

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1161

To establish procedures for the consideration and enactment of unilateral economic sanctions legislation and for the use of authority to impose sanctions under law.

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## IN THE SENATE OF THE UNITED STATES

MAY 27, 1999

Mr. DODD introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To establish procedures for the consideration and enactment of unilateral economic sanctions legislation and for the use of authority to impose sanctions under law.

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 “Economic Sanctions  
5 Reform Act of 1999”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to establish an effective  
8 framework for the consideration and enactment of unilat-  
9 eral economic sanctions legislation and for the use of sanc-

1 tions in order to ensure strong and effective use of sanc-  
2 tions in pursuit of United States national interests while  
3 minimizing the associated adverse effects and costs im-  
4 posed on United States businesses, exporters, farmers,  
5 and workers.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) NEW UNILATERAL ECONOMIC SANCTIONS  
9 LAW.—The term “new unilateral economic sanctions  
10 law” means any law, or provision of law, enacted on  
11 or after the date of enactment of this Act, that au-  
12 thorizes or requires, under specified circumstances,  
13 the implementation by the United States of a unilat-  
14 eral economic sanction.

15 (2) NEW UNILATERAL ECONOMIC SANCTIONS  
16 LEGISLATION.—The term “new unilateral economic  
17 sanctions legislation” means any bill, joint resolu-  
18 tion, amendment, or conference report that—

19 (A) is introduced, reported to, or laid be-  
20 fore a House of Congress on or after the date  
21 of enactment of this Act; and

22 (B) if enacted into law, would authorize or  
23 require, under specified circumstances, the im-  
24 plementation by the United States of a unilat-  
25 eral economic sanction.

1           (3) UNILATERAL ECONOMIC SANCTION.—The  
2 term “unilateral economic sanction” means—

3           (A) any measure taken by the United  
4 States that is designed to advance United  
5 States foreign policy or national security inter-  
6 ests and that constrains—

7           (i) the economic activities of United  
8 States or foreign persons, entities, or coun-  
9 tries;

10          (ii) United States Government pro-  
11 grams or benefits that would otherwise be  
12 available; or

13          (iii) the policy advanced by the execu-  
14 tive branch in an international financial in-  
15 stitution; and

16          (B) does not include any obligation or re-  
17 sponsibility of the United States under an inter-  
18 national agreement or other international re-  
19 gime.

20 **SEC. 4. GUIDELINES FOR NEW UNILATERAL ECONOMIC**  
21 **SANCTIONS LEGISLATION.**

22          Any new unilateral economic sanctions legislation  
23 should—

1           (1) contain a statement of the foreign policy or  
2 national security objective of the United States that  
3 the legislation is intended to achieve;

4           (2) provide authority for the President to re-  
5 frain from imposing, or taking any action that would  
6 result in the imposition of, or to suspend or termi-  
7 nate, any sanction provided for in the legislation, if  
8 the President determines that such a course of ac-  
9 tion is in the national interest of the United States;

10          (3) provide for contract sanctity, unless the  
11 President determines, in the context of imposing any  
12 particular sanction provided for in the legislation,  
13 that contract sanctity would detract from the effec-  
14 tiveness of the sanction;

15          (4) authorize the President to take into account  
16 the effect of any sanction provided for in the legisla-  
17 tion on persons and entities that are not responsible  
18 for the conduct that the sanctions seek to address  
19 and to target any such sanction as narrowly as ap-  
20 propriate;

21          (5) not restrict—

22                 (A) humanitarian or human rights assist-  
23                 ance;

1 (B) the export of any agricultural com-  
2 modity or product or medicine, or any program  
3 facilitating such an export; or

4 (C) assistance for any activity undertaken  
5 to change the conduct the sanction is intended  
6 to target,

7 unless the President determines that doing so in the  
8 context of imposing any particular sanction provided  
9 for in the legislation would be in the national inter-  
10 est of the United States; and

11 (6) provide that not later than the anniversary  
12 of the date of initial imposition of any sanction pro-  
13 vided for in the legislation, and annually thereafter,  
14 the President shall review the sanction and submit  
15 a report to Congress setting forth—

16 (A) an evaluation of the effectiveness to  
17 date of the sanction as an instrument of United  
18 States foreign policy or national security;

19 (B) an evaluation of the likely effectiveness  
20 of the continued imposition of the sanction;

21 (C) the objectives of the continued imposi-  
22 tion of the sanction;

23 (D) the extent of multilateral support for  
24 the continued imposition of the sanction and

1 the extent to which such support has been  
2 sought;

3 (E) the costs and gains to the United  
4 States of continued imposition of the sanction,  
5 taking into consideration the factors described  
6 in section 5(b) of this Act; and

7 (F) any determination that may have been  
8 made to exercise the authorities of section 8 of  
9 this Act.

10 **SEC. 5. GUIDELINES FOR CONGRESSIONAL CONSIDER-**  
11 **ATION OF NEW UNILATERAL ECONOMIC**  
12 **SANCTIONS LEGISLATION.**

13 (a) In considering new unilateral economic sanctions  
14 legislation, Congress should—

15 (1) ensure that there is available complete in-  
16 formation about the projected costs and gains to the  
17 United States national interests of taking any deci-  
18 sion under the legislation and of imposing any uni-  
19 lateral economic sanction provided for in the legisla-  
20 tion through appropriate mechanisms, including pro-  
21 viding an opportunity for the President to submit a  
22 report assessing such costs and gains;

23 (2) take into account the extent to which the  
24 United States has international legal obligations  
25 with which the proposed legislation may conflict;

1           (3) take into account the extent to which the  
2           sanction provided for in the proposed legislation are  
3           consistent with other sanctions provisions already in  
4           force or under consideration by Congress; and

5           (4) take into account the administrative costs of  
6           implementing the proposed legislation.

7           (b) COSTS AND GAINS.—The cost and gains referred  
8 to in subsection (a)(1) include the following:

9           (1) The likelihood that each sanction provided  
10          for in the legislation will achieve its stated objective  
11          within a reasonable period of time.

12          (2) The importance to United States national  
13          interests of achieving the stated objective of each  
14          sanction.

15          (3) The likely impact of each sanction provided  
16          for in the legislation on—

17                (A) humanitarian conditions, including the  
18                impact on conditions in any specific country on  
19                which the sanction provided for in the legisla-  
20                tion could be imposed;

21                (B) humanitarian activities of nongovern-  
22                mental organizations;

23                (C) relations with United States allies;

24                (D) other United States national security  
25                or foreign policy interests; and

1           (E) any country or entity other than that  
2           on which the sanction provided for in the legis-  
3           lation could be imposed.

4           (4) Diplomatic and other steps the United  
5           States has taken to accomplish the intended objec-  
6           tives of the proposed legislation.

7           (5) The likelihood of multilateral adoption of  
8           measures comparable to those provided for in the  
9           proposed legislation.

10          (6) The extent to which—

11           (A) alternative measures exist to promote  
12           the same objectives;

13           (B) imposition of each sanction provided  
14           for in the proposed legislation is likely to lead  
15           to retaliation against United States interests;  
16           and

17           (C) imposition of each sanction provided  
18           for in the legislation could harm the interests of  
19           United States business, agriculture, and con-  
20           sumers, as well as the international reputation  
21           of the United States as a reliable supplier of  
22           products, technology, agricultural commodities,  
23           financial institutions, and services, including fi-  
24           nancial services.

1 **SEC. 6. CONGRESSIONAL RULES OF PROCEDURE.**

2 (a) FLOOR CONSIDERATION IN THE HOUSE OF REP-  
3 RESENTATIVES AND THE SENATE.—It shall not be in  
4 order in either the House of Representatives or the Senate  
5 to consider any new unilateral economic sanctions legisla-  
6 tion unless that legislation contains the matters described  
7 in sections 4.

8 (b) FEDERAL PRIVATE SECTOR MANDATE.—

9 (1) IN GENERAL.—Any new unilateral economic  
10 sanctions legislation shall be considered to be a Fed-  
11 eral private sector mandate for purposes of section  
12 421(7) of the Congressional Budget Act of 1974 (2  
13 U.S.C. 658(7)).

14 (2) REPORT BY THE CONGRESSIONAL BUDGET  
15 OFFICE.—The report by the Congressional Budget  
16 Office pursuant to paragraph (1) shall include an  
17 assessment of the likely short-term and long-term  
18 costs of the proposed sanctions legislation to the  
19 United States economy, including—

20 (A) the potential impact on United States  
21 trade performance, employment, and growth;

22 (B) the international reputation of the  
23 United States as a reliable supplier of products,  
24 agricultural commodities, technology, and serv-  
25 ices; and

1 (C) the economic well-being and inter-  
2 national competitive position of United States  
3 industries, firms, workers, and communities.

4 (c) RULES OF THE HOUSE OF REPRESENTATIVES  
5 AND THE SENATE.—This section is enacted by  
6 Congress—

7 (1) as an exercise of the rulemaking power of  
8 the House of Representatives and the Senate, re-  
9 spectively, and as such these rules are deemed a part  
10 of the rule of each House, respectively, and they su-  
11 persede other rules only to the extent that they are  
12 inconsistent therewith; and

13 (2) with full recognition of the constitutional  
14 right of either House to change the rules (so far as  
15 relating to the procedure of that House) at any time,  
16 in the same manner and to the same extent as in  
17 the case of any other rule of that House.

18 **SEC. 7. EXECUTIVE BRANCH ACTION.**

19 (a) ADOPTION OF GUIDELINES FOR IMPOSITION OF  
20 SANCTIONS.—The President should, through issuance of  
21 Executive orders or other comparable means, adopt guide-  
22 lines, comparable to those described in sections 4 and 5  
23 of this Act, that would apply to executive branch imposi-  
24 tion of any unilateral economic sanction pursuant to the

1 International Emergency Economic Powers Act (50  
2 U.S.C. 1701 et seq.).

3 (b) PROCEDURES FOR PUBLIC OUTREACH.—The  
4 President should establish procedures for informing the  
5 United States public of significant developments in the  
6 formulation of United States policy with respect to sanc-  
7 tions, and for obtaining appropriate input with respect to  
8 such matters.

9 **SEC. 8. RULES REGARDING SANCTIONS IMPOSED BY THE**  
10 **EXECUTIVE BRANCH OR BY STATUTORY EN-**  
11 **ACTMENTS.**

12 (a) AUTHORITY TO SUSPEND, TERMINATE, OR NOT  
13 IMPOSE SANCTIONS.—Whenever the President determines  
14 and reports to Congress that the gains for the United  
15 States national interests expected to be derived from impo-  
16 sition or continued application of any sanction imposed  
17 pursuant to a unilateral economic sanctions law would fail  
18 to outweigh the costs to those interests from such imposi-  
19 tion or application, the President is authorized to—

20 (1) refrain from imposing, or taking any action  
21 that would result in the imposition of, any such  
22 sanction; or

23 (2) suspend or terminate the application of any  
24 sanction.

1 (b) AUTHORITY TO REIMPOSE SANCTIONS.—In the  
2 case of any sanction that the President refrains from im-  
3 posing or suspends, pursuant to a determination under  
4 subsection (a), the President is authorized to subsequently  
5 impose or resume the application of the sanction if the  
6 President notifies the appropriate congressional committee  
7 15 days in advance.

8 (c) DISAPPROVAL OF PROPOSED PRESIDENTIAL AC-  
9 TION.—

10 (1) DETERMINATIONS NOT TO IMPOSE SANC-  
11 TIONS.—In the case of any Presidential determina-  
12 tion under subsection (a)(1), the decision to refrain  
13 from imposing or taking any action that would re-  
14 sult in the imposition of any sanction shall take ef-  
15 fect immediately following the submission of a report  
16 to Congress under that subsection, unless Congress  
17 enacts a joint resolution disapproving the determina-  
18 tion not later than 30 days after the date the report  
19 was submitted to Congress.

20 (2) DETERMINATIONS TO SUSPEND OR TERMI-  
21 NATE SANCTIONS.—In the case of a suspension or  
22 termination of a sanction under subsection (a)(2),  
23 the suspension or termination shall take effect 30  
24 days after the President has submitted a report to  
25 Congress under that subsection, unless before that

1 time Congress has enacted a joint resolution dis-  
2 approving the determination.

3 (d) CONGRESSIONAL PRIORITY PROCEDURES.—

4 (1) IN THE SENATE.—Any joint resolution  
5 under subsection (c) shall be considered in the Sen-  
6 ate in accordance with the provisions of section  
7 601(b) of the International Security Assistance and  
8 Arms Export Control Act of 1976.

9 (2) IN THE HOUSE OF REPRESENTATIVES.—

10 For the purpose of expediting consideration and en-  
11 actment of any joint resolution under subsection (c),  
12 a motion to proceed to the consideration of the joint  
13 resolution after it has been reported by the appro-  
14 priate committee shall be treated as highly privileged  
15 in the House of Representatives.

16 (e) SUPERSEDES OTHER PROVISIONS OF LAW.—The  
17 provisions of this section supersede any other provision of  
18 law.

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