

96TH CONGRESS  
1ST SESSION

# H. R. 4034

To provide for continuation of authority to regulate exports, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1979

Mr. BINGHAM (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. DIGGS, Mr. ROSENTHAL, Mr. YATRON, Mrs. COLLINS of Illinois, Mr. SOLARZ, Mr. BONKER, Mr. PEASE, Mr. MICA, Mr. BARNES, Mr. WOLPE, Mr. BOWEN, Mr. FITHIAN, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. LAGOMARSINO, and Mrs. FENWICK introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To provide for continuation of authority to regulate exports, 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                    TITLE I—EXPORT ADMINISTRATION

4                                    SHORT TITLE

5            SECTION 101. This title may be cited as the “Export  
6 Administration Act Amendments of 1979”.

1

## FINDINGS

2

SEC. 102. Section 2 of the Export Administration Act  
3 of 1969 (50 U.S.C. App. 2401) is amended to read as  
4 follows:

5

## "FINDINGS

6

"SEC. 2. The Congress makes the following findings:

7

"(1) Exports are important to the economic well-  
8 being of the United States.

9

"(2) A large United States trade deficit weakens  
10 the value of the United States dollar, intensifies infla-  
11 tionary pressures in the domestic economy, and height-  
12 ens instability in the world economy.

13

"(3) Poor export performance is an important  
14 factor contributing to a United States trade deficit.

15

"(4) It is important for the national interest of the  
16 United States that both the private sector and the Fed-  
17 eral Government place a high priority on exports,  
18 which would strengthen the Nation's economy.

19

"(5) The restriction of exports from the United  
20 States can have serious adverse effects on the balance  
21 of payments and on domestic employment, particularly  
22 when restrictions applied by the United States are  
23 more extensive than those imposed by other countries.

24

"(6) The uncertainty of policy toward certain  
25 categories of exports has curtailed the efforts of Ameri-

1 can business in those categories to the detriment of the  
2 overall attempt to improve the trade balance of the  
3 United States.

4 “(7) The availability of certain materials at home  
5 and abroad varies so that the quantity and composition  
6 of United States exports and their distribution among  
7 importing countries may affect the welfare of the do-  
8 mestic economy and may have an important bearing  
9 upon fulfillment of the foreign policy of the United  
10 States.

11 “(8) Unreasonable restrictions on access to world  
12 supplies can cause worldwide political and economic in-  
13 stability, interfere with free international trade, and  
14 retard the growth and development of nations.

15 “(9) The export of goods or technology without  
16 regard to whether such export makes a significant con-  
17 tribution to the military potential of individual coun-  
18 tries may adversely affect the national security of the  
19 United States.

20 “(10) It is important that the administration of  
21 export controls imposed for national security purposes  
22 give special emphasis to the need to control exports of  
23 technology (and goods which contribute significantly to  
24 the transfer of such technology) which could make a  
25 significant contribution to the military potential of any

1 country or combinations of countries which would be  
2 detrimental to the national security of the United  
3 States.”.

4 POLICY

5 SEC. 103. (a) Section 3 of the Export Administration  
6 Act of 1969 (50 U.S.C. App. 2402) is amended by amending  
7 paragraph (2) to read as follows:

8 “(2) It is the policy of the United States to use export  
9 controls to the extent necessary (A) to restrict the export of  
10 goods and technology which would make a significant contri-  
11 bution to the military potential of any country or combination  
12 of countries which would prove detrimental to the national  
13 security of the United States; (B) to restrict the export of  
14 goods and technology where necessary to further signifi-  
15 cantly the foreign policy of the United States or to fulfill its  
16 international responsibilities; and (C) to restrict the export of  
17 goods where necessary to protect the domestic economy from  
18 the excessive drain of scarce materials and to reduce the seri-  
19 ous inflationary impact of foreign demand.”.

20 (b) Such section is further amended—

21 (1) in paragraph (5) by striking out “articles, ma-  
22 terials, supplies, or information” and inserting in lieu  
23 thereof “goods, technology, or other information”;

24 (2) in paragraph (6) by striking out “articles, ma-  
25 terials, or supplies, including technical data or other

1 information,” and inserting in lieu thereof “goods,  
2 technology, or other information”; and

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

5 “(9) It is the policy of the United States to cooperate  
6 with other nations with which the United States has defense  
7 treaty commitments in restricting the export of goods and  
8 technology which would make a significant contribution to  
9 the military potential of any country or combination of coun-  
10 tries, which would prove detrimental to the security of the  
11 United States and of those countries with which the United  
12 States has defense treaty commitments.

13 “(10) It is the policy of the United States that export  
14 trade by United States citizens be given a high priority and  
15 not be controlled except when such controls (A) are essential  
16 to achieve fundamental national security, foreign policy, or  
17 short supply objectives, (B) will clearly achieve such objec-  
18 tives, and (C) are administered consistent with basic stand-  
19 ards of due process. It is also the policy of the United States  
20 that such controls shall not be retained unless their efficacy is  
21 annually established in detailed reports available to both the  
22 Congress and to the public, to the maximum extent consist-  
23 ent with the national security and foreign policy of the  
24 United States.”.

## 1 EXPORT LICENSES; TYPES OF CONTROLS

2 SEC. 104. (a) The Export Administration Act of 1969 is  
3 amended—

4 (1) by redesignating section 4 as section 7;

5 (2) by repealing sections 5 and 9;

6 (3) by redesignating sections 6, 7, 8, 10, 11, 12,  
7 13, 14, and 15 as sections 11, 12, 13, 14, 16, 17, 18,  
8 19, and 20, respectively; and

9 (4) by redesignating sections 4A and 4B as sec-  
10 tions 8 and 9, respectively.

11 (b) The Export Administration Act of 1969 is amended  
12 by adding after section 3 the following new sections:

13 "EXPORT LICENSES; COMMODITY CONTROL LIST;

14 LIMITATION ON CONTROLLING EXPORTS

15 "SEC. 4. (a) TYPES OF LICENSES.—The Secretary  
16 may, in accordance with the provisions of this Act, issue any  
17 of the following export licenses:

18 "(1) A validated license, which shall be a docu-  
19 ment issued pursuant to an application by an exporter  
20 authorizing a specific export or, under procedures es-  
21 tablished by the Secretary, a group of exports, to any  
22 destination.

23 "(2) A qualified general license, which shall be a  
24 document issued pursuant to an application by the ex-  
25 porter authorizing the export to any destination, with-

1 out specific application by the exporter for each such  
2 export, of a category of goods or technology, under  
3 such conditions as may be imposed by the Secretary.

4 “(3) A general license, which shall be a standing  
5 authorization to export, without application by the ex-  
6 porter, a category of goods or technology, subject to  
7 such conditions as may be set forth in the license.

8 “(4) Such other licenses, consistent with this sub-  
9 section and this Act, as the Secretary considers neces-  
10 sary for the effective and efficient implementation of  
11 this Act.

12 “(b) COMMODITY CONTROL LIST.—The Secretary shall  
13 establish and maintain a list (hereinafter in this Act referred  
14 to as the ‘commodity control list’) consisting of any goods or  
15 technology subject to export controls under this Act.

16 “(c) RIGHT OF EXPORT.—No authority or permission  
17 to export may be required under this Act, or under any rules  
18 or regulations issued under this Act, except to carry out the  
19 policies set forth in section 3 of this Act.

20 “NATIONAL SECURITY CONTROLS

21 “SEC. 5. (a) AUTHORITY.—(1) In order to carry out the  
22 policy set forth in section 3(2)(A) of this Act, the President  
23 may, in accordance with the provisions of this section, pro-  
24 hibit or curtail the export of any goods or technology subject  
25 to the jurisdiction of the United States or exported by any

1 person subject to the jurisdiction of the United States. The  
2 authority contained in this subsection shall be exercised by  
3 the Secretary, in consultation with the Secretary of Defense,  
4 and such other departments and agencies as the Secretary  
5 considers appropriate, and shall be implemented by means of  
6 export licenses described in section 4(a) of this Act.

7       “(2)(A) Whenever the Secretary makes any revision  
8 with respect to any goods or technology, or with respect to  
9 the countries or destinations, affected by export controls im-  
10 posed under this subsection, the Secretary shall publish in the  
11 Federal Register a notice of such revision and shall specify in  
12 such notice that the revision relates to controls imposed  
13 under the authority contained in this section.

14       “(B) Whenever the Secretary denies any export license  
15 under this subsection, the Secretary shall specify in the  
16 notice to the applicant of the denial of such license that the  
17 license was denied under the authority contained in this  
18 section.

19       “(b) POLICY TOWARD INDIVIDUAL COUNTRIES.—In  
20 administering export controls under this section, United  
21 States policy toward individual countries shall not be deter-  
22 mined exclusively on the basis of a country’s Communist or  
23 non-Communist status, but shall take into account such fac-  
24 tors as the country’s present and potential relationship to the  
25 United States, its present and potential relationship to coun-

1 tries friendly or hostile to the United States, its ability and  
2 willingness to control retransfers of United States exports in  
3 accordance with United States policy, and such other factors  
4 as the President may consider appropriate. The President  
5 shall periodically review United States policy toward individ-  
6 ual countries to determine whether such policy is appropriate  
7 in light of factors specified in the preceding sentence.

8       “(c) CONTROL LIST.—(1) The Secretary shall establish  
9 and maintain, as part of the commodity control list, a list of  
10 all goods and technology subject to export controls under this  
11 section. Such goods and technology shall be clearly identified  
12 as being subject to controls under this section.

13       “(2) The Secretary of Defense and other appropriate de-  
14 partments and agencies shall identify goods and technology  
15 for inclusion on the list referred to in paragraph (1). Those  
16 items which the Secretary and the Secretary of Defense  
17 concur shall be subject to export controls under this section  
18 shall comprise such list. If the Secretary and the Secretary of  
19 Defense are unable to concur on such items, the matter shall  
20 be referred to the President for resolution.

21       “(3) The Secretary shall issue regulations providing for  
22 continuous review of the list established pursuant to this sub-  
23 section in order to carry out the policy set forth in section  
24 3(2)(A) and the provisions of this section, and for the prompt  
25 issuance of such revisions of the list as may be necessary.

1 Such regulations shall provide interested Government agen-  
2 cies and other affected or potentially affected parties with an  
3 opportunity, during such review, to submit written data,  
4 views, or arguments with or without oral presentation. Such  
5 regulations shall further provide that, as part of such review,  
6 an assessment be made of the availability from sources out-  
7 side the United States of goods and technology comparable to  
8 those controlled for export from the United States under this  
9 section.

10 “(d) **MILITARY CRITICAL TECHNOLOGIES.**—(1) The  
11 Congress finds that the national interest requires that export  
12 controls under this section be focused primarily on military  
13 critical technologies, and that export controls under this sec-  
14 tion be removed insofar as possible from goods the export of  
15 which would not transfer military critical technologies to  
16 countries to which exports are controlled under this section.

17 “(2) The Secretary of Defense shall develop a list of  
18 military critical technologies. In developing such list, primary  
19 emphasis shall be given to—

20 “(A) arrays of design and manufacturing know-  
21 how;

22 “(B) keystone manufacturing, inspection, and test  
23 equipment; and

24 “(C) goods accompanied by sophisticated oper-  
25 ation, application, or maintenance know-how,

1 which are not possessed by countries to which exports are  
2 controlled under this section and which, if exported, would  
3 permit a major advance in a weapons system of any such  
4 country.

5 “(3) The list referred to in paragraph (2) shall—

6 “(A) be sufficiently specific to guide the determi-  
7 nations of any official exercising export licensing re-  
8 sponsibilities under this Act; and

9 “(B) provide for the removal of export controls  
10 under this section from goods the export of which  
11 would not transfer military critical technology to coun-  
12 tries to which exports are controlled under this section,  
13 except for goods with intrinsic military utility;

14 “(4) The list of military critical technologies developed  
15 by the Secretary of Defense pursuant to paragraph (2) shall  
16 become a part of the commodity control list subject to the  
17 provisions of subsection (c) of this section.

18 “(5) The Secretary of Defense shall report annually to  
19 the Congress on actions taken to carry out this subsection.

20 “(e) EXPORT LICENSES.—(1) The Congress finds that  
21 the effectiveness and efficiency of the process of making  
22 export licensing determinations under this section is severely  
23 hampered by the large volume of validated export license  
24 applications required to be submitted under this Act. Ac-  
25 cordingly, it is the intent of Congress in this subsection to

1 encourage the use of a qualified general license, in lieu of a  
2 validated license, to the maximum extent practicable, consist-  
3 ent with the national security of the United States.

4       “(2) To the maximum extent practicable, consistent  
5 with the national security of the United States, the Secretary  
6 shall require a validated license under this section for the  
7 export of goods or technology only if—

8               “(A) the export of such goods or technology is re-  
9 stricted pursuant to a multilateral agreement, formal or  
10 informal, to which the United States is a party and,  
11 under the terms of such multilateral agreement, such  
12 export requires the specific approval of the parties to  
13 such multilateral agreement;

14               “(B) with respect to such goods or technology,  
15 other nations do not possess capabilities comparable to  
16 those possessed by the United States; or

17               “(C) the United States is seeking the agreement  
18 of other suppliers to apply comparable controls to such  
19 goods or technology and, in the judgment of the Secre-  
20 tary, United States export controls on such goods or  
21 technology, by means of such license, are necessary  
22 pending the conclusion of such agreement.

23       “(3) To the maximum extent practicable, consistent  
24 with the national security of the United States, the Secretary  
25 shall require a qualified general license, in lieu of a validated

1 license, under this section for the export of goods or technol-  
2 ogy if the export of such goods or technology is restricted  
3 pursuant to a multilateral agreement, formal or informal, to  
4 which the United States is a party, but such export does not  
5 require the specific approval of the parties to such multi-  
6 lateral agreement.

7       “(f) FOREIGN AVAILABILITY.—(1) The Secretary, in  
8 consultation with appropriate Government agencies and with  
9 appropriate technical advisory committees established pursu-  
10 ant to subsection (h) of this section, shall review, on a con-  
11 tinuing basis, the availability, to countries to which exports  
12 are controlled under this section, from sources outside the  
13 United States, including countries which participate with the  
14 United States in multilateral export controls, of any goods or  
15 technology the export of which requires a validated license  
16 under this section. In any case in which the Secretary deter-  
17 mines, in accordance with procedures and criteria which the  
18 Secretary shall by regulation establish, that any such goods  
19 or technology are available in fact to such destinations from  
20 such sources in sufficient quantity and of sufficient quality so  
21 that the requirement of a validated license for the export of  
22 such goods or technology is or would be ineffective in achiev-  
23 ing the purpose set forth in subsection (a) of this section, the  
24 Secretary may not, after the determination is made, require a  
25 validated license for the export of such goods or technology

1 during the period of such foreign availability, unless the  
2 President determines that the absence of export controls  
3 under this section would prove detrimental to the national  
4 security of the United States. In any case in which the Presi-  
5 dent determines that export controls under this section must  
6 be maintained notwithstanding foreign availability, the Secre-  
7 tary shall publish that determination together with a concise  
8 statement of its basis, and the estimated economic impact of  
9 the decision.

10       “(2) The Secretary shall approve any application for a  
11 validated license which is required under this section for the  
12 export of any goods or technology to a particular country and  
13 which meets all other requirements for such an application, if  
14 the Secretary determines that such goods or technology will,  
15 if the license is denied, be available in fact to such country  
16 from sources outside the United States, including countries  
17 which participate with the United States in multilateral  
18 export controls, in sufficient quantity and of sufficient quality  
19 so that denial of the license would be ineffective in achieving  
20 the purpose set forth in subsection (a) of this section, subject  
21 to the exception set forth in paragraph (1) of this subsection.  
22 In any case in which the Secretary makes a determination of  
23 foreign availability under this paragraph with respect to any  
24 goods or technology, the Secretary shall determine whether a

1 determination under paragraph (1) with respect to such goods  
2 or technology is warranted.

3       “(3) Whenever the Secretary of State, in consultation  
4 with the Secretary, has reason to believe that the availability  
5 of any goods or technology from sources outside the United  
6 States can be prevented or eliminated by means of negotia-  
7 tions with other countries, the Secretary of State shall under-  
8 take such negotiations. The Secretary shall not make any  
9 determination under this subsection with respect to such  
10 goods or technology until the Secretary of State has had a  
11 reasonable amount of time to conclude such negotiations.

12       “(4) In order to further effectuate the policies set forth  
13 in this paragraph, the Secretary shall establish, within the  
14 Office of Export Administration of the Department of Com-  
15 merce, a capability to monitor and gather information with  
16 respect to the foreign availability of any goods or technology  
17 subject to export controls under this section. The Secretary  
18 shall include a detailed statement with respect to actions  
19 taken in compliance with the provisions of this paragraph in  
20 each report to the Congress made pursuant to section 14 of  
21 this Act.

22       “(g) INDEXING.—In order to ensure that requirements  
23 for validated licenses and qualified general licenses are peri-  
24 odically removed as goods or technology subject to such re-  
25 quirements become obsolete with respect to the national se-

1 curity of the United States, regulations issued by the Secre-  
2 tary may, where appropriate, provide for annual increases in  
3 the performance levels of goods or technology subject to any  
4 such licensing requirement. Any such goods or technology  
5 which no longer meet the performance levels established by  
6 the latest such increase shall be removed from the list estab-  
7 lished pursuant to subsection (c) of this section unless, under  
8 such exceptions and under such procedures as the Secretary  
9 shall prescribe, any other Government agency objects to such  
10 removal and the Secretary determines, on the basis of such  
11 objection, that the goods or technology shall not be removed  
12 from the list.

13       “(h) TECHNICAL ADVISORY COMMITTEES.—(1) Upon  
14 written request by representatives of a substantial segment of  
15 any industry which produces any goods or technology subject  
16 to export controls under subsection (a) or being considered for  
17 such controls because of their significance to the national se-  
18 curity of the United States, the Secretary shall appoint a  
19 technical advisory committee for any such goods or technol-  
20 ogy which the Secretary determines are difficult to evaluate  
21 because of questions concerning technical matters, worldwide  
22 availability, and actual utilization of production and technol-  
23 ogy, or licensing procedures. Each such committee shall con-  
24 sist of representatives of United States industry and Govern-  
25 ment, including the Departments of Commerce, Defense, and

1 State and, in the discretion of the Secretary, other Govern-  
2 ment departments and agencies. No person serving on any  
3 such committee who is a representative of industry shall  
4 serve on such committee for more than four consecutive  
5 years.

6       “(2) Technical advisory committees established under  
7 paragraph (1) shall advise and assist the Secretary, the Sec-  
8 retary of Defense, and any other department, agency, or offi-  
9 cial of the Government of the United States to which the  
10 President delegates authority under this Act, with respect to  
11 actions designed to carry out the policy set forth in section  
12 3(2)(A) of this Act. Such committees, where they have exper-  
13 tise in such matters, shall be consulted with respect to ques-  
14 tions involving (A) technical matters, (B) worldwide avail-  
15 ability and actual utilization of production technology, (C)  
16 licensing procedures which affect the level of export controls  
17 applicable to any goods or technology, and (D) exports sub-  
18 ject to multilateral controls in which the United States par-  
19 ticipates, including proposed revisions of any such multilater-  
20 al controls. Nothing in this subsection shall prevent the Sec-  
21 retary or the Secretary of Defense from consulting, at any  
22 time, with any person representing industry or the general  
23 public, regardless of whether such person is a member of a  
24 technical advisory committee. Members of the public shall be  
25 given a reasonable opportunity, pursuant to regulations

1 prescribed by the Secretary, to present evidence to such  
2 committees.

3       “(3) To facilitate the work of the technical advisory  
4 committees, the Secretary, in conjunction with other depart-  
5 ments and agencies participating in the administration of this  
6 Act, shall disclose to each such committee adequate informa-  
7 tion, consistent with national security, pertaining to the rea-  
8 sons for the export controls which are in effect or contem-  
9 plated for the goods or technology with respect to which that  
10 committee furnishes advice.

11       “(4) Whenever a technical advisory committee certifies  
12 to the Secretary that goods or technology with respect to  
13 which such committee was appointed have become available  
14 in fact, to countries to which exports are controlled under  
15 this section, from sources outside the United States, includ-  
16 ing countries which participate with the United States in  
17 multilateral export controls, in sufficient quantity and of suffi-  
18 cient quality so that requiring a validated license for the  
19 export of such goods or technology would be ineffective in  
20 achieving the purpose set forth in subsection (a), and provides  
21 adequate documentation for such certification, in accordance  
22 with the procedures established pursuant to subsection (f)(1)  
23 of this section, the Secretary shall take steps to verify such  
24 availability, and upon such verification shall remove the re-  
25 quirement of a validated license for the export of the goods or

1 technology, unless the President determines that the absence  
2 of export controls under this section would prove detrimental  
3 to the national security of the United States. In any case in  
4 which the President determines that export controls under  
5 this section must be maintained notwithstanding foreign  
6 availability, the Secretary shall publish that determination  
7 together with a concise statement of its basis, and the esti-  
8 mated economic impact of the decision.

9       “(i) **MULTILATERAL EXPORT CONTROLS.**—(1) The  
10 President shall enter into negotiations with the governments  
11 participating in the group known as the Coordinating Com-  
12 mittee of the Consultative Group (hereinafter in this subsec-  
13 tion referred to as the ‘Committee’) with a view toward  
14 accomplishing the following objectives:

15               “(A) Agreement to publish the list of items con-  
16 trolled for export by agreement of the Committee,  
17 together with all notes, understandings, and other  
18 aspects of such agreement, and all changes thereto.

19               “(B) Agreement to hold periodic meetings of such  
20 governments with high-level representation from such  
21 governments, for the purpose of discussing export con-  
22 trol policy issues and issuing policy guidance to the  
23 Committee.

24               “(C) Agreement to reduce the scope of the export  
25 controls imposed by agreement of the Committee to a

1 level acceptable to and enforceable by all governments  
2 participating in the Committee.

3 “(D) Agreement on more effective procedures for  
4 enforcing the export controls agreed to pursuant to  
5 subparagraph (C).

6 “(2) The President shall include, in each annual report  
7 required by section 14 of this Act, a detailed report on the  
8 progress of the negotiations required by paragraph (1), until  
9 such negotiations are concluded.

10 “(3) In any case in which goods or technology con-  
11 trolled for export by agreement of the Committee are export-  
12 ed from the United States to countries which participate in  
13 the Committee, no condition shall be imposed by the United  
14 States with respect to the further export of such goods or  
15 technology from such countries.

16 “(j) COMMERCIAL AGREEMENTS WITH CERTAIN  
17 COUNTRIES.—(1) Any United States person who, for com-  
18 mercial purposes, enters into any agreement with any agency  
19 of the government of a country to which exports are re-  
20 stricted for national security purposes, which agreement cites  
21 an intergovernmental agreement (to which the United States  
22 and such country are parties) calling for the encouragement  
23 of technical cooperation, and which agreement is intended to  
24 result in the export from the United States to the other party

1 of unpublished technical data of United States origin, shall  
2 report such agreement to the Secretary.

3       “(2) The provisions of paragraph (1) shall not apply to  
4 colleges, universities, or other educational institutions.

5       “(k) NEGOTIATIONS WITH OTHER COUNTRIES.—The  
6 Secretary of State, in consultation with the Secretary of De-  
7 fense, the Secretary of Commerce, and the heads of other  
8 appropriate departments and agencies, shall be responsible  
9 for conducting negotiations with other countries regarding  
10 their cooperation in restricting the export of goods and tech-  
11 nology in order to carry out the policy set forth in section  
12 3(9) of this Act, as authorized by subsection (a) of this sec-  
13 tion, including negotiations with respect to which goods and  
14 technology should be subject to multilaterally agreed export  
15 restrictions and what conditions should apply for exceptions  
16 from those restrictions.

17                               “FOREIGN POLICY CONTROLS

18       “SEC. 6. (a) AUTHORITY.—(1) In order to effectuate  
19 the policy set forth in paragraph (2)(B), (7), or (8) of section 3  
20 of this Act, the President may prohibit or curtail the exporta-  
21 tion of any goods, technology, or other information subject to  
22 the jurisdiction of the United States or exported by any  
23 person subject to the jurisdiction of the United States, to the  
24 extent necessary to further significantly the foreign policy of  
25 the United States or to fulfill its international responsibilities.

1 The authority granted by this subsection shall be exercised  
2 by the Secretary, in consultation with the Secretary of State  
3 and such other departments and agencies as the Secretary  
4 considers appropriate, and shall be implemented by means of  
5 export licenses issued by the Secretary.

6 “(2)(A) Whenever the Secretary makes any revision  
7 with respect to any goods, technology, or other information,  
8 or with respect to the countries or destinations affected by  
9 export controls imposed under this subsection, the Secretary  
10 shall publish in the Federal Register a notice of such revision,  
11 and shall specify in the notice that the revision relates  
12 to controls imposed under the authority contained in this  
13 subsection.

14 “(B) Whenever the Secretary denies any export license  
15 under this subsection, the Secretary shall specify in the  
16 notice to the applicant of the denial of such license that the  
17 license was denied under the authority contained in this subsection,  
18 and the reasons for such denial, with reference to the  
19 criteria set forth in subsection (b) of this section.

20 “(3) In accordance with the provisions of section 10 of  
21 this Act, the Secretary of State shall have the right to review  
22 any export license application under this section that the Secretary  
23 requests to review, and to appeal to the President any  
24 decision of the Secretary with respect to such license  
25 application.

1       “(b) CRITERIA.—In determining whether to impose  
2 export controls under this section, the President, acting  
3 through the Secretary and the Secretary of State, shall  
4 consider—

5           “(1) the likely effectiveness of the proposed con-  
6 trols in achieving their purpose, including the availabil-  
7 ity from other countries of any goods or technology  
8 comparable to goods or technology proposed for export  
9 controls under this section;

10          “(2) the compatibility of the proposed controls  
11 with the foreign policy objectives of the United States,  
12 including the effort to counter international terrorism,  
13 and with overall United States policy toward the coun-  
14 try which is the proposed target of the controls;

15          “(3) the likely effects of the proposed controls on  
16 the export performance of the United States, on the  
17 competitive position of the United States in the inter-  
18 national economy, and on individual United States  
19 companies and their employees and communities, in-  
20 cluding the effects of the controls on existing contracts;  
21 and

22          “(4) the ability of the United States Government  
23 to enforce the proposed controls effectively.

24       “(c) CONSULTATION WITH INDUSTRY.—The Secre-  
25 tary, before imposing export controls under this section, shall

1 consult with such affected United States industries as the  
2 Secretary considers appropriate, with respect to the criteria  
3 set forth in paragraphs (1) and (3) of subsection (b) and such  
4 other matters as the Secretary considers appropriate.

5       “(d) ALTERNATIVE MEANS.—Before resorting to the  
6 imposition of export controls under this section, the President  
7 shall determine that reasonable efforts have been made to  
8 achieve the purposes of the controls through negotiations or  
9 other alternative means.

10       “(e) NOTIFICATION TO CONGRESS.—The President in  
11 every possible instance shall consult with the Congress  
12 before imposing any export control under this section. When-  
13 ever the President imposes any export control with respect to  
14 any country under this section, he shall immediately notify  
15 the Congress of the imposition of such export control, and  
16 shall submit with such notification a report specifying—

17               “(1) the reasons for the control, the purposes the  
18 control is designed to achieve, and the conditions under  
19 which the control will be removed;

20               “(2) those considerations of the criteria set forth  
21 is subsection (b) which led him to determine that on  
22 balance such export control would further the foreign  
23 policy interests of the United States or fulfill its inter-  
24 national responsibilities, including those criteria which  
25 were determined to be inapplicable;

1           “(3) the nature and results of consultations with  
2 industry undertaken pursuant to subsection (c); and

3           “(4) the nature and results of any alternative  
4 means attempted under subsection (d), or the reasons  
5 for imposing the control without attempting any such  
6 alternative means.

7 To the extent necessary to further the effectiveness of such  
8 export control, portions of such report may be submitted on a  
9 classified basis, and shall be subject to the provisions of sec-  
10 tion 12(c) of this Act. If the Congress, within sixty days after  
11 the receipt of such notification, adopts a concurrent resolu-  
12 tion disapproving such export control, then such export con-  
13 trol shall cease to be effective upon the adoption of the reso-  
14 lution. In the computation of such sixty-day period, there  
15 shall be excluded the days on which either House of Con-  
16 gress is not in session because of an adjournment of more  
17 than three days to a day certain or because of an adjourn-  
18 ment of the Congress sine die. The procedures set forth in  
19 section 130 of the Atomic Energy Act of 1954 shall apply to  
20 any concurrent resolution referred to in this subsection,  
21 except that any such resolution shall be reported by the ap-  
22 propriate committees of both Houses of Congress not later  
23 than forty-five days after the receipt of the notification sub-  
24 mitted pursuant to this subsection.

1       “(f) EXCLUSION FOR FOOD AND MEDICINE.—This sec-  
2 tion does not authorize export controls on food, medicine, or  
3 medical supplies. It is the intent of Congress that the Presi-  
4 dent not impose export controls under this section on any  
5 goods or technology if he determines that the principal effect  
6 of the export of such goods or technology would be to help  
7 meet basic human needs. This subsection shall not be con-  
8 strued to prohibit the President from imposing restrictions on  
9 the export of food, medicine, or medical supplies, under the  
10 International Emergency Economic Powers Act.

11       “(g) TRADE EMBARGOES.—This section does not au-  
12 thorize the imposition by the United States of a total trade  
13 embargo on any country. This subsection shall not be con-  
14 strued to prohibit the President from imposing a trade embar-  
15 go under the the International Emergency Economic Powers  
16 Act.

17       “(h) FOREIGN AVAILABILITY.—In applying export con-  
18 trols under this section, the President shall take all feasible  
19 steps to initiate and conclude negotiations with appropriate  
20 foreign governments for the purpose of securing the coopera-  
21 tion of such foreign governments in controlling the export to  
22 countries and consignees to which the United States export  
23 controls apply of any goods or technology comparable to  
24 goods or technology controlled for export under this section.

1           “(i) INTERNATIONAL OBLIGATIONS.—The limitations  
2 contained in subsections (b), (c), (d), (f), (g), and (h) shall not  
3 apply in any case in which the President exercises the au-  
4 thority contained in this section to impose export controls, or  
5 to approve or deny export license applications, in order to  
6 fulfill commitments of the United States pursuant to treaties  
7 to which the United States is a party, or to comply with  
8 decisions or other actions of international organizations of  
9 which the United States is a member.

10           “(j) EXISTING CONTROLS.—The provisions of subsec-  
11 tions (f) and (g) shall not apply to any export control on food  
12 or medicine or to any trade embargo in effect on the effective  
13 date of the Export Administration Act Amendments of 1979.

14           “(k) CONTROL LIST.—The Secretary shall establish  
15 and maintain, as part of the commodity control list, a list of  
16 any goods or technology subject to export controls under this  
17 section, and the countries to which such controls apply. Such  
18 goods or technology shall be clearly identified as subject to  
19 controls under this section. Such list shall consist of goods  
20 and technology identified by the Secretary of State, with the  
21 concurrence of the Secretary. If the Secretary and the Secre-  
22 tary of State are unable to agree on the list, the matter shall  
23 be referred to the President for resolution. The Secretary  
24 shall issue regulations providing for periodic revision of such  
25 list for the purpose of eliminating export controls which are

1 no longer necessary to fulfill the purpose set forth in subsec-  
2 tion (a) of this section or are no longer advisable under the  
3 criteria set forth in subsection (b) of this section”.

4 (c) The Export Administration Act of 1969 is amended  
5 by inserting after section 9, as redesignated by subsection (a)  
6 of this section, the following new section:

7 “PROCEDURES FOR PROCESSING VALIDATED AND  
8 QUALIFIED GENERAL LICENSE APPLICATIONS

9 “SEC. 10. (a) GENERAL RESPONSIBILITY OF THE SEC-  
10 RETARY; DESIGNATED OFFICIAL.—(1) All export license  
11 applications required under this Act shall be submitted by the  
12 applicant to the Secretary. All determinations with respect to  
13 any such application shall be made by the Secretary, subject  
14 to the procedures provided in this section for objections by  
15 other agencies. The Secretary may not delegate the authority  
16 to deny any such application to any official holding a rank  
17 lower than Deputy Assistant Secretary.

18 “(2) For purposes of this section, the term ‘designated  
19 official’ means an official designated by the Secretary to  
20 carry out functions under this Act with respect to the admin-  
21 istration of export licenses.

22 “(b) APPLICATIONS TO BE REVIEWED BY OTHER  
23 AGENCIES.—(1) It is the intent of Congress that a determi-  
24 nation with respect to any export license application be made

1 to the maximum extent possible by the Secretary without  
2 referral of such application to any other Government agency.

3       “(2) The head of any Government agency concerned  
4 with export controls may, within ninety days after the effec-  
5 tive date of this section, and periodically thereafter, in con-  
6 sultation with the Secretary, determine the specific types and  
7 categories of license applications to be reviewed by such  
8 agency before the Secretary approves or disapproves any  
9 such application. The Secretary shall, in accordance with the  
10 provisions of this section, submit to the agency involved any  
11 license application of any such type or category.

12       “(c) INITIAL SCREENING.—Within ten days after the  
13 date on which any export license application is received, the  
14 designated official shall—

15               “(1) send to the applicant an acknowledgment of  
16 the receipt of the application and the date of the  
17 receipt;

18               “(2) submit to the applicant a written description  
19 of the procedures required by this section, the responsi-  
20 bilities of the Secretary and of other agencies with re-  
21 spect to the application, and the rights of the applicant;

22               “(3) return the application without action if the  
23 application is improperly completed or if additional in-  
24 formation is required, with sufficient information to  
25 permit the application to be properly resubmitted, in

1       which case if such application is resubmitted, it shall  
2       be treated as a new application for the purpose of cal-  
3       culating the time periods prescribed in this section; and

4               “(4) determine whether it is necessary to submit  
5       the application to any other agency and, if such sub-  
6       mission is determined to be necessary, inform the ap-  
7       plicant of the agency or agencies to which the applica-  
8       tion will be referred.

9       “(d) ACTION BY THE DESIGNATED OFFICIAL.—Within  
10      thirty days after the date on which an export license applica-  
11      tion is received, the designated official shall—

12               “(1) approve or disapprove the application and  
13      formally issue or deny the license, as the case may be;  
14      or

15               “(2)(A) submit the application, together with all  
16      necessary analysis and recommendations of the Depart-  
17      ment of Commerce, concurrently to any other agencies  
18      pursuant to subsection (b)(2); and

19               “(B) if the applicant so requests, provide the ap-  
20      plicant with an opportunity to review for accuracy any  
21      documentation submitted to such other agency with re-  
22      spect to such application.

23       “(e) ACTION BY OTHER AGENCIES.—(1) Any agency  
24      to which an application is submitted pursuant to subsection  
25      (d)(2)(A) shall submit to the designated official, within thirty

1 days after the end of the thirty-day period referred to in sub-  
2 section (d), any recommendations with respect to such appli-  
3 cation. Except as provided in paragraph (2), any such agency  
4 which does not so submit its recommendations within the  
5 time period prescribed in the preceding sentence shall be  
6 deemed by the designated official to have no objection to the  
7 approval of such application.

8       “(2) If the head or acting head of any such agency noti-  
9 fies the Secretary before the expiration of the time period  
10 provided in paragraph (1) for submission of its recommenda-  
11 tions that more time is required for review of the application  
12 by such agency, the agency shall have an additional thirty-  
13 day period to submit its recommendations to the designated  
14 official. If such agency does not so submit its recommenda-  
15 tions within the time period prescribed by the preceding sen-  
16 tence, it shall be deemed by the designated official to have no  
17 objection to the approval of the application.

18       “(f) DETERMINATION BY THE DESIGNATED OFFI-  
19 CIAL.—(1) The designated official shall take into account any  
20 recommendation of an agency submitted with respect to an  
21 application to the designated official pursuant to subsection  
22 (e), and, within twenty days after the end of the appropriate  
23 period specified in subsection (e) for submission of such  
24 agency recommendations, shall—

1           “(A) approve or disapprove the application and  
2           inform such agency of such approval or disapproval; or

3           “(B) if unable to reach a decision with respect to  
4           the application, refer the application to the Secretary  
5           and notify such agency and the applicant of such  
6           referral.

7           “(2) The designated official shall formally issue or deny  
8           the license, as the case may be, not more than ten days after  
9           such official makes a determination under paragraph (1)(A),  
10          unless any agency which submitted a recommendation to the  
11          designated official pursuant to subsection (e) with respect to  
12          the license application, notifies such official, within such ten-  
13          day period, that it objects to the determination of the desig-  
14          nated official.

15          “(3) The designated official shall fully inform the appli-  
16          cant, to the maximum extent consistent with the national  
17          security and foreign policy of the United States—

18                 “(A) within five days after a denial of the applica-  
19                 tion, of the statutory basis for the denial, the policies  
20                 in section 3 of this Act that formed the basis of the  
21                 denial, the specific circumstances that led to the denial,  
22                 and the applicant’s right to appeal the denial to the  
23                 Secretary under subsection (k) of this section; or

24                 “(B) in the case of a referral to the Secretary  
25                 under paragraph (1)(B) or an objection by an agency

1 under paragraph (2), of the specific questions raised  
2 and any negative considerations or recommendations  
3 made by an agency, and shall accord the applicant an  
4 opportunity, before the final determination with respect  
5 to the application is made, to respond in writing to  
6 such questions, considerations, or recommendations.

7 “(g) ACTION BY THE SECRETARY.—(1)(A) In the case  
8 of an objection of an agency of which the designated official  
9 is notified under subsection (f)(2), the designated official shall  
10 refer the application to the Secretary. The Secretary shall  
11 consult with the head of such agency, and, within twenty  
12 days after such notification, shall approve or disapprove the  
13 license application and immediately inform such agency head  
14 of such approval or disapproval.

15 “(B) In the case of a referral to the Secretary under  
16 subsection (f)(1)(B), the Secretary shall, within twenty days  
17 after notification of the referral is transmitted pursuant to  
18 such subsection, approve or disapprove the application and  
19 immediately inform any agency which submitted recommen-  
20 dations with respect to the application, of such approval or  
21 disapproval.

22 “(2) The Secretary shall formally issue or deny the li-  
23 cense, as the case may be, within ten days after approving or  
24 disapproving an application under paragraph (1), unless the  
25 head of the agency referred to in paragraph (1)(A), or the

1 head of an agency described in paragraph (1)(B), as the case  
2 may be, notifies the Secretary of his or her objection to the  
3 approval or disapproval.

4 “(3) The Secretary shall immediately and fully inform  
5 the applicant, in accordance with subsection (f)(3), of any  
6 action taken under paragraph (1) or (2) of this subsection.

7 “(4) The Secretary may not delegate the authority to  
8 carry out the actions required by this subsection to any offi-  
9 cial holding a rank lower than Deputy Assistant Secretary.

10 “(h) ACTION BY THE PRESIDENT.—In the case of noti-  
11 fication by an agency head, under subsection (g)(2), of an  
12 objection to the Secretary’s decision with respect to an appli-  
13 cation, the Secretary shall immediately refer the application  
14 to the President. Within thirty days after such notification,  
15 the President shall approve or disapprove the application and  
16 the Secretary shall immediately issue or deny the license, in  
17 accordance with the President’s decision. In any case in  
18 which the President does not approve or disapprove the ap-  
19 plication within such thirty-day period, the decision of the  
20 Secretary shall be final and the Secretary shall immediately  
21 issue or deny the license in accordance with the Secretary’s  
22 decision.

23 “(i) SPECIAL PROCEDURES FOR SECRETARY OF DE-  
24 FENSE.—(1) Notwithstanding any other provision of this sec-  
25 tion, the Secretary of Defense is authorized to review any

1 proposed export of any goods or technology to any country to  
2 which exports are controlled for national security purposes  
3 and, whenever he determines that the export of such goods  
4 or technology will make a significant contribution, which  
5 would prove detrimental to the national security of the  
6 United States, to the military potential of any such country,  
7 to recommend to the President that such export be  
8 disapproved.

9       “(2) Notwithstanding any other provision of law, the  
10 Secretary of Defense shall determine, in consultation with  
11 the export control office to which licensing requests are  
12 made, the types and categories of transactions which should  
13 be reviewed by him in order to make a determination referred  
14 to in paragraph (1). Whenever a license or other authority is  
15 requested for the export to any country to which exports are  
16 controlled for national security purposes of goods or technol-  
17 ogy within any such type or category, the appropriate export  
18 control office or agency to which such request is made shall  
19 notify the Secretary of Defense of such request, and such  
20 office may not issue any license or other authority pursuant  
21 to the request before the expiration of the period within  
22 which the President may disapprove such export. The Secre-  
23 tary of Defense shall carefully consider all notifications sub-  
24 mitted to him pursuant to this paragraph and, not later than  
25 thirty days after notification of the request, shall—

1           “(A) recommend to the President that he disap-  
2           prove any request for the export of any goods or tech-  
3           nology to any such country if he determines that the  
4           export of such goods or technology will make a signifi-  
5           cant contribution, which would prove detrimental to  
6           the national security of the United States, to the mili-  
7           tary potential of such country or any other country;

8           “(B) notify such office or agency that he will in-  
9           terpose no objection if appropriate conditions designed  
10          to achieve the purposes of this Act are imposed; or

11          “(C) indicate that he does not intend to interpose  
12          an objection to the export of such goods or technology.

13          If the President notifies such office or agency, within thirty  
14          days after receiving a recommendation from the Secretary of  
15          Defense, that he disapproves such export, no license or other  
16          authority may be issued for the export of such goods or tech-  
17          nology to such country.

18          “(3) The Secretary shall approve or disapprove a license  
19          application, and issue or deny a license, in accordance with  
20          the provisions of this subsection, and, to the extent applica-  
21          ble, in accordance with the time periods and procedures  
22          otherwise set forth in this section.

23          “(j) MULTILATERAL REVIEW.—(1) In any case in  
24          which an application, which has been finally approved under  
25          subsection (d), (f), (g), (h), or (i) of this section, is required to

1 be submitted to a multilateral review process, pursuant to a  
2 multilateral agreement, formal or informal, to which the  
3 United States is a party, the license shall not be issued as  
4 prescribed in such subsections, but the Secretary shall notify  
5 the applicant of the approval (and the date of such approval)  
6 of the application by the United States Government, subject  
7 to such multilateral review. The license shall be issued upon  
8 approval of the application under such multilateral review. If  
9 such multilateral review has not resulted in a determination  
10 with respect to the application within sixty days after such  
11 date, the Secretary's approval of the application shall be final  
12 and the license shall be issued. The Secretary shall institute  
13 such procedures for preparation of necessary documentation  
14 before final approval of the application by the United States  
15 Government as the Secretary considers necessary to imple-  
16 ment the provisions of this paragraph.

17       “(2) In any case in which the approval of the United  
18 States Government is sought by a foreign government for the  
19 export of goods or technology pursuant to a multilateral  
20 agreement, formal or informal, to which the United States is  
21 a party, the Secretary of State, after consulting with other  
22 appropriate United States Government agencies, shall,  
23 within sixty days after the date on which the request for such  
24 approval is made, make a determination with respect to the  
25 request for approval. Any such other agency which does not

1 submit a recommendation to the Secretary of State before the  
2 end of such sixty-day period shall be deemed by the Secre-  
3 tary of State to have no objection to the request for United  
4 States Government approval. The Secretary of State may  
5 not delegate the authority to disapprove a request for United  
6 States Government approval under this paragraph to any of-  
7 ficial of the Department of State holding a rank lower than  
8 Deputy Assistant Secretary.

9       “(k) EXTENSION.—If the Secretary determines that a  
10 particular application or set of applications is of exceptional  
11 importance and complexity, and that additional time is re-  
12 quired for negotiations to modify the application or applica-  
13 tions, the Secretary may extend any time period prescribed in  
14 this section. The Secretary shall notify the Congress and the  
15 applicant of such extension and the reasons therefor.

16       “(l) APPEAL AND COURT ACTION.—(1) The Secretary  
17 shall establish appropriate procedures for any applicant to  
18 appeal to the Secretary the denial of an export license appli-  
19 cation of the applicant.

20       “(2) In any case in which any action prescribed in this  
21 section is not taken on a license application within the time  
22 periods established by this section (except in the case of a  
23 time period extended under subsection (k) of which the appli-  
24 cant is notified), the applicant may file a petition with the  
25 Secretary requesting compliance with the requirements of

1 this section. When such petition is filed, the Secretary shall  
2 take immediate steps to correct the situation giving rise to  
3 the petition and shall immediately notify the applicant of such  
4 steps.

5 “(3) If, within thirty days after petition is filed under  
6 paragraph (2), the processing of the application has not been  
7 brought into conformity with the requirements of this section,  
8 or, if the application has been brought into conformity with  
9 such requirements, the Secretary has not so notified the ap-  
10 plicant, the applicant may bring an action in an appropriate  
11 United States district court for a restraining order, a tempo-  
12 rary or permanent injunction, or other appropriate relief, to  
13 require compliance with the requirements of this section. The  
14 United States district courts shall have jurisdiction to provide  
15 such relief as appropriate.

16 “(m) RECORDS.—The Secretary and any agency to  
17 which any application is referred under this section shall keep  
18 accurate records with respect to all applications considered  
19 by the Secretary or by any such agency.”

20 SHORT SUPPLY LICENSE ALLOCATION

21 SEC. 105. Section 7 of the Export Administration Act  
22 of 1969, as redesignated by section 104(a) of this Act, is  
23 amended in subsection (b) by adding the following at the end  
24 of paragraph (1): “Such factors shall include the extent to  
25 which a country engages in equitable trade practices with

1 respect to United States goods and treats the United States  
2 equitably in times of short supply.”.

3

#### MONITORING OF EXPORTS

4 SEC. 106. Section 7 of the Export Administration Act  
5 of 1969, as redesignated by section 104(a) of this Act, is  
6 amended by amending paragraph (1) of subsection (c) to read  
7 as follows:

8 “(c)(1) To effectuate the policy set forth in section  
9 3(2)(C) of this Act, the Secretary shall monitor exports, and  
10 contracts for exports, of any good (other than a commodity  
11 which is subject to the reporting requirements of section 812  
12 of the Agricultural Act of 1970) when the volume of such  
13 exports in relation to domestic supply contributes, or may  
14 contribute, to an increase in domestic prices or a domestic  
15 shortage, and such price increase or shortage has, or may  
16 have, a serious adverse impact on the economy or any sector  
17 thereof. Any such monitoring shall commence at a time ade-  
18 quate to assure that the monitoring will result in a data base  
19 sufficient to enable policies to be developed, in accordance  
20 with section 3(2)(C) of this Act, to mitigate a short supply  
21 situation or serious inflationary price rise or, if export con-  
22 trols are needed, to permit imposition of such controls in a  
23 timely manner. Information which the Secretary requires to  
24 be furnished in effecting such monitoring shall be confidential,  
25 except as provided in paragraph (2) of this subsection.”.

## DOMESTIC CRUDE OIL

1  
2       SEC. 107. Subsection (l) of section 7 of the Export Ad-  
3 ministration Act of 1969, as such section is redesignated by  
4 section 104(a) of this Act, is amended—

5           (1) in paragraph (1)—

6                   (A) by striking out clause (A) and inserting  
7                   in lieu thereof the following: “(A) is exported to  
8                   the territory of an adjacent foreign state to be re-  
9                   fined and consumed therein in exchange for the  
10                   same quantity of crude oil being exported from  
11                   that country to the United States, such exchange  
12                   achieving, through convenience or increased effi-  
13                   ciency of transportation, lower oil prices described  
14                   in paragraph (2)(A)(ii) of this subsection for con-  
15                   sumers in the United States, or”, and

16                   (B) by striking out “during the 2-year period  
17                   beginning on the date of enactment of this subsec-  
18                   tion”; and

19           (2) by striking out paragraph (2) and inserting in  
20           lieu thereof the following:

21           “(2) Crude oil subject to the prohibition contained in  
22           paragraph (1) may be exported only if—

23                   “(A) the President makes and publishes express  
24                   findings that exports of such crude oil, including  
25                   exchanges—

1           “(i) will not diminish the total quantity or  
2           quality of petroleum refined within, stored within,  
3           or legally committed to be transported to and sold  
4           within the United States;

5           “(ii) will, within three months following the  
6           initiation of such exports or exchanges, result in  
7           (I) acquisition costs to the refineries which pur-  
8           chase the imported crude oil being lower than the  
9           acquisition costs such refiners would have to pay  
10          for the domestically produced oil which is ex-  
11          ported, and (II) commensurately reduced whole-  
12          sale and retail prices of products refined from  
13          such imported crude oil;

14          “(iii) will be made only pursuant to contracts  
15          which may be terminated if the crude oil supplies  
16          of the United States are interrupted, threatened,  
17          or diminished;

18          “(iv) are clearly necessary to protect the na-  
19          tional interest; and

20          “(v) are in accordance with the provisions of  
21          this Act; and

22          “(B) the President reports such findings to the  
23          Congress and the Congress, within sixty days there-  
24          after, passes a concurrent resolution approving such  
25          exports on the basis of the findings.

1 Findings of lower costs and prices described in subparagraph  
2 (A)(ii) should be audited and verified by the General Account-  
3 ing Office at least semiannually.

4 “(3) Notwithstanding any other provision of this section  
5 and notwithstanding subsection (u) of section 28 of the Min-  
6 eral Leasing Act of 1920, the President may export oil other-  
7 wise subject to this subsection to any nation pursuant to a  
8 bilateral international oil supply agreement entered into by  
9 the United States with such nation before May 1, 1979.”.

10

## UGANDA

11 SEC. 108. Section 7 of the Export Administration Act  
12 of 1969, as redesignated by section 104 of this Act, is  
13 amended by repealing subsection (m), as added by section  
14 5(d) of the Act of October 10, 1978 (Public Law 95-435).

15

## BARTER AGREEMENTS

16 SEC. 109. Section 7 of the Export Administration Act  
17 of 1969, as redesignated by section 104 of this Act, is  
18 amended by adding at the end thereof the following new sub-  
19 section:

20 “(n)(1) The exportation pursuant to a barter agreement  
21 of any goods which may lawfully be exported from the United  
22 States, for any goods which may lawfully be imported into  
23 the United States, may be exempted, in accordance with  
24 paragraph (2) of this subsection, from any quantitative limita-  
25 tion on exports (other than any reporting requirement) im-

1 posed to carry out the policy set forth in section (3)(2)(C) of  
2 this Act, or imposed by the President under the International  
3 Emergency Economic Powers Act (50 U.S.C. App. 1701 et  
4 seq.) on account of a threat to the economy of the United  
5 States.

6 “(2) The Secretary shall grant an exemption under  
7 paragraph (1) if the Secretary finds, after consultation with  
8 the head of any appropriate agency of the United States,  
9 that—

10 “(A) for the period during which the barter agree-  
11 ment is to be performed—

12 “(i) the average annual quantity of the goods  
13 to be exported pursuant to the barter agreement  
14 will not be required to satisfy the average amount  
15 of such goods estimated to be required annually  
16 by the domestic economy and will be surplus  
17 thereto; and

18 “(ii) the average annual quantity of the  
19 goods to be imported will be less than the average  
20 amount of such goods estimated to be required  
21 annually to supplement domestic production; and

22 “(B) the parties to such barter agreement have  
23 demonstrated adequately that they intend, and have  
24 the capacity, to perform such barter agreement.



1           (3) Not more than five million board feet scribner  
2       of such logs may be exported during the third year of  
3       such period.

4 After the end of such three-year period, no unprocessed  
5 western red cedar logs may be exported from the United  
6 States.

7       (b) The Secretary of Commerce shall allocate export li-  
8 censes to exporters pursuant to this section on the basis of a  
9 prior history of exportation by such exporters and such other  
10 factors as the Secretary considers necessary and appropriate  
11 to minimize any hardship to the producers of western red  
12 cedar and to further the foreign policy of the United States.

13       (c) Unprocessed western red cedar logs shall not be con-  
14 sidered to be an agricultural commodity for purposes of sub-  
15 section (f) of section 7 of the Export Administration Act of  
16 1969, as such section is redesignated by section 104(a) of  
17 this Act.

18       (d) As used in this subsection, the term “unprocessed  
19 western red cedar” means red cedar timber which has not  
20 been processed into—

- 21           (1) lumber without wane;  
22           (2) chips, pulp, and pulp products;  
23           (3) veneer and plywood;



1 is referred to the Subgroup on Nuclear Export Coordination  
2 or other interagency group, the provisions of section 10 of the  
3 Export Administration Act of 1969, as added by section  
4 104(c) of this Act, shall apply with respect to such license  
5 application only to the extent that they are consistent with  
6 such published procedures, except that if the processing of  
7 any such application under such procedures is not completed  
8 within one hundred and eighty days after the receipt of the  
9 application by the Secretary of Commerce, the applicant  
10 shall have the rights of appeal and court action provided in  
11 subsection (k) of such section 10.

12

## VIOLATIONS

13 SEC. 113. Section 11 of the Export Administration Act  
14 of 1969, as redesignated by section 104(a) of this Act, is  
15 amended as follows:

16 (1) Subsection (a) is amended to read as follows:

17 “(a) Except as provided in subsection (b) of this section,  
18 whoever knowingly violates any provision of this Act or any  
19 regulation, order, or license issued thereunder shall be fined  
20 not more than five times the value of the exports involved or  
21 \$50,000, whichever is greater, or imprisoned not more than  
22 five years, or both.”

23 (2) Subsection (b) is amended to read as follows:

24 “(b) Whoever willfully exports anything contrary to any  
25 provision of this Act or any regulation, order, or license



1 of information from Congress, and all information ob-  
2 tained at any time under this Act or previous Acts re-  
3 garding the control of exports, including any report or  
4 license application required under this Act, shall be  
5 made available upon request to any committee or sub-  
6 committee of Congress of appropriate jurisdiction. No  
7 such committee or subcommittee shall disclose any in-  
8 formation obtained under this Act or previous Acts re-  
9 garding the control of exports which is submitted on a  
10 confidential basis unless the full committee determines  
11 that the withholding thereof is contrary to the national  
12 interest.”.

13 (b) The amendment made by subsection (a)(1) shall not  
14 require the withholding of any type of information which, im-  
15 mediately before the effective date of this Act, is not withheld  
16 from disclosure under section 7(c) of the Export Administra-  
17 tion Act of 1969.

18 REPORT TO CONGRESS

19 SEC. 115. Section 14 of the Export Administration Act  
20 of 1969, as redesignated by section 104(a) of this Act, is  
21 amended to read as follows:

22 “ANNUAL REPORT

23 “SEC. 14. Not later than December 31 of each year, the  
24 Secretary shall submit to the Congress a report on the ad-  
25 ministration of this Act during the preceding fiscal year. All

1 agencies shall cooperate fully with the Secretary in providing  
2 information for such report. Such report shall include detailed  
3 information with respect to—

4           “(1) the implementation of the policies set forth in  
5           section 3;

6           “(2) general licensing activities under sections 5,  
7           6, and 7;

8           “(3) actions taken in compliance with section  
9           5(c)(3);

10           “(4) changes in categories of items under export  
11           control referred to in section 5(e);

12           “(5) the operation of the indexing system under  
13           section 5(g);

14           “(6) determinations of foreign availability made  
15           under section 5(f), the criteria used to make such de-  
16           terminations, the removal of any export controls under  
17           such section, and any evidence demonstrating a need  
18           to impose export controls for national security purposes  
19           notwithstanding foreign availability;

20           “(7) consultations with the technical advisory  
21           committees established pursuant to section 5(h), the  
22           use made of the advice rendered by such committees,  
23           and the contributions of such committees toward imple-  
24           menting the policies set forth in this Act;

1           “(8) changes in policies toward individual coun-  
2 tries under section 5(b);

3           “(9) actions taken to carry out section 5(d);

4           “(10) the effectiveness of export controls imposed  
5 under section 6 in furthering the foreign policy of the  
6 United States;

7           “(11) the implementation of section 8;

8           “(12) export controls and monitoring under sec-  
9 tion 7;

10           “(13) organizational and procedural changes un-  
11 dertaken to increase the efficiency of the export licens-  
12 ing process and to fulfill the requirements of section  
13 10, including an analysis of the time required to proc-  
14 ess license applications and an accounting of appeals  
15 received, court orders issued, and actions taken pursu-  
16 ant thereto under subsection (l) of such section; and

17           “(14) violations under section 11 and enforcement  
18 activities under section 12.”.

19                           RULES AND REGULATIONS

20           SEC. 116. The Export Administration Act of 1969 is  
21 amended by inserting after section 14, as redesignated by  
22 section 104(a) of this Act, the following new section:

23                           “REGULATORY AUTHORITY

24           “SEC. 15. The President and the Secretary may issue  
25 such rules and regulations as are necessary to carry out the

1 provisions of this Act. Any such rules or regulations issued to  
2 carry out the provisions of section 5(a), 6(a), 7(a), or 8(b) may  
3 apply to the financing, transporting, or other servicing of ex-  
4 ports and the participation therein by any person.”.

5 **DEFINITION**

6 **SEC. 117.** Section 16 of the Export Administration Act  
7 of 1969, as redesignated by section 104(a) of this Act, is  
8 amended—

9 (1) in paragraph (1) by striking out “and” after  
10 the semicolon;

11 (2) in paragraph (2) by striking out the period at  
12 the end thereof and inserting in lieu thereof “; and”;  
13 and

14 (3) by adding at the end thereof the following:

15 “(3) the term ‘Secretary’ means the Secretary of  
16 Commerce.”.

17 **EFFECT ON OTHER ACTS**

18 **SEC. 118.** (a) Section 17 of the Export Administration  
19 Act of 1969, as redesignated by section 104(a) of this Act, is  
20 amended in subsection (b) by striking out “section 414 of the  
21 Mutual Security Act of 1954 (22 U.S.C. 1934)” and insert-  
22 ing in lieu thereof “section 38 of the Arms Export Control  
23 Act (22 U.S.C. 2778)”.

1 (b) Effective October 1, 1979, the Mutual Defense As-  
2 sistance Control Act of 1951 (22 U.S.C. 1611-1613d) is  
3 superseded.

4 AUTHORIZATION OF APPROPRIATIONS

5 SEC. 119. Section 18 of the Export Administration Act  
6 of 1969, as redesignated by section 104(a) of this Act, is  
7 amended to read as follows:

8 "AUTHORIZATION OF APPROPRIATIONS

9 "SEC. 18. (a) REQUIREMENT OF AUTHORIZING LEGIS-  
10 LATION.—Notwithstanding any other provision of law, no  
11 appropriation shall be made under any law to the Depart-  
12 ment of Commerce for expenses to carry out the purposes of  
13 this Act unless previously and specifically authorized by law.

14 "(b) AUTHORIZATION.—(1) There are authorized to be  
15 appropriated to the Department of Commerce to carry out  
16 the purposes of this Act \$7,070,000 for the fiscal year 1980  
17 and \$7,777,000 for the fiscal year 1981 (and such additional  
18 amounts as may be necessary for increases in salary, pay,  
19 retirement, other employee benefits authorized by law, and  
20 other nondiscretionary costs).

21 "(2) Of the funds appropriated to the Department of  
22 State for the fiscal year 1980, the Secretary of State may use  
23 such amounts as may be necessary to carry out the provi-  
24 sions of section 5(k) of this Act."

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TERMINATION DATE

SEC. 120. Section 20 of the Export Administration Act of 1969, as redesignated by section 104(a) of this Act, is amended by striking out "1979" and inserting in lieu thereof "1983".

TECHNICAL AMENDMENTS

SEC. 121. (a) For purposes of this section, an amendment which is expressed in terms of an amendment to a section or other provision, shall be considered to be a section, as redesignated by section 104(a) of this Act, or other provision of the Export Administration Act of 1969.

(b) Section 7 is amended—

(1) in the section heading by striking out "AUTHORITY" and inserting in lieu thereof "OTHER CONTROLS";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by inserting "(2)(C)" immediately after "section 3" the first time it appears,

(ii) by striking out "articles, materials, or supplies, including technical data on any other information," and inserting in lieu thereof "goods",

1 (iii) by striking out “articles, materials,  
2 or supplies” and inserting in lieu thereof  
3 “goods”, and

4 (iv) by striking out “(A)” and inserting  
5 in lieu thereof “(C)”; and

6 (B) by striking out paragraph (2) and insert-  
7 ing in lieu thereof the following:

8 “(2) Upon imposing quantitative restrictions on exports  
9 of any goods to carry out the policy stated in section 3(2)(C)  
10 of this Act, the Secretary shall include in a notice published  
11 in the Federal Register with respect to such restrictions an  
12 invitation to all interested parties to submit written com-  
13 ments within fifteen days from the date of publication on the  
14 impact of such restrictions and the method of licensing used  
15 to implement them.”;

16 (3) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) by striking out “(A)” and inserting in  
19 lieu thereof “(C)”,

20 (ii) by striking out “of Commerce”,

21 (iii) by striking out “7(c)” and inserting  
22 in lieu thereof “12(c)”, and

23 (iv) by striking out “article, material, or  
24 supply” and inserting in lieu thereof  
25 “goods”;

1                   (B) in paragraph (2) by striking out “each  
2                   article, material, or supply” and inserting in lieu  
3                   thereof “any goods”; and

4                   (C) by adding at the end thereof the follow-  
5                   ing new paragraph:

6                   “(3) The Secretary shall consult with the Secretary of  
7                   Energy to determine whether monitoring under this subsec-  
8                   tion is warranted with respect to exports of facilities, machin-  
9                   ery, or equipment normally and principally used, or intended  
10                  to be used, in the production, conversion, or transportation of  
11                  fuels and energy (except nuclear energy), including but not  
12                  limited to, drilling rigs, platforms, and equipment; petroleum  
13                  refineries, natural gas processing, liquefaction, and gasifica-  
14                  tion plants; facilities for production of synthetic natural gas  
15                  or synthetic crude oil; oil and gas pipelines, pumping stations,  
16                  and associated equipment; and vessels for transporting oil,  
17                  gas, coal, and other fuels.”;

18                  (4) in subsection (f)—

19                         (A) in paragraph (1) by striking out “(B) or  
20                         (C)” and inserting in lieu thereof “(A) or (B)”;

21                         (B) in paragraph (2)—

22                                 (i) by striking out “of Commerce” each  
23                                 place it appears, and

24                                 (ii) by striking out “(A)” and inserting  
25                                 in lieu thereof “(C)”;

1 (C) in paragraph (3) by striking out “clause  
2 (A) or (B) of paragraph (2)” and inserting in lieu  
3 thereof “paragraph (2)(C)”;

4 (5) in subsection (i) by striking out “(A)” and in-  
5 serting in lieu thereof “(C)”;

6 (6) in subsection (j)—

7 (A) by striking out “(A)” and inserting in  
8 lieu thereof “(C)”;

9 (B) by striking out “of Commerce” each  
10 place it appears; and

11 (7) by striking out subsections (a), (d), (e), (g), (h),  
12 and (k), and redesignating subsections (b), (c), (f), (i),  
13 (j), (l), subsection (m), as added by section 6(d)(2) of the  
14 International Security Assistance Act of 1978, and  
15 subsection (n), as added by section 109 of this Act, as  
16 subsections (a), (b), (c), (d), (e), (f), (g), and (h), respec-  
17 tively.

18 (c) Section 8 is amended—

19 (1) in paragraphs (1)(D) and (5) of subsection (a)  
20 by striking out “of Commerce”; and

21 (2) in subsection (b)—

22 (A) in paragraph (1) by striking out “4(b)”  
23 and inserting in lieu thereof “6(a)”;

24 (B) in paragraph (2) by striking out “of Com-  
25 merce” each place it appears.

1 (d) Section 9 is amended—

2 (1) by striking out “of Commerce” each place it  
3 appears; and

4 (2) by striking out “commodity” each place it ap-  
5 pears and inserting in lieu thereof “good”.

6 (e) Subsection (c)(2) of section 11 is amended by striking  
7 out “4A” each place it appears and inserting in lieu thereof  
8 “8”.

9 (f) Section 12 is amended—

10 (1) in subsection (b) by striking out “the Compul-  
11 sory Testimony Act of February 11, 1893 (27 Stat.  
12 443; 49 U.S.C. 46)” and inserting in lieu thereof “sec-  
13 tion 6002 of title 18, United States Code”;

14 (2) in subsection (c)—

15 (A) by striking out “4A” and inserting in  
16 lieu thereof “8”;

17 (B) by striking out “6” and inserting in lieu  
18 thereof “11”; and

19 (C) by striking out “section 4(b)” and insert-  
20 ing in lieu thereof “this Act”;

21 (3) in subsection (d)—

22 (A) by striking out “quarterly”; and

23 (B) by striking out “10” and inserting in lieu  
24 thereof “14”; and

25 (4) in subsection (e)—

1 (A) by striking out “of Commerce”;

2 (B) by striking out “(e)” and inserting in lieu  
3 thereof “(h)”;

4 (C) by striking out “articles, materials, and  
5 supplies” and inserting in lieu thereof “goods and  
6 technology”; and

7 (D) by striking out the last two sentences  
8 and inserting in lieu thereof the following: “The  
9 Secretary shall include, in the annual report re-  
10 quired by section 14 of this Act, actions taken on  
11 the basis of such review to simplify such rules and  
12 regulations.”.

13 (g) Section 13 is amended by striking out “6” and in-  
14 serting in lieu thereof “11”.

15 TECHNICAL AMENDMENTS TO OTHER ACTS

16 SEC. 122. (a) Section 38(e) of the Arms Export Control  
17 Act (22 U.S.C. 2778(e)) is amended by striking out “sections  
18 6 (c), (d), (e), and (f) and 7 (a) and (c) of the Export Adminis-  
19 tration Act of 1969” and inserting in lieu thereof “subsec-  
20 tions (c), (d), (e), and (f) of section 11 of the Export Adminis-  
21 tration Act of 1969, and by subsections (a) and (c) of section  
22 12 of such Act”.

23 (b)(1) Section 103(c) of the Energy Policy and Conser-  
24 vation Act (42 U.S.C. 6212(c)) is amended by striking out

1 “(A)” each place it appears and inserting in lieu thereof  
2 “(C)”.

3 (2) Section 254(e)(3) of such Act (42 U.S.C. 6274(e)(3))  
4 is amended—

5 (A) by striking out “7” and inserting in lieu  
6 thereof “12”; and

7 (B) by striking out “(50 App. U.S.C. 2406)”.

8 (c) Section 993(c)(2)(D) of the Internal Revenue Code of  
9 1954 (26 U.S.C. 993(c)(2)(D)) is amended—

10 (1) by striking out “4(b)” and inserting in lieu  
11 thereof “7(a)”;

12 (2) by striking out “(50 U.S.C. App. 2403(b))”;  
13 and

14 (3) by striking out “(A)” and inserting in lieu  
15 thereof “(C)”.

16 SAVINGS PROVISIONS

17 SEC. 123. (a) All delegations, rules, regulations, orders,  
18 determinations, licenses, or other forms of administrative  
19 action which have been made, issued, conducted, or allowed  
20 to become effective under the Export Control Act of 1949 or  
21 the Export Administration Act of 1969 and which are in  
22 effect at the time this Act takes effect shall continue in effect  
23 according to their terms until modified, superseded, set aside,  
24 or revoked under this Act or the amendments made by this  
25 Act.



1       “SEC. 9. To carry out this Act, there are authorized to  
2 be appropriated \$4,400,000 for the fiscal year ending Sep-  
3 tember 30, 1980, and \$4,500,000 for the fiscal year ending  
4 September 30, 1981.”.

5       (b) The amendment made by subsection (a) shall take  
6 effect on October 1, 1979.

○