

105TH CONGRESS
2D SESSION

S. 2224

To authorize the President to delay, suspend, or terminate economic sanctions if it is in the national security or foreign policy interest of the United States to do so.

IN THE SENATE OF THE UNITED STATES

JUNE 25, 1998

Mr. DODD (for himself, Mr. HAGEL, Mr. BIDEN, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To authorize the President to delay, suspend, or terminate economic sanctions if it is in the national security or foreign policy interest of the United States to do so.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sanctions Rationaliza-
5 tion Act of 1998”.

6 **SEC. 2. AUTHORITY TO DELAY, SUSPEND, OR TERMINATE**

7 **ECONOMIC SANCTIONS.**

8 (a) **AUTHORITY.**—

1 (1) IN GENERAL.—Notwithstanding any other
2 provision of law, the President may delay, suspend,
3 or terminate any economic sanction (or portion
4 thereof) with respect to a foreign country, if the
5 President determines and reports to Congress that
6 initiating or continuing such sanction (or portion
7 thereof), as the case may be, does not serve United
8 States important national interests.

9 (2) RESUMPTION OF SANCTIONS.—In the case
10 of any sanction delayed or suspended under para-
11 graph (1), the President may impose or resume im-
12 position of the sanction, as the case may be, if the
13 President notifies the appropriate congressional com-
14 mittees 30 days in advance.

15 (b) CONTENTS OF REPORTS.—

16 (1) IN GENERAL.—A report submitted under
17 subsection (a) shall contain a description of the
18 sanction (or portion thereof) that the President pro-
19 poses to delay, suspend, or terminate and a detailed
20 explanation of the events that have occurred to make
21 the imposition or continuation of the sanction not in
22 United States important national interests.

23 (2) WITH RESPECT TO SUSPENDED SANC-
24 TIONS.—In the case of any sanction delayed or sus-
25 pended under subsection (a), the report required by

1 that subsection shall include a statement of the
2 terms and conditions under which the sanction is de-
3 layed or suspended.

4 (c) DISAPPROVAL OF PROPOSED DELAYS, SUSPEN-
5 SIONS, OR TERMINATIONS.—

6 (1) SUSPENSIONS OR TERMINATIONS OF SANC-
7 TIONS.—In the case of a suspension or termination
8 of a sanction (or portion thereof) described in a re-
9 port submitted pursuant to subsection (a), the sus-
10 pension or termination shall take effect 30 days
11 after the President has submitted such report to
12 Congress, unless before that time, Congress has en-
13 acted a joint resolution disapproving the determina-
14 tion made under subsection (a).

15 (2) DELAYS OF SANCTIONS.—In the case of a
16 delay of a sanction described in a report submitted
17 pursuant to subsection (a), the delay of a new sanc-
18 tion shall take effect immediately following the sub-
19 mission of a report to Congress under subsection
20 (b)(1) of this section and shall remain in effect until
21 the President determines otherwise pursuant to sub-
22 section (a)(2), unless Congress enacts a joint resolu-
23 tion disapproving the determination under sub-
24 section (a) within 30 days of the date the report was
25 submitted to Congress.

1 (d) CONGRESSIONAL PRIORITY PROCEDURES.—

2 (1) IN THE SENATE.—Any joint resolution
3 under this section shall be considered in the Senate
4 in accordance with the provisions of section 601(b)
5 of the International Security Assistance and Arms
6 Export Control Act of 1976.

7 (2) IN THE HOUSE OF REPRESENTATIVES.—

8 For the purpose of expediting the consideration and
9 enactment of joint resolutions under this section, a
10 motion to proceed to the consideration of any such
11 joint resolution after it has been reported by the ap-
12 propriate committee shall be treated as highly privi-
13 leged in the House of Representatives.

14 (e) DEFINITIONS.—In this section:

15 (1) ECONOMIC SANCTION.—

16 (A) IN GENERAL.—The term “economic
17 sanction” means any prohibition, restriction, or
18 condition on economic activity or economic as-
19 sistance with respect to a foreign country or en-
20 tity that is mandated by statute, including any
21 of the measures described in subparagraph (B),
22 except in a case in which the United States im-
23 poses the measure pursuant to a multilateral
24 regime.

1 (B) PARTICULAR MEASURES.—The meas-
2 ures referred to in subparagraph (A) are the
3 following:

4 (i) The suspension, restriction, or pro-
5 hibition of exports or imports of any prod-
6 uct, technology, or service to or from a for-
7 eign country or entity.

8 (ii) The suspension of, or any restric-
9 tion or prohibition on, financial trans-
10 actions, including economic assistance,
11 with a foreign country or entity.

12 (iii) The suspension of, or any restric-
13 tion or prohibition on, direct or indirect in-
14 vestment in or from a foreign country or
15 entity.

16 (iv) The imposition of increased tar-
17 iffs on, or other restrictions on imports of,
18 products of a foreign country or entity, in-
19 cluding the denial, revocation, or condi-
20 tioning of nondiscriminatory (most-fa-
21 vored-nation) trade treatment.

22 (v) The suspension of, or any restric-
23 tion or prohibition on—

24 (I) the authority of the Export-
25 Import Bank of the United States to

1 give approval to the issuance of any
2 guarantee, insurance, or extension of
3 credit in connection with the export of
4 goods or services to a foreign country
5 or entity;

6 (II) the authority of the Trade
7 and Development Agency to provide
8 assistance in connection with projects
9 in a foreign country or in which a
10 particular foreign entity participates;
11 or

12 (III) the authority of the Over-
13 seas Private Investment Corporation
14 to provide insurance, reinsurance, fi-
15 nancing, or conduct other activities in
16 connection with projects in a foreign
17 country or in which a particular for-
18 eign entity participates.

19 (vi) A requirement that the United
20 States representative to an international fi-
21 nancial institution vote against any loan or
22 other utilization of funds to, for, or in a
23 foreign country or particular foreign entity.

24 (vii) A measure imposing any restric-
25 tion or condition on economic activity on

1 any foreign government or entity on the
2 ground that such government or entity
3 does business in or with a foreign country.

4 (viii) A measure imposing any restric-
5 tion or condition on economic activity on
6 any person that is a national of a foreign
7 country, or on any government or other en-
8 tity of a foreign country, on the ground
9 that the government of that country has
10 not taken measures in cooperation with, or
11 similar to, sanctions imposed by the
12 United States on a third country.

13 (ix) The suspension of, or any restric-
14 tion or prohibition on, travel rights or air
15 transportation to or from a foreign coun-
16 try.

17 (x) Any restriction on the filing or
18 maintenance in a foreign country of any
19 proprietary interest in intellectual property
20 rights (including patents, copyrights, and
21 trademarks), including payment of patent
22 maintenance fees.

23 (C) MULTILATERAL REGIME.—As used in
24 this paragraph, the term “multilateral regime”
25 means an agreement, arrangement, or obliga-

1 tion under which the United States cooperates
2 with other countries in restricting commerce for
3 reasons of foreign policy or national security,
4 including—

5 (i) obligations under resolutions of the
6 United Nations;

7 (ii) nonproliferation and export con-
8 trol arrangements, such as the Australia
9 Group, the Nuclear Supplier's Group, the
10 Missile Technology Control Regime, and
11 the Wassenaar Arrangement;

12 (iii) treaty obligations, such as under
13 the Chemical Weapons Convention, the
14 Treaty on the Non-Proliferation of Nuclear
15 Weapons, and the Biological Weapons Con-
16 vention; and

17 (iv) agreements concerning protection
18 of the environment, such as the Inter-
19 national Convention for the Conservation
20 of Atlantic Tunas, the Convention on
21 International Trade in Endangered Spe-
22 cies, the Montreal Protocol on Substances
23 that Deplete the Ozone Layer, and the
24 Basel Convention on the Control of

1 Transboundary Movements of Hazardous
2 Wastes.

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

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

12 (i) a loan or loans;

13 (ii) the purchase of a share of owner-
14 ship;

15 (iii) participation in royalties, earn-
16 ings, or profits; and

17 (iv) the furnishing of commodities or
18 services pursuant to a lease or other con-
19 tract.

20 (F) EXCLUSIONS.—The term “economic
21 sanction” does not include—

22 (i) any measure imposed to remedy
23 unfair trade practices or to enforce United
24 States rights under a trade agreement, in-
25 cluding under section 337 of the Tariff Act

1 of 1930, title VII of that Act, title III of
2 the Trade Act of 1974, sections 1374 and
3 1377 of the Omnibus Trade and Competi-
4 tiveness Act of 1988 (19 U.S.C. 3103 and
5 3106), and section 3 of the Act of March
6 3, 1933 (41 U.S.C. 10b-1);

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

16 (iii) any action taken under title IV of
17 the Trade Act of 1974, including the en-
18 actment of a joint resolution under section
19 402(d)(2) of that Act;

20 (iv) any measure imposed to restrict
21 imports of agricultural commodities to pro-
22 tect food safety or to ensure the orderly
23 marketing of commodities in the United
24 States, including actions taken under sec-

1 tion 22 of the Agricultural Adjustment Act
2 (7 U.S.C. 624);

3 (v) any measure imposed to restrict
4 imports of any other products or services
5 in order to protect domestic health or safe-
6 ty;

7 (vi) any measure authorized by, or im-
8 posed under, a multilateral or bilateral
9 trade agreement to which the United
10 States is a party, including the Uruguay
11 Round Agreements, the North American
12 Free Trade Agreement, the United States-
13 Israel Free Trade Agreement, and the
14 United States-Canada Free Trade Agree-
15 ment;

16 (vii) any prohibition or restriction on
17 the sale, export, lease, or other transfer of
18 any defense article, defense service, or de-
19 sign and construction service under the
20 Arms Export Control Act, or on any fi-
21 nancing provided under that Act; and

22 (viii) any measure taken pursuant to
23 section 307 of the Chemical and Biological
24 Weapons Control and Warfare Elimination
25 Act of 1991 (22 U.S.C. 5605).

1 (ix) Any measure taken to enforce a
2 federal criminal law.

3 (2) MANDATED BY STATUTE.—The term “man-
4 dated by statute” means—

5 (A) a provision of statute that mandates
6 action; and

7 (B) does not include the grant of authority
8 to any official of the executive branch of Gov-
9 ernment that may be exercised in the discretion
10 of the official, except that this exclusion does
11 not apply to any provision of law that is subject
12 to—

13 (i) a delay in the imposition of the
14 sanction; or

15 (ii) a waiver that may only be exer-
16 cised on grounds more restrictive than a
17 determination that it is in the important
18 national interests of the United States to
19 do so.

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