in the United States, and

17 “(iii) the proposed export transaction is not likely
18 to result, directly or indirectly, in increased unemploy-
19 ment in the United States.

20 Before making any determination under the preceding sen-
21 tence, the Secretary of Commerce shall, when he deems nec-
22 essary, consult with the Secretary of Agriculture, the Secre-
23 tary of Labor, and the Chairman of the Council on Wage
24 and Price Stability. Within ten days after making the deter-
25 mination required under the preceding sentence, the Secre-

1 tary of Commerce shall cause such determination to be pub-
2 lished in the Federal Register as a domestic food protection
3 impact statement.

4 “(C) The Secretary of Commerce shall approve or dis-
5 approve any application submitted to him, and shall notify
6 the applicant of such approval or disapproval, within ten
7 days after the date on which he receives such application.

8 “(D) The provisions of this paragraph shall not apply
9 with respect to any agricultural commodity export agreement
10 involving any agricultural commodity in a quantity the sell-
11 ing price of which is less than \$10,000,000. All such agree-
12 ments occurring within any thirty-day period and involving
13 the same commodity and parties shall be considered a single
14 agricultural commodity export agreement for purposes of
15 this paragraph. If the selling price of the quantity of the
16 agricultural commodity being sold or exported pursuant to
17 any agricultural commodity export agreement is not stated
18 in such agreement, the Secretary of Commerce shall deter-
19 mine such price for purposes of this subparagraph in accord-
20 ance with the market price of such commodity at the time
21 the application for an agricultural export license for the
22 exportation of such commodity is received by the Secretary
23 of Commerce.

24 “(E) For purposes of this paragraph, the term ‘agricul-
25 tural commodity export agreement’ means any written agree-

1 ment for the sale of, export of, or for the exportation of,
2 any amount of an agricultural commodity.”.

3 (b) Subsection (d) of section 4 of the Export Adminis-
4 tration Act of 1969 (50 App. U.S.C. 2403 (d)) is amended
5 by inserting immediately before the period the following:
6 “or where required by subsection (f) (2) of this section”.

7 SEC. 2. The amendments made by the first section of
8 this Act shall take effect ninety days after the date of the
9 enactment of this Act.

95TH CONGRESS
1ST SESSION

H. R. 4552

A BILL

To amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes.

By Mr. ~~DRINAN~~, Mr. BRODHEAD, Mrs. COLLINS
of Illinois, Mr. DUNCAN of Tennessee, Mr.
EDGAR, Mr. ~~EXLER~~, Mr. HARRINGTON, Mr.
LONG of Maryland, Mr. MOAKLEY, Mr.
MURPHY of New York, Mr. OTTINGER, Mr.
ROYBAL, Mr. RYAN, and Mr. STARK

MARCH 7, 1977

Referred to the Committee on International Relations

Notice to Departments

House bill H.R. 4618 is identical, as far as content is concerned, with H.R. 1561. Therefore, *by order of the Joint Committee on Printing*, copies of H.R. 4618 will not be printed for distribution to the Departments and also will not be available to the Departments at the Document Rooms.