

**EXPORT CONTROL REFORM ACT OF 2018;
GLOBAL FOOD SECURITY REAUTHORIZATION ACT
OF 2018; GLOBAL ELECTORAL EXCHANGE ACT;
AND WOMEN'S ENTREPRENEURSHIP AND
ECONOMIC EMPOWERMENT ACT OF 2018**

MARKUP

BEFORE THE

**COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES**

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

ON

H.R. 5040, H.R. 5129, H.R. 5274, and H.R. 5480

APRIL 17, 2018

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**EXPORT CONTROL REFORM ACT OF 2018;
GLOBAL FOOD SECURITY REAUTHORIZA-
TION ACT OF 2018; GLOBAL ELECTORAL EX-
CHANGE ACT; AND WOMEN'S ENTREPRE-
NEURSHIP AND ECONOMIC EMPOWERMENT
ACT OF 2018**

TUESDAY, APRIL 17, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10 o'clock a.m., in room 2172, Rayburn House Office Building, Hon. Edward Royce (chairman of the committee) presiding.

Chairman ROYCE. The committee will come to order.

Pursuant to notice, we meet today to mark up four measures. They are all bipartisan. And without objection, all members may have 5 days to submit any statements or any extraneous material into the record.

I think everyone was notified yesterday we intend to consider today's measures en bloc. And so, without objection, the following items previously provided will be considered en bloc and are considered as read: H.R. 5040, the Export Control Reform Act, Royce Amendment 101 in the nature of a substitute, Sherman Amendment 45.

These are also all in your packets, by the way: H.R. 5129, the Global Food Security Reauthorization Act with Smith Amendment 85; H.R. 5274, the Global Electoral Exchange Act with the Castro amendment in the nature of a substitute to H.R. 5274 and the Titus Amendment 38; and I have H.R. 5480, this is the Women's Entrepreneurship and Economic Empowerment Act and Royce Amendment 103.

[The information referred to follows:]

115TH CONGRESS
2D SESSION

H. R. 5040

To authorize the President to control the export, reexport, and transfer of commodities, software, and technology to protect the national security, and to promote the foreign policy, of the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2018

Mr. ROYCE of California (for himself and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the President to control the export, reexport, and transfer of commodities, software, and technology to protect the national security, and to promote the foreign policy, of the United States, 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 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the

5 “Export Control Reform Act of 2018”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 this Act is as follows:

Sec. 1. Short title; table of contents.
 Sec. 2. Definitions.

TITLE I—AUTHORITY AND ADMINISTRATION OF CONTROLS

Sec. 101. Short title.
 Sec. 102. Statement of policy.
 Sec. 103. Authority of the President.
 Sec. 104. Additional authorities.
 Sec. 105. Administration of export controls.
 Sec. 106. Control lists.
 Sec. 107. Licensing.
 Sec. 108. Compliance assistance.
 Sec. 109. Requirements to identify and control emerging critical technologies in
 export control regulations.
 Sec. 110. Penalties.
 Sec. 111. Enforcement.
 Sec. 112. Administrative procedure.
 Sec. 113. Annual report to Congress.
 Sec. 114. Repeal.
 Sec. 115. Effect on other Acts.
 Sec. 116. Transition provisions.

TITLE II—ANTI-BOYCOTT ACT OF 2018

Sec. 201. Short title.
 Sec. 202. Statement of policy.
 Sec. 203. Foreign boycotts.
 Sec. 204. Enforcement.

TITLE III—SANCTIONS REGARDING MISSILE PROLIFERATION AND CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION

Sec. 301. Missile proliferation control violations.
 Sec. 302. Chemical and biological weapons proliferation sanctions.

3 SEC. 2. DEFINITIONS.

4 In this Act:

5 (1) CONTROLLED.—The term “controlled”,
 6 with respect to an item, means the export, reexport,
 7 or transfer of the item is controlled under title I.
 8 (2) DUAL-USE.—The term “dual-use”, with re-
 9 spect to an item, means the item has civilian appli-

1 cations and military, terrorism, or weapons of mass
2 destruction-related applications.

3 (3) EXPORT.—The term “export”, with respect
4 to an item subject to controls under title I, in-
5 cludes—

6 (A) the shipment or transmission of the
7 item out of the United States, including the
8 sending or taking of the item out of the United
9 States, in any manner; and

10 (B) the release or transfer of technology or
11 source code relating to the item to a foreign
12 person in the United States.

13 (4) EXPORT ADMINISTRATION REGULATIONS.—
14 The term “Export Administration Regulations”
15 means—

16 (A) the Export Administration Regulations
17 as promulgated, maintained, and amended
18 under the authority of the International Emer-
19 gency Economic Powers Act and codified, as of
20 the date of the enactment of this Act, in sub-
21 chapter C of chapter VII of title 15, Code of
22 Federal Regulations; or

23 (B) regulations that are promulgated,
24 maintained, and amended under the authority

1 of title I on or after the date of the enactment
2 of this Act.

3 (5) FOREIGN PERSON.—The term “foreign per-
4 son” means a person that is not a United States
5 person.

6 (6) ITEM.—The term “item” means a com-
7 modity, software, or technology.

8 (7) PERSON.—

9 (A) IN GENERAL.—The term “person”
10 means—

11 (i) a natural person;

12 (ii) a corporation, business associa-
13 tion, partnership, society, trust, financial
14 institution, insurer, underwriter, guar-
15 antor, and any other business organization,
16 any other nongovernmental entity, organi-
17 zation, or group, and any governmental en-
18 tity operating as a business enterprise; and

19 (iii) any successor to any entity de-
20 scribed in clause (ii).

21 (B) APPLICATION TO GOVERNMENTAL EN-
22 TITIES.—The term “person” does not include a
23 government or governmental entity that is not
24 operating as a business enterprise.

1 (8) REEXPORT.—The term “reexport”, with re-
2 spect to an item subject to controls under title I, in-
3 cludes—

4 (A) the shipment or transmission of the
5 item from a foreign country to another foreign
6 country, including the sending or taking of the
7 item from the foreign country to the other for-
8 eign country, in any manner; and

9 (B) the release or transfer of technology or
10 source code relating to the item to a foreign
11 person outside the United States.

12 (9) TECHNOLOGY.—The term “technology”—

13 (A) includes—

14 (i) information necessary for the de-
15 velopment, production, use, operation, in-
16 stallation, maintenance, repair, overhaul or
17 refurbishing of an item; and

18 (ii) information at whatever stage of
19 its creation, such as foundational informa-
20 tion and know-how, as further defined by
21 regulations; and

22 (B) does not include published informa-
23 tion, including prerecorded records, printed
24 books, pamphlets, miscellaneous publications, or
25 other information, that—

1 (i) arises during, or results from, fun-
2 damental research and is intended to be
3 published;

4 (ii) is released by instruction in a
5 catalog course or associated teaching lab-
6 oratory of an academic institution;

7 (iii) appears in patents or open (pub-
8 lished) patent publications available from
9 or at any patent office, unless covered by
10 an invention secrecy order;

11 (iv) is non-proprietary system descrip-
12 tions;

13 (v) is telemetry data; or

14 (vi) is any other category or type of
15 information, as determined by the Presi-
16 dent for purposes of national security or
17 foreign policy concerns.

18 (10) TRANSFER.—The term “transfer”, with
19 respect to an item subject to controls under title I,
20 means a change in the end-use or end user of the
21 item within the same foreign country.

22 (11) UNITED STATES.—The term “United
23 States” means the several States, the District of Co-
24 lumbia, the Commonwealth of Puerto Rico, the Com-
25 monwealth of the Northern Mariana Islands, Amer-

1 ican Samoa, Guam, the United States Virgin Is-
2 lands, and any other territory or possession of the
3 United States.

4 (12) UNITED STATES PERSON.—The term
5 “United States person” means—

6 (A) any individual who is a citizen or na-
7 tional of the United States or who is an indi-
8 vidual described in subparagraph (B) of section
9 274B(a)(3) of the Immigration and Nationality
10 Act (8 U.S.C. 1324b(a)(3)); and

11 (B) a corporation or other legal entity
12 which is organized under the laws of the United
13 States, any State or territory thereof, or the
14 District of Columbia, if natural persons de-
15 scribed in subparagraph (A) own, directly or in-
16 directly, more than 50 percent of the out-
17 standing capital stock or other beneficial inter-
18 est in such legal entity.

19 (13) WEAPONS OF MASS DESTRUCTION.—The
20 term “weapons of mass destruction” means nuclear,
21 radiological, chemical, and biological weapons and
22 delivery systems for such weapons.

1 **TITLE I—AUTHORITY AND**
2 **ADMINISTRATION OF CONTROLS**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Export Controls Act
5 of 2018”.

6 **SEC. 102. STATEMENT OF POLICY.**

7 The following is the policy of the United States:

8 (1) The national security and foreign policy of
9 the United States require that the export, reexport,
10 and transfer of items, and specific activities of
11 United States persons, wherever located, be con-
12 trolled for the following purposes:

13 (A) To control the access to items for use
14 in—

15 (i) the proliferation of weapons of
16 mass destruction or of conventional weap-
17 ons;

18 (ii) the acquisition of destabilizing
19 numbers or types of conventional weapons;

20 (iii) acts of terrorism;

21 (iv) military programs that could pose
22 a threat to the security of the United
23 States or its allies; or

1 (v) activities undertaken specifically to
2 cause significant interference with or dis-
3 ruption of critical infrastructure.

4 (B) To preserve the qualitative military su-
5 periority of the United States.

6 (C) To strengthen the United States in-
7 dustrial base.

8 (D) To carry out the foreign policy of the
9 United States, including the protection of
10 human rights and the promotion of democracy.

11 (E) To carry out obligations and commit-
12 ments under international agreements and ar-
13 rangements, including multilateral export con-
14 trol regimes.

15 (F) To facilitate military interoperability
16 between the United States and its North Atlan-
17 tic Treaty Organization (NATO) and other
18 close allies.

19 (G) To ensure national security controls
20 are tailored to focus on those core technologies
21 and other items that are capable of being used
22 to pose a serious national security threat to the
23 United States.

24 (2) The national security of the United States
25 requires that the United States maintain its leader-

1 ship in the science, technology, engineering, and
2 manufacturing sectors. Such leadership requires that
3 United States persons are competitive in global mar-
4 kets. The impact of the implementation of this title
5 on such leadership and competitiveness must be
6 evaluated on an ongoing basis and applied in impos-
7 ing controls under sections 103 and 104 to avoid
8 negatively affecting such leadership.

9 (3) The national security and foreign policy of
10 the United States require that the United States
11 participate in multilateral organizations and agree-
12 ments regarding export controls on items that are
13 consistent with the policy of the United States, and
14 take all the necessary steps to secure the adoption
15 and consistent enforcement, by the governments of
16 such countries, of export controls on items that are
17 consistent with such policy.

18 (4) Export controls should be fully coordinated
19 with the multilateral export control regimes. Export
20 controls that are multilateral are most effective, and
21 should be tailored to focus on those core technologies
22 and other items that are capable of being used to
23 pose a serious national security threat to the United
24 States and its allies.

1 (5) Export controls applied unilaterally to items
2 widely available from foreign sources generally are
3 less effective in preventing end-users from acquiring
4 those items.

5 (6) The effective administration of export con-
6 trols requires a clear understanding both inside and
7 outside the United States Government of which tech-
8 nologies and other items are controlled and an effi-
9 cient process should be created to update the con-
10 trols, such as by removing and adding technologies
11 and other items.

12 (7) The export control system must ensure that
13 it is transparent, predictable, and timely, has the
14 flexibility to be adapted to address new threats in
15 the future, and allows seamless access to and shar-
16 ing of export control information among all relevant
17 United States national security and foreign policy
18 agencies.

19 (8) Implementation and enforcement of United
20 States export controls require robust capabilities in
21 monitoring, intelligence, and investigation, appro-
22 priate penalties for violations, and the ability to
23 swiftly interdict unapproved transfers.

24 (9) Export controls should be balanced with
25 United States counterterrorism, information secu-

1 rity, and cyber-security policies to ensure the ability
2 to export, reexport, and transfer technology and
3 other items in support of counterterrorism, critical
4 infrastructure, and other homeland security prior-
5 ities, while effectively preventing malicious cyber ter-
6 rorists from obtaining items that threaten the
7 United States and its interests, including the protec-
8 tion of and safety of United States citizens abroad.

9 (10) Export controls complement and are a
10 critical element of the national security policies un-
11 derlying the laws and regulations governing foreign
12 direct investment in the United States, including
13 controlling the transfer of critical technologies to
14 certain foreign persons. Thus, the President, in close
15 coordination with the Department of Commerce, the
16 Department of Defense, the Department of State,
17 the Department of Energy, and other agencies re-
18 sponsible for export controls, should have a regular
19 and robust process to identify the emerging and
20 other types of critical technologies of concern, as de-
21 fined in United States foreign direct investment
22 laws, and regulate their release to foreign persons as
23 warranted regardless of the nature of the underlying
24 transaction. Such identification efforts should draw
25 upon the resources and expertise of all relevant

1 parts of the United States Government, industry,
2 and academia. These efforts should be in addition to
3 traditional efforts to modernize and update the lists
4 of controlled items under the multilateral export con-
5 trol regimes.

6 (11) The authority under this title may be exer-
7 cised only in furtherance of all of the objectives set
8 forth in paragraphs (1) through (10).

9 **SEC. 103. AUTHORITY OF THE PRESIDENT.**

10 (a) AUTHORITY.—In order to carry out the policy set
11 forth in paragraphs (1) through (10) of section 102, the
12 President shall control—

13 (1) the export, reexport, and transfer of items,
14 whether by United States persons, wherever located,
15 or by foreign persons, wherever located; and

16 (2) the activities of United States persons,
17 wherever located, relating to specific—

18 (A) nuclear explosive devices;

19 (B) missiles;

20 (C) chemical or biological weapons;

21 (D) whole plants for chemical weapons pre-
22 cursors;

23 (E) foreign maritime nuclear projects; and

24 (F) foreign intelligence services.

1 (b) REQUIREMENTS.—In exercising authority under
2 this title, the President shall impose controls to achieve
3 the following objectives:

4 (1) To regulate the export, reexport, and trans-
5 fer of items described in subsection (a)(1) of United
6 States persons, wherever located, or foreign persons,
7 wherever located.

8 (2) To regulate the activities described in sub-
9 section (a)(2) of United States persons, wherever lo-
10 cated.

11 (3) To secure the cooperation of other govern-
12 ments and multilateral organizations to impose con-
13 trol systems that are consistent, to the extent pos-
14 sible, with the controls imposed under subsection
15 (a).

16 (4) To maintain the leadership of the United
17 States in science, engineering, technology research
18 and development, and manufacturing.

19 (5) To enhance the viability of commercial
20 firms, academic institutions, and research establish-
21 ments, and maintain the skilled workforce of such
22 firms, institutions, and establishments, that are nec-
23 essary to preserving the leadership of the United
24 States described in paragraph (4).

1 (6) To strengthen the United States industrial
2 base, both with respect to current and future de-
3 fense requirements.

4 (7) To enforce the controls through means such
5 as regulations, requirements for compliance, lists of
6 controlled items, lists of foreign persons who threat-
7 en the national security or foreign policy of the
8 United States, and guidance in a form that facili-
9 tates compliance by United States persons and for-
10 eign persons, in particular academic institutions, sci-
11 entific and research establishments, and small- and
12 medium-sized businesses.

13 **SEC. 104. ADDITIONAL AUTHORITIES.**

14 (a) IN GENERAL.—In carrying out this title, the
15 President shall—

16 (1) establish and maintain lists published by
17 the Secretary of Commerce of items that are con-
18 trolled under this title;

19 (2) establish and maintain lists published by
20 the Secretary of Commerce of foreign persons and
21 end-uses that are determined to be a threat to the
22 national security and foreign policy of the United
23 States pursuant to the policy set forth in section
24 102(1)(A) and to whom exports, reexports, and
25 transfers of items are controlled;

1 (3) prohibit unauthorized exports, reexports,
2 and transfers of controlled items;

3 (4) restrict exports, reexports, and transfers of
4 any controlled items to any foreign person or end-
5 use listed under paragraph (2);

6 (5) require licenses or other authorizations, as
7 appropriate, for exports, reexports, and transfers of
8 controlled items, including imposing conditions or re-
9 strictions on United States persons and foreign per-
10 sons with respect to such licenses or other authoriza-
11 tions;

12 (6) establish a process by which the Secretary
13 of Commerce or a license applicant requests an as-
14 sessment that a foreign item is comparable in qual-
15 ity to an item controlled under this title, and is
16 available in sufficient quantities to render the
17 United States export control of that item or the de-
18 nial of a license ineffective;

19 (7) require measures for compliance with the
20 export controls established under this title;

21 (8) require and obtain such information from
22 United States persons and foreign persons as is nec-
23 essary to carry out this title;

1 (9) require, as appropriate, advance notice be-
2 fore an item is exported, reexported, or transferred,
3 as an alternative to requiring a license;

4 (10) require, to the extent feasible, identifica-
5 tion of items subject to controls under this title in
6 order to facilitate the enforcement of such controls;

7 (11) inspect, search, detain, seize, or impose
8 temporary denial orders with respect to items, in
9 any form, that are subject to controls under this
10 title, or conveyances on which it is believed that
11 there are items that have been, are being, or are
12 about to be exported, reexported, or transferred in
13 violation of this title;

14 (12) monitor shipments, or other means of
15 transfer;

16 (13) keep the public fully apprised of changes
17 in policy, regulations, and procedures established
18 under this title;

19 (14) appoint technical advisory committees in
20 accordance with the Federal Advisory Committee
21 Act;

22 (15) create, as warranted, exceptions to licens-
23 ing requirements in order to further the objectives of
24 this title; and

1 (16) undertake any other action as is necessary
2 to carry out this title and is not otherwise prohibited
3 by law.

4 (b) RELATIONSHIP TO IEEPA.—The authority under
5 this title may not be used to regulate or prohibit under
6 this title the export, reexport, or transfer of any item that
7 may not be regulated or prohibited under section 203(b)
8 of the International Emergency Economic Powers Act (50
9 U.S.C. 1702(b)).

10 (c) COUNTRIES SUPPORTING INTERNATIONAL TER-
11 RORISM.—

12 (1) LICENSE REQUIREMENT.—

13 (A) IN GENERAL.—A license shall be re-
14 quired for the export, reexport, or transfer of
15 items to a country if the Secretary of State has
16 made the following determinations:

17 (i) The government of such country
18 has repeatedly provided support for acts of
19 international terrorism.

20 (ii) The export, reexport, or transfer
21 of such items could make a significant con-
22 tribution to the military potential of such
23 country, including its military logistics ca-
24 pability, or could enhance the ability of

1 such country to support acts of inter-
2 national terrorism.

3 (B) DETERMINATION UNDER OTHER PRO-
4 VISIONS OF LAW.—A determination of the Sec-
5 retary of State under section 620A of the For-
6 eign Assistance Act of 1961 (22 U.S.C. 2371),
7 section 40 of the Arms Export Control Act (22
8 U.S.C. 2780), or any other provision of law
9 that the government of a country described in
10 subparagraph (A) has repeatedly provided sup-
11 port for acts of international terrorism shall be
12 deemed to be a determination with respect to
13 such government for purposes of clause (i) of
14 subparagraph (A).

15 (2) NOTIFICATION TO CONGRESS.—The Sec-
16 retary of State and the Secretary of Commerce shall
17 notify the Committee on Foreign Affairs of the
18 House of Representatives and the Committee on
19 Banking, Housing, and Urban Affairs and the Com-
20 mittee on Foreign Relations of the Senate at least
21 30 days before issuing any license required by para-
22 graph (1).

23 (3) PUBLICATION IN FEDERAL REGISTER.—
24 Each determination of the Secretary of State under
25 paragraph (1)(A) shall be published in the Federal

1 Register, except that the Secretary of State may ex-
 2 clude confidential information and trade secrets con-
 3 tained in such determination.

4 (4) RESCISSION OF DETERMINATION.—A deter-
 5 mination of the Secretary of State under paragraph
 6 (1)(A) may not be rescinded unless the President
 7 submits to the Speaker of the House of Representa-
 8 tives, the chairman of the Committee on Foreign Af-
 9 fairs, and the chairman of the Committee on Bank-
 10 ing, Housing, and Urban Affairs and the chairman
 11 of the Committee on Foreign Relations of the Sen-
 12 ate—

13 (A) before the proposed rescission would
 14 take effect, a report certifying that—

15 (i) there has been a fundamental
 16 change in the leadership and policies of the
 17 government of the country concerned;

18 (ii) that government is not supporting
 19 acts of international terrorism; and

20 (iii) that government has provided as-
 21 surances that it will not support acts of
 22 international terrorism in the future; or

23 (B) at least 90 days before the proposed
 24 rescission would take effect, a report justifying
 25 the rescission and certifying that—

1 (i) the government concerned has not
2 provided any support for acts international
3 terrorism during the preceding 24-month
4 period; and

5 (ii) the government concerned has
6 provided assurances that it will not sup-
7 port acts of international terrorism in the
8 future.

9 (5) DISAPPROVAL OF RESCISSION.—No rescis-
10 sion under paragraph (4)(B) of a determination
11 under paragraph (1)(A) with respect to the govern-
12 ment of a country may be made if Congress, within
13 90 days after receipt of a report under paragraph
14 (4)(B), enacts a joint resolution described in sub-
15 section (f)(2) of section 40 of the Arms Export Con-
16 trol Act with respect to a rescission under subsection
17 (f)(1) of such section with respect to the government
18 of such country.

19 (6) NOTIFICATION AND BRIEFING.—Not later
20 than—

21 (A) ten days after initiating a review of the
22 activities of the government of the country con-
23 cerned within the 24-month period referred to
24 in paragraph (4)(B)(i), the Secretary of State
25 shall notify the Committee on Foreign Affairs

1 of the House of Representatives and the Com-
2 mittee on Foreign Relations of the Senate of
3 such initiation; and

4 (B) 20 days after the notification described
5 in paragraph (1), the Secretary of State shall
6 brief the congressional committees described in
7 paragraph (1) on the status of such review.

8 (7) CONTENTS OF NOTIFICATION OF LI-
9 CENSE.—The Secretary of State shall include in the
10 notification required by paragraph (2)—

11 (A) a detailed description of the items to
12 be offered, including a brief description of the
13 capabilities of any item for which a license to
14 export, reexport, or transfer the items is
15 sought;

16 (B) the reasons why the foreign country,
17 person, or entity to which the export, reexport,
18 or transfer is proposed to be made has re-
19 quested the items under the export, reexport, or
20 transfer, and a description of the manner in
21 which such country, person, or entity intends to
22 use such items;

23 (C) the reasons why the proposed export,
24 reexport, or transfer is in the national interest
25 of the United States;

1 (D) an analysis of the impact of the pro-
2 posed export, reexport, or transfer on the mili-
3 tary capabilities of the foreign country, person,
4 or entity to which such transfer would be made;

5 (E) an analysis of the manner in which the
6 proposed export, reexport, or transfer would af-
7 fect the relative military strengths of countries
8 in the region to which the items that are the
9 subject of such export, reexport, or transfer
10 would be delivered and whether other countries
11 in the region have comparable kinds and
12 amounts of items; and

13 (F) an analysis of the impact of the pro-
14 posed export, reexport, or transfer on the rela-
15 tions of the United States with the countries in
16 the region to which the items that are the sub-
17 ject of such export, reexport, or transfer would
18 be delivered.

19 (d) ENHANCED PROLIFERATION CONTROLS.—

20 (1) IN GENERAL.—In furtherance of section
21 103(a) of this title, the President shall, except to the
22 extent authorized by a statute or regulation adminis-
23 tered by a Federal department or agency other than
24 the Department of Commerce, require a United
25 States person, wherever located, to apply for and re-

1 ceive a license from the Department of Commerce
2 for the export, reexport, or transfer of items de-
3 scribed in paragraph (2) or for the performance of
4 services relating to such items.

5 (2) ITEMS DESCRIBED.—The items described in
6 this paragraph are—

7 (A) nuclear explosive devices;

8 (B) missiles;

9 (C) chemical or biological weapons;

10 (D) whole plants for chemical weapons pre-
11 cursors; and

12 (E) foreign maritime nuclear projects that
13 would pose a risk to the national security or
14 foreign policy of the United States.

15 (e) ADDITIONAL PROHIBITIONS.—The Secretary of
16 Commerce may inform United States persons, either indi-
17 vidually by specific notice or through amendment to any
18 regulation or order issued under this title, that a license
19 from the Bureau of Industry and Security of the Depart-
20 ment of Commerce is required to engage in any activity
21 if the activity involves the types of movement, service, or
22 support described in subsection (d). The absence of any
23 such notification does not excuse the United States person
24 from compliance with the license requirements of sub-

1 section (d), or any regulation or order issued under this
2 title.

3 (f) LICENSE REVIEW STANDARDS.—The Secretary of
4 Commerce shall deny an application to engage in any ac-
5 tivity that involves the types of movement, service, or sup-
6 port described in subsection (d) if the activity would make
7 a material contribution to any of the items described in
8 subsection (d)(2).

9 **SEC. 105. ADMINISTRATION OF EXPORT CONTROLS.**

10 (a) IN GENERAL.—The President shall delegate to
11 the Secretary of Commerce, the Secretary of Defense, the
12 Secretary of State and, as appropriate, the Director of Na-
13 tional Intelligence and the heads of other appropriate Fed-
14 eral departments and agencies, the authority to carry out
15 the purposes set forth in subsection (b).

16 (b) PURPOSES.—

17 (1) IN GENERAL.—The purpose of the delega-
18 tions of authority pursuant to subsection (a) are—

19 (A) to advise the President with respect
20 to—

21 (i) identifying specific threats to the
22 national security and foreign policy that
23 the authority of this title may be used to
24 address; and

1 (ii) exercising the authority under this
2 title to implement policies, regulations,
3 procedures, and actions that are necessary
4 to effectively counteract those threats;
5 (B) to review and approve—

6 (i) criteria for including items on, and
7 removing such an item from, a list of con-
8 trolled items established under this title;

9 (ii) an interagency procedure for com-
10 piling and amending any list described in
11 clause (i);

12 (iii) criteria for including a person on
13 a list of persons to whom exports, reex-
14 ports, and transfers of items are prohibited
15 or restricted under this title;

16 (iv) standards for compliance by per-
17 sons subject to controls under this title;
18 and

19 (v) policies and procedures for the
20 end-use monitoring of exports, reexports,
21 and transfers of items controlled under
22 this title;

23 (C) to obtain independent evaluations, in-
24 cluding from Inspectors General of the relevant
25 departments or agencies, on a periodic basis on

1 the effectiveness of the implementation of this
2 title in carrying out the policy set forth in sec-
3 tion 102; and

4 (D) to benefit from the inherent equities,
5 experience, and capabilities of the Federal offi-
6 cials described in subsection (a), including—

7 (i) the views of the Department of De-
8 fense with respect to the national security
9 implications of a particular control or deci-
10 sion;

11 (ii) the views of the Department of
12 State with respect to the foreign policy im-
13 plications of a particular control or deci-
14 sion;

15 (iii) the views of the Department of
16 Energy with respect to the implications for
17 nuclear proliferation of a particular control
18 or decision; and

19 (iv) the views of the Department of
20 Commerce with respect to the administra-
21 tion of an efficient, coherent, reliable, en-
22 forceable, and predictable export control
23 system, and the resolution of competing
24 views or policy objectives described in sec-
25 tion 102.

1 (2) AUTHORITY TO SEEK INFORMATION.—The
2 Federal officials described in subsection (a) may, in
3 carrying out the purposes set forth in paragraph (1),
4 seek information and advice from experts who are
5 not officers or employees of the Federal Govern-
6 ment.

7 (3) TRANSMITTAL AND IMPLEMENTATION OF
8 EVALUATIONS.—The results of the independent eval-
9 uations conducted pursuant to paragraph (1)(D)
10 shall be transmitted to the President and the Con-
11 gress, in classified form if necessary. Subject to the
12 delegation of authority by the President, the Federal
13 officials described in subsection (a) shall determine,
14 direct, and ensure that improvements recommended
15 in the evaluations are implemented.

16 **SEC. 106. CONTROL LISTS.**

17 The President shall, pursuant to the delegation of au-
18 thority in section 105, ensure that—

19 (1) a process is established for regular inter-
20 agency review of each list established under section
21 104(a)(1), that pursuant to such review the Sec-
22 retary of Commerce regularly updates such lists to
23 ensure that new items (including emerging critical
24 technologies) are appropriately controlled, and that

1 the level of control of items on the lists are adjusted
2 as conditions change;

3 (2) information and expertise is obtained from
4 officers and employees from relevant Federal depart-
5 ments, agencies, and offices and persons outside the
6 Federal Government who have technical expertise,
7 with respect to the characteristics of the items con-
8 sidered for each list established under section
9 104(a)(1) and the effect of controlling the items on
10 addressing the policy set forth in section 102;

11 (3) each list established under section 104(a)(1)
12 appropriately identifies each entry that has been in-
13 cluded by virtue of the participation of the United
14 States in a multilateral regime, organization, or
15 group the purpose of which is consistent with and
16 supports the policy of the United States under this
17 title relating to the control of exports, reexports, and
18 transfers of items; and

19 (4) each list established under section 104(a)(1)
20 is published by the Secretary of Commerce in a form
21 that facilitates compliance with it and related re-
22 quirements, particularly by small- and medium-sized
23 businesses, and academic institutions.

1 **SEC. 107. LICENSING.**

2 (a) IN GENERAL.—The President shall, pursuant to
3 the delegation of authority in section 105, establish a pro-
4 cedure for the Department of Commerce to license or oth-
5 erwise authorize the export, reexport, and transfer of
6 items controlled under this title in order to carry out the
7 policy set forth in section 102 and the requirements set
8 forth in section 103(b). The procedure shall ensure that—

9 (1) license applications, other requests for au-
10 thorization, and related dispute resolution proce-
11 dures are considered and decisions made with the
12 participation of appropriate departments, agencies,
13 and offices that have delegated functions under this
14 title; and

15 (2) licensing decisions are made in an expedi-
16 tious manner, with transparency to applicants on the
17 status of license and other authorization processing
18 and the reason for denying any license or request for
19 authorization.

20 (b) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that the President should make best efforts to en-
22 sure that an accurate, consistent, and timely evaluation
23 and processing of licenses or other requests for authoriza-
24 tion to export, reexport, or transfer items controlled under
25 this title is accomplished within 30 days from the date
26 of such license request.

1 (c) FEES.—No fee may be charged in connection with
2 the submission, processing, or consideration of any appli-
3 cation for a license or other authorization or other request
4 made in connection with any regulation in effect under
5 the authority of this title.

6 **SEC. 108. COMPLIANCE ASSISTANCE.**

7 (a) SYSTEM FOR SEEKING ASSISTANCE.—The Presi-
8 dent may establish a system to provide United States per-
9 sons with assistance in complying with this title, which
10 may include a mechanism for providing information, in
11 classified form as appropriate, who are potential cus-
12 tomers, suppliers, or business partners with respect to
13 items controlled under this title, in order to further ensure
14 the prevention of the export, reexport, or transfer of items
15 that may pose a threat to the national security or foreign
16 policy of the United States.

17 (b) SECURITY CLEARANCES.—In order to carry out
18 subsection (a), the President may issue appropriate secu-
19 rity clearances to persons described in that subsection who
20 are responsible for complying with this title.

21 (c) ASSISTANCE FOR CERTAIN BUSINESSES.—

22 (1) IN GENERAL.—Not later than 120 days
23 after the date of the enactment of this Act, the
24 President shall develop and submit to Congress a
25 plan to assist small- and medium-sized United

1 States in export licensing and other processes under
2 this title.

3 (2) CONTENTS.—The plan shall include, among
4 other things, arrangements for the Department of
5 Commerce to provide counseling to businesses de-
6 scribed in paragraph (1) on filing applications and
7 identifying items controlled under this title, as well
8 as proposals for seminars and conferences to educate
9 such businesses on export controls, licensing proce-
10 dures, and related obligations.

11 **SEC. 109. REQUIREMENTS TO IDENTIFY AND CONTROL**
12 **EMERGING CRITICAL TECHNOLOGIES IN EX-**
13 **PORT CONTROL REGULATIONS.**

14 (a) IN GENERAL.—The President shall, pursuant to
15 the delegation of authority in section 105, establish and,
16 in coordination with the Department of Commerce, the
17 Department of Defense, the Department of State, the De-
18 partment of Energy, and other departments determined
19 to be necessary, lead a regular, ongoing interagency proce-
20 ss to identify emerging critical technologies that are not
21 identified in any list of items controlled for export under
22 United States law or regulations, but that nonetheless
23 could be essential for maintaining or increasing the tech-
24 nological advantage of the United States over countries
25 that pose a significant threat to the national security of

1 the United States with respect to national defense, intel-
2 ligence, or other areas of national security, or gaining such
3 an advantage over such countries in areas where such an
4 advantage may not currently exist.

5 (b) REQUIREMENTS.—The interagency process re-
6 quired under subsection (a) shall—

7 (1) draw upon the expertise, resources, and eq-
8 uities of all relevant United States Government
9 agencies, industries, and academic institutions to
10 identify and describe such emerging critical tech-
11 nologies;

12 (2) require the relevant export control authority
13 to publish proposed regulations for public comment
14 that would control heretofore unlisted emerging crit-
15 ical technologies identified pursuant to subsection
16 (a) and control the release of each such technology
17 to destinations, end uses, or end users as determined
18 by the President;

19 (3) require the Secretary of Commerce, the Sec-
20 retary of State, and the Secretary of Defense to pro-
21 pose to the relevant multilateral export control re-
22 gimes in the following year that such emerging crit-
23 ical technologies be added to the list of technologies
24 controlled by such regimes;

(4) determine whether national security concerns warrant continued unilateral export controls over technologies identified pursuant to subsection (a) if the relevant multilateral export control regime does not agree to list such technologies on its control list within three years; and

(5) require the agencies responsible for administering the export controls identified in subsection (a) to remove or revise, as appropriate, existing controls determined to warrant removal or revision as a result of insight or information obtained during efforts undertaken to comply with the requirements of this section.

SEC. 110. PENALTIES.

(a) UNLAWFUL ACTS.—

(1) IN GENERAL.—It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of this title or of any regulation, order, license, or other authorization issued under this title, including any of the unlawful acts described in paragraph (2).

(2) SPECIFIC UNLAWFUL ACTS.—The unlawful acts described in this paragraph are the following:

(A) No person may engage in any conduct prohibited by or contrary to, or refrain from en-

1 gaging in any conduct required by this title, the
2 Export Administration Regulations, or any
3 order, license or authorization issued there-
4 under.

5 (B) No person may cause or aid, abet,
6 counsel, command, induce, procure, or approve
7 the doing of any act prohibited, or the omission
8 of any act required by this title, the Export Ad-
9 ministration Regulations, or any order, license
10 or authorization issued thereunder.

11 (C) No person may solicit or attempt a vio-
12 lation of this Act, the Export Administration
13 Regulations, or any order, license or authoriza-
14 tion issued thereunder.

15 (D) No person may conspire or act in con-
16 cert with one or more other persons in any
17 manner or for any purpose to bring about or to
18 do any act that constitutes a violation of this
19 title, the Export Administration Regulations, or
20 any order, license or authorization issued there-
21 under.

22 (E) No person may order, buy, remove,
23 conceal, store, use, sell, loan, dispose of, trans-
24 fer, transport, finance, forward, or otherwise
25 service, in whole or in part, any item exported

1 or to be exported from the United States, or
2 that is otherwise subject to the Export Admin-
3 istration Regulations, with knowledge that a
4 violation of this title, the Export Administration
5 Regulations, or any order, license or authoriza-
6 tion issued thereunder, has occurred, is about
7 to occur, or is intended to occur in connection
8 with the item unless valid authorization is ob-
9 tained therefor.

10 (F) No person may make any false or mis-
11 leading representation, statement, or certifi-
12 cation, or falsify or conceal any material fact,
13 either directly to the Department of Commerce,
14 or an official of any other United States agen-
15 cy, or indirectly through any other person—

16 (i) in the course of an investigation or
17 other action subject to the Export Admin-
18 istration Regulations;

19 (ii) in connection with the prepara-
20 tion, submission, issuance, use, or mainte-
21 nance of any export control document or
22 any report filed or required to be filed pur-
23 suant to the Export Administration Regu-
24 lations; or

1 (iii) for the purpose of or in connec-
2 tion with effecting any export, reexport, or
3 transfer of an item subject to the Export
4 Administration Regulations or a service or
5 other activity of a United States person de-
6 scribed in section 104.

7 (G) No person may engage in any trans-
8 action or take any other action with intent to
9 evade the provisions of this title, the Export
10 Administration Regulations, or any order, li-
11 cense, or authorization issued thereunder.

12 (H) No person may fail or refuse to com-
13 ply with any reporting or recordkeeping require-
14 ments of the Export Administration Regula-
15 tions or of any order, license, or authorization
16 issued thereunder.

17 (I) Except as specifically authorized in the
18 Export Administration Regulations or in writ-
19 ing by the Department of Commerce, no person
20 may alter any license, authorization, export con-
21 trol document, or order issued under the Export
22 Administration Regulations.

23 (J) No person may take any action that is
24 prohibited by a denial order issued by the De-
25 partment of Commerce to prevent imminent

1 violations of this title, the Export Administra-
2 tion Regulations, or any order, license or au-
3 thorization issued thereunder.

4 (3) ADDITIONAL REQUIREMENTS.—For pur-
5 poses of subparagraph (G), any representation,
6 statement, or certification made by any person shall
7 be deemed to be continuing in effect. Each person
8 who has made a representation, statement, or certifi-
9 cation to the Department of Commerce relating to
10 any order, license, or other authorization issued
11 under this title shall notify the Department of Com-
12 merce, in writing, of any change of any material fact
13 or intention from that previously represented, stated,
14 or certified, immediately upon receipt of any infor-
15 mation that would lead a reasonably prudent person
16 to know that a change of material fact or intention
17 had occurred or may occur in the future.

18 (b) CRIMINAL PENALTY.—

19 (1) KNOWING VIOLATIONS.—Except as provided
20 in paragraph (2), a person who knowingly violates or
21 conspires or attempts to violate subsection (a) shall
22 be fined not more than 5 times the amount or value
23 of the exports, reexports, or transfers involved, or
24 \$500,000, whichever is greater, and, in the case of

1 an individual, imprisoned not more than 5 years, or
2 both.

3 (2) WILLFUL VIOLATIONS.—A person who will-
4 fully violates or conspires to or attempts to violate
5 any provision of subsection (a) shall be fined not
6 more than 5 times the amount or value of the ex-
7 ports, reexports, or transfers involved, or
8 \$1,000,000, whichever is greater, and, in the case of
9 an individual, shall be fined not more than
10 \$250,000, or imprisoned not more than 10 years, or
11 both.

12 (c) CIVIL PENALTIES.—

13 (1) AUTHORITY.—The President may impose
14 the following civil penalties on a person for each vio-
15 lation by that person of this title or any regulation,
16 order, or license issued under this title, for each vio-
17 lation:

18 (A) A fine of not more than \$250,000 or
19 an amount that is twice the value of the trans-
20 action that is the basis of the violation with re-
21 spect to which the penalty is imposed, which-
22 ever is greater.

23 (B) Revocation of a license issued under
24 this title to the person.

1 (C) A prohibition on the person's ability to
2 export, reexport, or transfer any items, whether
3 or not subject to controls under this title.

4 (2) PROCEDURES.—Any civil penalty under this
5 subsection may be imposed only after notice and op-
6 portunity for an agency hearing on the record in ac-
7 cordance with sections 554 through 557 of title 5,
8 United States Code.

9 (3) STANDARDS FOR LEVELS OF CIVIL PEN-
10 ALTY.—The President may by regulation provide
11 standards for establishing levels of civil penalty
12 under this subsection based upon factors such as the
13 seriousness of the violation, the culpability of the vi-
14 olator, and such mitigating factors as the violator's
15 record of cooperation with the Government in dis-
16 closing the violation.

17 (d) CRIMINAL FORFEITURE OF PROPERTY INTEREST
18 AND PROCEEDS.—

19 (1) FORFEITURE.—Any person who is convicted
20 under subsection (b) of a violation of a control im-
21 posed under section 103 (or any regulation, order,
22 or license issued with respect to such control) shall,
23 in addition to any other penalty, forfeit to the
24 United States—

1 (A) any of that person's interest in, secu-
2 rity of, claim against, or property or contractual
3 rights of any kind in the tangible items that
4 were the subject of the violation;

5 (B) any of that person's interest in, secu-
6 rity of, claim against, or property or contractual
7 rights of any kind in tangible property that was
8 used in the violation; and

9 (C) any of that person's property consti-
10 tuting, or derived from, any proceeds obtained
11 directly or indirectly as a result of the violation.

12 (2) PROCEDURES.—The procedures in any for-
13 feiture under this subsection, and the duties and au-
14 thority of the courts of the United States and the
15 Attorney General with respect to any forfeiture ac-
16 tion under this subsection or with respect to any
17 property that may be subject to forfeiture under this
18 subsection, shall be governed by the provisions of
19 section 1963 of title 18, United States Code.

20 (e) PRIOR CONVICTIONS.—

21 (1) LICENSE BAR.—

22 (A) IN GENERAL.—The President may—

23 (i) deny the eligibility of any person
24 convicted of a criminal violation described
25 in subparagraph (B) to export, reexport, or

1 transfer outside the United States any
2 item, whether or not subject to controls
3 under this title, for a period of up to 10
4 years beginning on the date of the conviction;
5 and

6 (ii) revoke any license or other author-
7 ization to export, reexport, or transfer
8 items that was issued under this title and
9 in which such person has an interest at the
10 time of the conviction.

11 (B) VIOLATIONS.—The violations referred
12 to in subparagraph (A) are any criminal viola-
13 tions of, or criminal attempt or conspiracy to
14 violate—

15 (i) this title (or any regulation, li-
16 cense, or order issued under this title);

17 (ii) any regulation, license, or order
18 issued under the International Emergency
19 Economic Powers Act;

20 (iii) section 793, 794, or 798 of title
21 18, United States Code;

22 (iv) section 4(b) of the Internal Secu-
23 rity Act of 1950 (50 U.S.C. 783(b)); or

24 (v) section 38 of the Arms Export
25 Control Act (22 U.S.C. 2778).

1 (2) APPLICATION TO OTHER PARTIES.—The
2 President may exercise the authority under para-
3 graph (1) with respect to any person related,
4 through affiliation, ownership, control, or position of
5 responsibility, to any person convicted of any viola-
6 tion of law set forth in paragraph (1), upon a show-
7 ing of such relationship with the convicted party,
8 and subject to the procedures set forth in subsection
9 (c)(2).

10 (f) OTHER AUTHORITIES.—Nothing in subsection
11 (c), (d), or (e) limits—

12 (1) the availability of other administrative or
13 judicial remedies with respect to violations of this
14 title, or any regulation, order, license or other au-
15 thorization issued under this title;

16 (2) the authority to compromise and settle ad-
17 ministrative proceedings brought with respect to vio-
18 lations of this title, or any regulation, order, license,
19 or other authorization issued under this title; or

20 (3) the authority to compromise, remit or miti-
21 gate seizures and forfeitures pursuant to section
22 1(b) of title VI of the Act of June 15, 1917 (22
23 U.S.C. 401(b)).

1 **SEC. 111. ENFORCEMENT.**

2 (a) **AUTHORITIES.**—In order to enforce this title, the
3 President may—

4 (1) issue regulations, orders, and guidelines;

5 (2) require, inspect, and obtain books, records,
6 and any other information from any person subject
7 to the provisions of this title;

8 (3) administer oaths or affirmations and by
9 subpoena require any person to appear and testify or
10 to appear and produce books, records, and other
11 writings, or both;

12 (4) conduct investigations (including under-
13 cover) in the United States and in other countries,
14 including intercepting any wire, oral, and electronic
15 communications, conducting electronic surveillance,
16 using pen registers and trap and trace devices, and
17 carrying out acquisitions, to the extent authorized
18 under chapters 119, 121, and 206 of title 18,
19 United States Code, and other applicable laws of the
20 United States;

21 (5) inspect, search, detain, seize, or issue tem-
22 porary denial orders with respect to items, in any
23 form, that are subject to controls under this title, or
24 conveyances on which it is believed that there are
25 items that have been, are being, or are about to be
26 exported, reexported, or transferred in violation of

1 this title, or any regulations, order, license, or other
2 authorization issued thereunder;

3 (6) conduct prelicense inspections and post-
4 shipment verifications; and

5 (7) execute warrants and make arrests.

6 (b) ENFORCEMENT OF SUBPOENAS.—In the case of
7 contumacy by, or refusal to obey a subpoena issued to,
8 any person under subsection (a)(3), a district court of the
9 United States, after notice to such person and a hearing,
10 shall have jurisdiction to issue an order requiring such
11 person to appear and give testimony or to appear and
12 produce books, records, and other writings, regardless of
13 format, that are the subject of the subpoena. Any failure
14 to obey such order of the court may be punished by such
15 court as a contempt thereof.

16 (c) BEST PRACTICE GUIDELINES.—

17 (1) IN GENERAL.—The President, in consulta-
18 tion with the Secretary of Commerce and other Fed-
19 eral officials described in section 105(a), should pub-
20 lish and update “best practices” guidelines to assist
21 persons in developing and implementing, on a vol-
22 untary basis, effective export control programs in
23 compliance with the regulations issued under this
24 title.

1 (2) EXPORT COMPLIANCE PROGRAM.—The im-
2 plementation by a person of an effective export com-
3 pliance program and a high quality overall export
4 compliance effort by a person should ordinarily be
5 given weight as mitigating factors in a civil penalty
6 action against the person under this title.

7 (d) REFERENCE TO ENFORCEMENT.—For purposes
8 of this section, a reference to the enforcement of, or a vio-
9 lation of, this title includes a reference to the enforcement
10 or a violation of any regulation, order, license or other au-
11 thorization issued pursuant to this title.

12 (e) IMMUNITY.—A person shall not be excused from
13 complying with any requirements under this section be-
14 cause of the person's privilege against self-incrimination,
15 but the immunity provisions of section 6002 of title 18,
16 United States Code, shall apply with respect to any indi-
17 vidual who specifically claims such privilege.

18 (f) CONFIDENTIALITY OF INFORMATION.—

19 (1) EXEMPTIONS FROM DISCLOSURE.—

20 (A) IN GENERAL.—Information obtained
21 under this title may be withheld from disclosure
22 only to the extent permitted by statute, except
23 that information described in subparagraph (B)
24 shall be withheld from public disclosure and
25 shall not be subject to disclosure under section

1 552(b)(3) of title 5, United States Code, unless
2 the release of such information is determined by
3 the President to be in the national interest.

4 (B) INFORMATION DESCRIBED.—Informa-
5 tion described in this subparagraph is informa-
6 tion submitted or obtained in connection with
7 an application for a license or other authoriza-
8 tion to export, reexport, or transfer items, en-
9 gage in other activities, a recordkeeping or re-
10 porting requirement, enforcement activity, or
11 other operations under this title, including—

12 (i) the license application, license, or
13 other authorization itself;

14 (ii) classification or advisory opinion
15 requests, and the response thereto;

16 (iii) license determinations, and infor-
17 mation pertaining thereto;

18 (iv) information or evidence obtained
19 in the course of any investigation; and

20 (v) information obtained or furnished
21 in connection with any international agree-
22 ment, treaty, or other obligation.

23 (2) INFORMATION TO THE CONGRESS AND

24 GAO.—

1 (A) IN GENERAL.—Nothing in this section
2 shall be construed as authorizing the with-
3 holding of information from the Congress or
4 from the Government Accountability Office.

5 (B) AVAILABILITY TO THE CONGRESS.—

6 (i) IN GENERAL.—Any information
7 obtained at any time under any provision
8 of the Export Administration Act of 1979
9 (as in effect on the day before the date of
10 the enactment of this Act and as continued
11 in effect pursuant to the International
12 Emergency Economic Powers Act), under
13 the Export Administration Regulations, or
14 under this title, including any report or li-
15 cense application required under any such
16 provision, shall be made available to a
17 committee or subcommittee of Congress of
18 appropriate jurisdiction, upon the request
19 of the chairman or ranking minority mem-
20 ber of such committee or subcommittee.

21 (ii) PROHIBITION ON FURTHER DIS-
22 CLOSURE.—No such committee or sub-
23 committee, or member thereof, may dis-
24 close any information made available under
25 clause (i), that is submitted on a confiden-

1 tial basis unless the full committee deter-
2 mines that the withholding of that infor-
3 mation is contrary to the national interest.

4 (C) AVAILABILITY TO GAO.—

5 (i) IN GENERAL.—Information de-
6 scribed in clause (i) of subparagraph (B)
7 shall be subject to the limitations con-
8 tained in section 716 of title 31, United
9 States Code.

10 (ii) PROHIBITION ON FURTHER DIS-
11 CLOSURE.—An officer or employee of the
12 Government Accountability Office may not
13 disclose, except to the Congress in accord-
14 ance with this paragraph, any such infor-
15 mation that is submitted on a confidential
16 basis or from which any individual can be
17 identified.

18 (3) INFORMATION SHARING.—

19 (A) IN GENERAL.—Any Federal official de-
20 scribed in section 105(a) who obtains informa-
21 tion that is relevant to the enforcement of this
22 title, including information pertaining to any in-
23 vestigation, shall furnish such information to
24 each appropriate department, agency, or office
25 with enforcement responsibilities under this sec-

1 tion to the extent consistent with the protection
2 of intelligence, counterintelligence, and law en-
3 forcement sources, methods, and activities.

4 (B) EXCEPTIONS.—The provisions of this
5 paragraph shall not apply to information sub-
6 ject to the restrictions set forth in section 9 of
7 title 13, United States Code, and return infor-
8 mation, as defined in subsection (b) of section
9 6103 of the Internal Revenue Code of 1986 (26
10 U.S.C. 6103(b)), may be disclosed only as au-
11 thorized by that section.

12 (C) EXCHANGE OF INFORMATION.—The
13 President shall ensure that the heads of depart-
14 ments, agencies, and offices with enforcement
15 authorities under this title, consistent with pro-
16 tection of law enforcement and its sources and
17 methods—

18 (i) exchange any licensing and en-
19 forcement information with one another
20 that is necessary to facilitate enforcement
21 efforts under this section; and

22 (ii) consult on a regular basis with
23 one another and with the head of other de-
24 partments, agencies, and offices that ob-
25 tain information subject to this paragraph,

1 in order to facilitate the exchange of such
2 information.

3 (D) INFORMATION SHARING WITH FED-
4 ERAL AGENCIES.—Licensing or enforcement in-
5 formation obtained under this title may be
6 shared with heads of departments, agencies,
7 and offices that do not have enforcement au-
8 thorities under this title on a case-by-case basis
9 at the discretion of the President. Such infor-
10 mation may be shared only when the President
11 makes a determination that the sharing of this
12 information is in the national interest.

13 (g) REPORTING REQUIREMENTS.—In the administra-
14 tion of this section, reporting requirements shall be de-
15 signed so as to reduce the cost of reporting, recordkeeping,
16 and documentation to the extent consistent with effective
17 enforcement and compilation of useful trade statistics. Re-
18 porting, recordkeeping, and documentation requirements
19 shall be periodically reviewed and revised in the light of
20 developments in the field of information technology.

21 (h) CIVIL FORFEITURE.—

22 (1) IN GENERAL.—Any tangible items seized
23 under subsection (a) by designated officers or em-
24 ployees shall be subject to forfeiture to the United
25 States in accordance with applicable law, except that

1 property seized shall be returned if the property
2 owner is not found guilty of a civil or criminal viola-
3 tion under section 109.

4 (2) PROCEDURES.—Any seizure or forfeiture
5 under this subsection shall be carried out in accord-
6 ance with the procedures set forth in section 981 of
7 title 18, United States Code.

8 **SEC. 112. ADMINISTRATIVE PROCEDURE.**

9 (a) IN GENERAL.—The functions exercised under
10 this title shall be subject to sections 551, 553 through
11 559, and 701 through 706 of title 5, United States Code.

12 (b) AMENDMENTS TO REGULATIONS.—The President
13 shall notify in advance the Committee on Banking, Hous-
14 ing, and Urban Affairs of the Senate and the Committee
15 on Foreign Affairs of the House of Representatives of any
16 proposed amendments to the Export Administration Regu-
17 lations with an explanation of the intent and rationale of
18 such amendments.

19 **SEC. 113. ANNUAL REPORT TO CONGRESS.**

20 (a) IN GENERAL.—The President shall submit to
21 Congress, by December 31 of each year, a report on the
22 implementation of this title during the preceding fiscal
23 year. The report shall include an analysis of—

24 (1) the effect of controls imposed under this
25 title on exports, reexports, and transfers of items in

1 addressing threats to the national security or foreign
2 policy of the United States, including a description
3 of licensing processing times;

4 (2) the impact of such controls on the scientific
5 and technological leadership of the United States;

6 (3) the consistency with such controls of export
7 controls imposed by other countries;

8 (4) efforts to provide exporters with compliance
9 assistance, including specific actions to assist small-
10 and medium-sized businesses;

11 (5) a summary of regulatory changes from the
12 prior fiscal year;

13 (6) a summary of export enforcement actions,
14 including of actions taken to implement end-use
15 monitoring of dual-use, military, and other items
16 subject to the Export Administration Regulations;

17 (7) a summary of approved license applications
18 to proscribed persons; and

19 (8) efforts undertaken within the previous year
20 to comply with the requirements of section 109, in-
21 cluding any “critical technologies” identified under
22 such section and how or whether such critical tech-
23 nologies were controlled for export.

1 (b) FORM.—The report required under subsection (a)
2 shall be submitted in unclassified form, but may contain
3 a classified annex.

4 **SEC. 114. REPEAL.**

5 (a) IN GENERAL.—The Export Administration Act of
6 1979 (50 U.S.C. App. 2401 et seq.) (as continued in effect
7 pursuant to the International Emergency Economic Pow-
8 ers Act) is repealed.

9 (b) IMPLEMENTATION.—The President shall imple-
10 ment the amendment made by subsection (a) by exercising
11 the authorities of the President under the International
12 Emergency Economic Powers Act (50 U.S.C. 1701 et
13 seq.).

14 **SEC. 115. EFFECT ON OTHER ACTS.**

15 (a) IN GENERAL.—Except as otherwise provided in
16 this title, nothing contained in this title shall be construed
17 to modify, repeal, supersede, or otherwise affect the provi-
18 sions of any other laws authorizing control over exports,
19 reexports, or transfers of any item, or activities of United
20 States persons subject to the Export Administration Reg-
21 ulations.

22 (b) COORDINATION OF CONTROLS.—

23 (1) IN GENERAL.—The authority granted to the
24 President under this title shall be exercised in such
25 manner so as to achieve effective coordination with

1 all export control and sanctions authorities exercised
2 by Federal departments and agencies delegated with
3 authority under this title, particularly the Depart-
4 ment of State, the Department of the Treasury, and
5 the Department of Energy.

6 (2) SENSE OF CONGRESS.—It is the sense of
7 Congress that in order to achieve effective coordina-
8 tion described in paragraph (1), such Federal de-
9 partments and agencies—

10 (A) should continuously work to create en-
11 forceable regulations with respect to the export,
12 reexport, and transfer by United States and
13 foreign persons of commodities, software, tech-
14 nology, and services to various end uses and
15 end users for foreign policy and national secu-
16 rity reasons;

17 (B) should regularly work to reduce com-
18 plexity in the system, including complexity
19 caused merely by the existence of structural,
20 definitional, and other non-policy based dif-
21 ferences between and among different export
22 control and sanctions systems; and

23 (C) should coordinate controls on items ex-
24 ported, reexported, or transferred in connection
25 with a foreign military sale under chapter 2 of

1 the Arms Export Control Act or a commercial
2 sale under section 38 of the Arms Export Con-
3 trol Act to reduce as much unnecessary admin-
4 istrative burden as possible that is a result of
5 differences between the exercise of those two
6 authorities.

7 (c) NONPROLIFERATION CONTROLS.—Nothing in
8 this title shall be construed to supersede the procedures
9 published by the President pursuant to section 309(c) of
10 the Nuclear Non-Proliferation Act of 1978.

11 **SEC. 116. TRANSITION PROVISIONS.**

12 (a) IN GENERAL.—All delegations, rules, regulations,
13 orders, determinations, licenses, or other forms of admin-
14 istrative action that have been made, issued, conducted,
15 or allowed to become effective under the Export Adminis-
16 tration Act of 1979 (as in effect on the day before the
17 date of the enactment of this Act and as continued in ef-
18 fect pursuant to the International Emergency Economic
19 Powers Act), or the Export Administration Regulations,
20 and are in effect as of the date of the enactment of this
21 Act, shall continue in effect according to their terms until
22 modified, superseded, set aside, or revoked under the au-
23 thority of this title.

24 (b) ADMINISTRATIVE AND JUDICIAL PRO-
25 CEEDINGS.—This title shall not affect any administrative

1 or judicial proceedings commenced, or any applications for
2 licenses made, under the Export Administration Act of
3 1979 (as in effect on the day before the date of the enact-
4 ment of this Act and as continued in effect pursuant to
5 the International Emergency Economic Powers Act), or
6 the Export Administration Regulations.

7 (c) CERTAIN DETERMINATIONS AND REFERENCES.—

8 (1) STATE SPONSORS OF TERRORISM.—Any de-
9 termination that was made under section 6(j) of the
10 Export Administration Act of 1979 (as in effect on
11 the day before the date of the enactment of this Act
12 and as continued in effect pursuant to the Inter-
13 national Emergency Economic Powers Act) shall
14 continue in effect as if the determination had been
15 made under section 104(c) of this Act.

16 (2) REFERENCE.—Any reference in any other
17 provision of law to a country the government of
18 which the Secretary of State has determined, for
19 purposes of section 6(j) of the Export Administra-
20 tion Act of 1979 (as in effect on the day before the
21 date of the enactment of this Act and as continued
22 in effect pursuant to the International Emergency
23 Economic Powers Act), is a government that has re-
24 peatedly provided support for acts of international
25 terrorism shall be deemed to refer to a country the

1 government of which the Secretary of State has de-
2 termined, for purposes of section 104(c) of this Act,
3 is a government that has repeatedly provided sup-
4 port for acts of international terrorism.

5 **TITLE II—ANTI-BOYCOTT ACT OF**
6 **2018**

7 **SEC. 201. SHORT TITLE.**

8 This Act may be cited as the “Anti-Boycott Act of
9 2018”.

10 **SEC. 202. STATEMENT OF POLICY.**

11 Congress declares it is the policy of the United
12 States—

13 (1) to oppose restrictive trade practices or boy-
14 cotts fostered or imposed by any foreign country, or
15 requests to impose restrictive trade practices or boy-
16 cotts by any foreign country, against other countries
17 friendly to the United States or against any United
18 States person;

19 (2) to encourage and, in specified cases, require
20 United States persons engaged in the export of
21 goods or technology or other information to refuse to
22 take actions, including furnishing information or en-
23 tering into or implementing agreements, which have
24 the effect of furthering or supporting the restrictive
25 trade practices or boycotts fostered or imposed by

1 any foreign country, or requests to impose restrictive
2 trade practices or boycotts by any foreign country
3 against a country friendly to the United States or
4 against any United States person; and

5 (3) to foster international cooperation and the
6 development of international rules and institutions
7 to assure reasonable access to world supplies.

8 **SEC. 203. FOREIGN BOYCOTTS.**

9 (a) PROHIBITIONS AND EXCEPTIONS.—

10 (1) PROHIBITIONS.—For the purpose of imple-
11 menting the policies set forth in section 202, the
12 President shall issue regulations prohibiting any
13 United States person, with respect to that person's
14 activities in the interstate or foreign commerce of
15 the United States, from taking or knowingly agree-
16 ing to take any of the following actions with intent
17 to comply with, further, or support any boycott fos-
18 tered or imposed by any foreign country, or request
19 to impose any boycott by any foreign country,
20 against a country which is friendly to the United
21 States and which is not itself the object of any form
22 of boycott pursuant to United States law or regula-
23 tion:

24 (A) Refusing, or requiring any other per-
25 son to refuse, to do business with or in the boy-

1 cotted country, with any business concern orga-
2 nized under the laws of the boycotted country,
3 with any national or resident of the boycotted
4 country, or with any other person, pursuant to
5 an agreement with, a requirement of, or a re-
6 quest from or on behalf of the boycotting coun-
7 try. The mere absence of a business relationship
8 with or in the boycotted country with any busi-
9 ness concern organized under the laws of the
10 boycotted country, with any national or resident
11 of the boycotted country, or with any other per-
12 son, does not indicate the existence of the in-
13 tent required to establish a violation of regula-
14 tions issued to carry out this subparagraph.

15 (B) Refusing, or requiring any other per-
16 son to refuse, to employ or otherwise discrimi-
17 nating against any United States person on the
18 basis of race, religion, sex, or national origin of
19 that person or of any owner, officer, director, or
20 employee of such person.

21 (C) Furnishing information with respect to
22 the race, religion, sex, or national origin of any
23 United States person or of any owner, officer,
24 director, or employee of such person.

1 (D) Furnishing information, or requesting
2 the furnishing of information, about whether
3 any person has, has had, or proposes to have
4 any business relationship (including a relation-
5 ship by way of sale, purchase, legal or commer-
6 cial representation, shipping or other transport,
7 insurance, investment, or supply) with or in the
8 boycotted country, with any business concern
9 organized under the laws of the boycotted coun-
10 try, with any national or resident of the boy-
11 cotted country, or with any other person which
12 is known or believed to be restricted from hav-
13 ing any business relationship with or in the boy-
14 cotted country. Nothing in this subparagraph
15 shall prohibit the furnishing of normal business
16 information in a commercial context as defined
17 by the Secretary.

18 (E) Furnishing information about whether
19 any person is a member of, has made contribu-
20 tions to, or is otherwise associated with or in-
21 volved in the activities of any charitable or fra-
22 ternal organization which supports the boy-
23 cotted country.

24 (F) Paying, honoring, confirming, or other-
25 wise implementing a letter of credit which con-

1 tains any condition or requirement compliance
2 with which is prohibited by regulations issued
3 pursuant to this paragraph, and no United
4 States person shall, as a result of the applica-
5 tion of this paragraph, be obligated to pay or
6 otherwise honor or implement such letter of
7 credit.

8 (2) EXCEPTIONS.—Regulations issued pursuant
9 to paragraph (1) shall provide exceptions for—

10 (A) complying or agreeing to comply with
11 requirements—

12 (i) prohibiting the import of goods or
13 services from the boycotted country or
14 goods produced or services provided by any
15 business concern organized under the laws
16 of the boycotted country or by nationals or
17 residents of the boycotted country; or

18 (ii) prohibiting the shipment of goods
19 to the boycotting country on a carrier of
20 the boycotted country, or by a route other
21 than that prescribed by the boycotting
22 country or the recipient of the shipment;

23 (B) complying or agreeing to comply with
24 import and shipping document requirements
25 with respect to the country of origin, the name

1 of the carrier and route of shipment, the name
2 of the supplier of the shipment or the name of
3 the provider of other services, except that no in-
4 formation knowingly furnished or conveyed in
5 response to such requirements may be stated in
6 negative, blacklisting, or similar exclusionary
7 terms, other than with respect to carriers or
8 route of shipment as may be permitted by such
9 regulations in order to comply with pre-
10 cautionary requirements protecting against war
11 risks and confiscation;

12 (C) complying or agreeing to comply in the
13 normal course of business with the unilateral
14 and specific selection by a boycotting country,
15 or national or resident thereof, of carriers, in-
16 surers, suppliers of services to be performed
17 within the boycotting country or specific goods
18 which, in the normal course of business, are
19 identifiable by source when imported into the
20 boycotting country;

21 (D) complying or agreeing to comply with
22 export requirements of the boycotting country
23 relating to shipments or transshipments of ex-
24 ports to the boycotted country, to any business
25 concern of or organized under the laws of the

1 boycotted country, or to any national or resi-
2 dent of the boycotted country;

3 (E) compliance by an individual or agree-
4 ment by an individual to comply with the immi-
5 gration or passport requirements of any country
6 with respect to such individual or any member
7 of such individual's family or with requests for
8 information regarding requirements of employ-
9 ment of such individual within the boycotting
10 country; and

11 (F) compliance by a United States person
12 resident in a foreign country or agreement by
13 such person to comply with the laws of that
14 country with respect to his activities exclusively
15 therein, and such regulations may contain ex-
16 ceptions for such resident complying with the
17 laws or regulations of that foreign country gov-
18 erning imports into such country of
19 trademarked, trade named, or similarly specifi-
20 cally identifiable products, or components of
21 products for his own use, including the per-
22 formance of contractual services within that
23 country, as may be defined by such regulations.

1 (3) SPECIAL RULES.—Regulations issued pur-
2 suant to paragraphs (2)(C) and (2)(F) shall not pro-
3 vide exceptions from paragraphs (1)(B) and (1)(C).

4 (4) RULE OF CONSTRUCTION.—Nothing in this
5 subsection may be construed to supersede or limit
6 the operation of the antitrust or civil rights laws of
7 the United States.

8 (5) APPLICATION.—This section shall apply to
9 any transaction or activity undertaken, by or
10 through a United States person or any other person,
11 with intent to evade the provisions of this section as
12 implemented by the regulations issued pursuant to
13 this subsection, and such regulations shall expressly
14 provide that the exceptions set forth in paragraph
15 (2) shall not permit activities or agreements (ex-
16 pressed or implied by a course of conduct, including
17 a pattern of responses) otherwise prohibited, which
18 are not within the intent of such exceptions.

19 (b) FOREIGN POLICY CONTROLS.—

20 (1) IN GENERAL.—In addition to the regula-
21 tions issued pursuant to subsection (a), regulations
22 issued under title I of this Act to carry out the poli-
23 cies set forth in section 102(1)(D) shall implement
24 the policies set forth in this section.

1 (2) REQUIREMENTS.—Such regulations shall
2 require that any United States person receiving a re-
3 quest for the furnishing of information, the entering
4 into or implementing of agreements, or the taking of
5 any other action referred to in subsection (a) shall
6 report that fact to the Secretary, together with such
7 other information concerning such request as the
8 Secretary may require for such action as the Sec-
9 retary considers appropriate for carrying out the
10 policies of that section. Such person shall also report
11 to the Secretary whether such person intends to
12 comply and whether such person has complied with
13 such request. Any report filed pursuant to this para-
14 graph shall be made available promptly for public in-
15 spection and copying, except that information re-
16 garding the quantity, description, and value of any
17 goods or technology to which such report relates
18 may be kept confidential if the Secretary determines
19 that disclosure thereof would place the United States
20 person involved at a competitive disadvantage. The
21 Secretary shall periodically transmit summaries of
22 the information contained in such reports to the Sec-
23 retary of State for such action as the Secretary of
24 State, in consultation with the Secretary, considers

1 appropriate for carrying out the policies set forth in
2 section 202.

3 (c) PREEMPTION.—The provisions of this section and
4 the regulations issued pursuant thereto shall preempt any
5 law, rule, or regulation of any of the several States or the
6 District of Columbia, or any of the territories or posses-
7 sions of the United States, or of any governmental subdivi-
8 sion thereof, which law, rule, or regulation pertains to par-
9 ticipation in, compliance with, implementation of, or the
10 furnishing of information regarding restrictive trade prac-
11 tices or boycotts fostered or imposed by foreign countries,
12 or requests to impose restrictive trade practices or boy-
13 cotts by any foreign country, against other countries
14 friendly to the United States.

15 **SEC. 204. ENFORCEMENT.**

16 (a) CIVIL PENALTIES.—The President may impose
17 the following civil penalties on a person who violates sec-
18 tion 203 or any regulation issued under this title:

19 (1) A fine of not more than \$250,000 or an
20 amount that is twice the amount of the transaction
21 that is the basis of the violation with respect to
22 which the penalty is imposed.

23 (2) Revocation of a license issued under title I
24 to the person.

1 (3) A prohibition on the person's ability to ex-
2 port, reexport, or transfer any items, whether or not
3 subject to controls under this title.

4 (b) PROCEDURES.—Any civil penalty under this sec-
5 tion may be imposed only after notice and opportunity for
6 an agency hearing on the record in accordance with sec-
7 tions 554 through 557 of title 5, United States Code, and
8 shall be subject to judicial review in accordance with chap-
9 ter 7 of such title.

10 (c) STANDARDS FOR LEVELS OF CIVIL PENALTY.—
11 The President may by regulation provide standards for es-
12 tablishing levels of civil penalty under this section based
13 upon factors such as the seriousness of the violation, the
14 culpability of the violator, and the violator's record of co-
15 operation with the Government in disclosing the violation.

16 **TITLE III—SANCTIONS REGARD-**
17 **ING MISSILE PROLIFERATION**
18 **AND CHEMICAL AND BIO-**
19 **LOGICAL WEAPONS PRO-**
20 **LIFERATION**

21 **SEC. 301. MISSILE PROLIFERATION CONTROL VIOLATIONS.**

22 (a) VIOLATIONS BY UNITED STATES PERSONS.—

23 (1) SANCTIONS.—

24 (A) SANCTIONABLE ACTIVITY.—The Presi-
25 dent shall impose the applicable sanctions de-

1 scribed in subparagraph (B) if the President
2 determines that a United States person know-
3 ingly—

4 (i) exports, reexports, or transfers of
5 any item on the MTCR Annex, in violation
6 of the provisions of section 38 (22 U.S.C.
7 2778) or chapter 7 of the Arms Export
8 Control Act, title I of this Act, or any reg-
9 ulations or orders issued under any such
10 provisions; or

11 (ii) conspires to or attempts to engage
12 in such export, reexport, or transfer.

13 (B) SANCTIONS.—The sanctions that apply
14 to a United States person under subparagraph
15 (A) are the following:

16 (i) If the item on the MTCR Annex
17 involved in the export, reexport, or transfer
18 is missile equipment or technology within
19 category II of the MTCR Annex, then the
20 President shall deny to such United States
21 person, for a period of 2 years, licenses for
22 the transfer of missile equipment or tech-
23 nology controlled under title I.

24 (ii) If the item on the MTCR Annex
25 involved in the export, reexport, or transfer

1 is missile equipment or technology within
2 category I of the MTCR Annex, then the
3 President shall deny to such United States
4 person, for a period of not less than 2
5 years, all licenses for items the transfer of
6 which is controlled under title I.

7 (2) DISCRETIONARY SANCTIONS.—In the case
8 of any determination referred to in paragraph (1),
9 the President may pursue any other appropriate
10 penalties under section 109 of this Act.

11 (3) WAIVER.—The President may waive the im-
12 position of sanctions under paragraph (1) on a per-
13 son with respect to a product or service if the Presi-
14 dent certifies to the Congress that—

15 (A) the product or service is essential to
16 the national security of the United States; and

17 (B) such person is a sole source supplier of
18 the product or service, the product or service is
19 not available from any alternative reliable sup-
20 plier, and the need for the product or service
21 cannot be met in a timely manner by improved
22 manufacturing processes or technological devel-
23 opments.

24 (b) TRANSFERS OF MISSILE EQUIPMENT OR TECH-
25 NOLOGY BY FOREIGN PERSONS.—

1 (1) SANCTIONS.—

2 (A) SANCTIONABLE ACTIVITY.—Subject to
3 paragraphs (3) through (7), the President shall
4 impose the applicable sanctions under subpara-
5 graph (B) on a foreign person if the Presi-
6 dent—

7 (i) determines that a foreign person
8 knowingly—

9 (I) exports, reexports, or trans-
10 fers any MTCR equipment or tech-
11 nology that contributes to the design,
12 development, or production of missiles
13 in a country that is not an MTCR ad-
14 herent and would be, if it were United
15 States-origin equipment or technology,
16 subject to the jurisdiction of the
17 United States under title I;

18 (II) conspires to or attempts to
19 engage in such export, reexport, or
20 transfer; or

21 (III) facilitates such export, reex-
22 port, or transfer by any other person;
23 or

1 (ii) has made a determination with re-
2 spect to the foreign person under section
3 73(a) of the Arms Export Control Act.

4 (B) SANCTIONS.—The sanctions that apply
5 to a foreign person under subparagraph (A) are
6 the following:

7 (i) If the item involved in the export,
8 reexport, or transfer is within category II
9 of the MTCR Annex, then the President
10 shall deny, for a period of 2 years, licenses
11 for the transfer to such foreign person of
12 missile equipment or technology the trans-
13 fer of which is controlled under title I.

14 (ii) If the item involved in the export,
15 reexport, or transfer is within category I of
16 the MTCR Annex, then the President shall
17 deny, for a period of not less than 2 years,
18 licenses for the transfer to such foreign
19 person of items the transfer of which is
20 controlled under title I.

21 (2) INAPPLICABILITY WITH RESPECT TO MTCR
22 ADHERENTS.—Paragraph (1) does not apply with
23 respect to—

24 (A) any export, reexport, or transfer that
25 is authorized by the laws of an MTCR adher-

1 ent, if such authorization is not obtained by
2 misrepresentation or fraud; or

3 (B) any export, reexport, or transfer of an
4 item to an end user in a country that is an
5 MTCR adherent.

6 (3) EFFECT OF ENFORCEMENT ACTIONS BY
7 MTCR ADHERENTS.—Sanctions set forth in para-
8 graph (1) may not be imposed under this subsection
9 on a person with respect to acts described in such
10 paragraph or, if such sanctions are in effect against
11 a person on account of such acts, such sanctions
12 shall be terminated, if an MTCR adherent is taking
13 judicial or other enforcement action against that
14 person with respect to such acts, or that person has
15 been found by the government of an MTCR adher-
16 ent to be innocent of wrongdoing with respect to
17 such acts.

18 (4) WAIVER AND REPORT TO CONGRESS.—

19 (A) WAIVER AUTHORITY.—The President
20 may waive the application of paragraph (1) to
21 a foreign person if the President determines
22 that such waiver is essential to the national se-
23 curity of the United States.

24 (B) NOTIFICATION AND REPORT TO CON-
25 GRESS.—In the event that the President decides

1 to apply the waiver described in subparagraph
2 (A), the President shall so notify the appro-
3 priate congressional committees not less than
4 20 working days before issuing the waiver.
5 Such notification shall include a report fully ar-
6 ticulating the rationale and circumstances
7 which led the President to apply the waiver.

8 (5) ADDITIONAL WAIVER.—The President may
9 waive the imposition of sanctions under paragraph
10 (1) on a person with respect to a product or service
11 if the President certifies to the appropriate congres-
12 sional committees that—

13 (A) the product or service is essential to
14 the national security of the United States; and

15 (B) such person is a sole source supplier of
16 the product or service, the product or service is
17 not available from any alternative reliable sup-
18 plier, and the need for the product or service
19 cannot be met in a timely manner by improved
20 manufacturing processes or technological devel-
21 opments.

22 (6) EXCEPTIONS.—The President shall not
23 apply the sanction under this subsection prohibiting
24 the importation of the products of a foreign per-
25 son—

1 (A) in the case of procurement of defense
2 articles or defense services—

3 (i) under existing contracts or sub-
4 contracts, including the exercise of options
5 for production quantities to satisfy require-
6 ments essential to the national security of
7 the United States;

8 (ii) if the President determines that
9 the person to which the sanctions would be
10 applied is a sole source supplier of the de-
11 fense articles or defense services, that the
12 defense articles or defense services are es-
13 sential to the national security of the
14 United States, and that alternative sources
15 are not readily or reasonably available; or

16 (iii) if the President determines that
17 such articles or services are essential to the
18 national security of the United States
19 under defense coproduction agreements or
20 NATO Programs of Cooperation;

21 (B) to products or services provided under
22 contracts entered into before the date on which
23 the President publishes his intention to impose
24 the sanctions; or

25 (C) to—

- 1 (i) spare parts;
- 2 (ii) component parts, but not finished
- 3 products, essential to United States prod-
- 4 ucts or production;
- 5 (iii) routine services and maintenance
- 6 of products, to the extent that alternative
- 7 sources are not readily or reasonably avail-
- 8 able; or
- 9 (iv) information and technology essen-
- 10 tial to United States products or produc-
- 11 tion.

12 (c) DEFINITIONS.—In this section:

13 (1) APPROPRIATE CONGRESSIONAL COMMIT-

14 TEES.—The term “appropriate congressional com-

15 mittees” means—

16 (A) the Committee on Foreign Affairs of

17 the House of Representatives; and

18 (B) the Committee on Foreign Relations

19 and the Committee on Banking, Housing, and

20 Urban Affairs of the Senate.

21 (2) DEFENSE ARTICLES; DEFENSE SERVICES.—

22 The terms “defense articles” and “defense services”

23 mean those items on the United States Munitions

24 List as defined in section 47(7) of the Arms Export

25 Control Act (22 U.S.C. 2794 note).

1 (3) MISSILE.—The term “missile” means a cat-
2 egory I system as defined in the MTCR Annex.

3 (4) MISSILE TECHNOLOGY CONTROL REGIME;
4 MTCR.—The term “Missile Technology Control Re-
5 gime” or “MTCR” means the policy statement, be-
6 tween the United States, the United Kingdom, the
7 Federal Republic of Germany, France, Italy, Can-
8 ada, and Japan, announced on April 16, 1987, to re-
9 strict sensitive missile-relevant transfers based on
10 the MTCR Annex, and any amendments thereto.

11 (5) MTCR ADHERENT.—The term “MTCR ad-
12 herent” means a country that participates in the
13 MTCR or that, pursuant to an international under-
14 standing to which the United States is a party, con-
15 trols MTCR equipment or technology in accordance
16 with the criteria and standards set forth in the
17 MTCR.

18 (6) MTCR ANNEX.—The term “MTCR Annex”
19 means the Guidelines and Equipment and Tech-
20 nology Annex of the MTCR, and any amendments
21 thereto.

22 (7) MISSILE EQUIPMENT OR TECHNOLOGY;
23 MTCR EQUIPMENT OR TECHNOLOGY.—The terms
24 “missile equipment or technology” and “MTCR

1 equipment or technology” mean those items listed in
2 category I or category II of the MTCR Annex.

3 **SEC. 302. CHEMICAL AND BIOLOGICAL WEAPONS PRO-**
4 **LIFERATION SANCTIONS.**

5 (a) IMPOSITION OF SANCTIONS.—

6 (1) DETERMINATION BY THE PRESIDENT.—Ex-
7 cept as provided in subsection (b)(2), the President
8 shall impose the sanction described in subsection (c)
9 if the President determines that a foreign person has
10 knowingly and materially contributed—

11 (A) through the export from the United
12 States of any item that is subject to the juris-
13 diction of the United States under this title; or

14 (B) through the export from any other
15 country of any item that would be, if they were
16 United States goods or technology, subject to
17 the jurisdiction of the United States under this
18 title,

19 to the efforts by any foreign country, project, or en-
20 tity described in paragraph (2) to use, develop,
21 produce, stockpile, or otherwise acquire chemical or
22 biological weapons.

23 (2) COUNTRIES, PROJECTS, OR ENTITIES RE-
24 CEIVING ASSISTANCE.—Paragraph (1) applies in the
25 case of—

1 (A) any foreign country that the President
2 determines has, at any time after January 1,
3 1980—

4 (i) used chemical or biological weap-
5 ons in violation of international law;

6 (ii) used lethal chemical or biological
7 weapons against its own nationals; or

8 (iii) made substantial preparations to
9 engage in the activities described in clause
10 (i) or (ii);

11 (B) any foreign country whose government
12 is determined for purposes of section 104(c) of
13 this Act to be a government that has repeatedly
14 provided support for acts of international ter-
15 rorism; or

16 (C) any other foreign country, project, or
17 entity designated by the President for purposes
18 of this section.

19 (3) PERSONS AGAINST WHICH SANCTIONS ARE
20 TO BE IMPOSED.—A sanction shall be imposed pur-
21 suant to paragraph (1) on—

22 (A) the foreign person with respect to
23 which the President makes the determination
24 described in that paragraph;

1 (B) any successor entity to that foreign
2 person; and

3 (C) any foreign person that is a parent,
4 subsidiary, or affiliate of that foreign person if
5 that parent, subsidiary, or affiliate knowingly
6 assisted in the activities which were the basis of
7 that determination.

8 (b) CONSULTATIONS WITH AND ACTIONS BY FOR-
9 EIGN GOVERNMENT OF JURISDICTION.—

10 (1) CONSULTATIONS.—If the President makes
11 the determinations described in subsection (a)(1)
12 with respect to a foreign person, the Congress urges
13 the President to initiate consultations immediately
14 with the government with primary jurisdiction over
15 that foreign person with respect to the imposition of
16 a sanction pursuant to this section.

17 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
18 TION.—In order to pursue such consultations with
19 that government, the President may delay imposition
20 of a sanction pursuant to this section for a period
21 of up to 90 days. Following such consultations, the
22 President shall impose the sanction unless the Presi-
23 dent determines and certifies to the appropriate con-
24 gressional committees that the Government has
25 taken specific and effective actions, including appro-

1 priate penalties, to terminate the involvement of the
2 foreign person in the activities described in sub-
3 section (a)(1). The President may delay imposition
4 of the sanction for an additional period of up to 90
5 days if the President determines and certifies to the
6 Congress that the government is in the process of
7 taking the actions described in the preceding sen-
8 tence.

9 (3) REPORT TO CONGRESS.—The President
10 shall report to the appropriate congressional commit-
11 tees, not later than 90 days after making a deter-
12 mination under subsection (a)(1), on the status of
13 consultations with the appropriate government under
14 this subsection, and the basis for any determination
15 under paragraph (2) of this subsection that such
16 government has taken specific corrective actions.

17 (c) SANCTION.—

18 (1) DESCRIPTION OF SANCTION.—The sanction
19 to be imposed pursuant to subsection (a)(1) is, ex-
20 cept as provided that the United States Government
21 shall not procure, or enter into any contract for the
22 procurement of, any goods or services from any per-
23 son described in subsection (a)(3).

1 (2) EXCEPTIONS.—The President shall not be
2 required to apply or maintain a sanction under this
3 section—

4 (A) in the case of procurement of defense
5 articles or defense services—

6 (i) under existing contracts or sub-
7 contracts, including the exercise of options
8 for production quantities to satisfy United
9 States operational military requirements;

10 (ii) if the President determines that
11 the person or other entity to which the
12 sanctions would otherwise be applied is a
13 sole source supplier of the defense articles
14 or defense services, that the defense arti-
15 cles or defense services are essential, and
16 that alternative sources are not readily or
17 reasonably available; or

18 (iii) if the President determines that
19 such articles or services are essential to the
20 national security under defense coproduc-
21 tion agreements;

22 (B) to products or services provided under
23 contracts entered into before the date on which
24 the President publishes his intention to impose
25 sanctions;

1 (C) to—

2 (i) spare parts;

3 (ii) component parts, but not finished
4 products, essential to United States prod-
5 ucts or production; or

6 (iii) routine servicing and mainte-
7 nance of products, to the extent that alter-
8 native sources are not readily or reason-
9 ably available;

10 (D) to information and technology essen-
11 tial to United States products or production; or

12 (E) to medical or other humanitarian
13 items.

14 (d) TERMINATION OF SANCTIONS.—A sanction im-
15 posed pursuant to this section shall apply for a period of
16 at least 12 months following the imposition of one sanction
17 and shall cease to apply thereafter only if the President
18 determines and certifies to the appropriate congressional
19 committees that reliable information indicates that the
20 foreign person with respect to which the determination
21 was made under subsection (a)(1) has ceased to aid or
22 abet any foreign government, project, or entity in its ef-
23 forts to acquire chemical or biological weapons capability
24 as described in that subsection.

25 (e) WAIVER.—

1 (1) CRITERION FOR WAIVER.—The President
2 may waive the application of any sanction imposed
3 on any person pursuant to this section, after the end
4 of the 12-month period beginning on the date on
5 which that sanction was imposed on that person, if
6 the President determines and certifies to the appro-
7 priate congressional committees that such waiver is
8 important to the national security interests of the
9 United States.

10 (2) NOTIFICATION OF AND REPORT TO CON-
11 GRESS.—If the President decides to exercise the
12 waiver authority provided in paragraph (1), the
13 President shall so notify the appropriate congress-
14 sional committees not less than 20 days before the
15 waiver takes effect. Such notification shall include a
16 report fully articulating the rationale and cir-
17 cumstances which led the President to exercise the
18 waiver authority.

19 (f) DEFINITIONS.—In this section:

20 (1) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES.—The term “appropriate congressional com-
22 mittees” means—

23 (A) the Committee on Foreign Affairs of
24 the House of Representatives; and

1 (B) the Committee on Foreign Relations
2 and the Committee on Banking, Housing, and
3 Urban Affairs of the Senate.

4 (2) DEFENSE ARTICLES; DEFENSE SERVICES.—
5 The terms “defense articles” and “defense services”
6 mean those items on the United States Munitions
7 List or are otherwise controlled under the Arms Ex-
8 port Control Act.

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5040
OFFERED BY MR. ROYCE OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Export Control Reform Act of 2018”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—AUTHORITY AND ADMINISTRATION OF CONTROLS

Sec. 101. Short title.
Sec. 102. Statement of policy.
Sec. 103. Authority of the President.
Sec. 104. Additional authorities.
Sec. 105. Administration of export controls.
Sec. 106. Control lists.
Sec. 107. Licensing.
Sec. 108. Compliance assistance.
Sec. 109. Requirements to identify and control emerging critical technologies in
export control regulations.
Sec. 110. Penalties.
Sec. 111. Enforcement.
Sec. 112. Administrative procedure.
Sec. 113. Annual report to Congress.
Sec. 114. Repeal.
Sec. 115. Effect on other Acts.
Sec. 116. Transition provisions.

TITLE II—ANTI-BOYCOTT ACT OF 2018

Sec. 201. Short title.
Sec. 202. Statement of policy.
Sec. 203. Foreign boycotts.
Sec. 204. Enforcement.

TITLE III—SANCTIONS REGARDING MISSILE PROLIFERATION
AND CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION

Sec. 301. Missile proliferation control violations.

Sec. 302. Chemical and biological weapons proliferation sanctions.

TITLE IV—ADMINISTRATIVE AUTHORITIES

Sec. 401. Under Secretary of Commerce for Industry and Security.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) CONTROLLED.—The term “controlled”
4 means the export, reexport, or transfer of an item
5 subject to the jurisdiction of the United States
6 under title I.

7 (2) DUAL-USE.—The term “dual-use”, with re-
8 spect to an item, means the item has civilian appli-
9 cations and military, terrorism, weapons of mass de-
10 struction, or law-enforcement-related applications.

11 (3) EXPORT.—The term “export”, with respect
12 to an item subject to controls under title I, in-
13 cludes—

14 (A) the shipment or transmission of the
15 item out of the United States, including the
16 sending or taking of the item out of the United
17 States, in any manner; and

18 (B) the release or transfer of technology or
19 source code relating to the item to a foreign
20 person in the United States.

1 (4) EXPORT ADMINISTRATION REGULATIONS.—
2 The term “Export Administration Regulations”
3 means—

4 (A) the Export Administration Regulations
5 as promulgated, maintained, and amended
6 under the authority of the International Emer-
7 gency Economic Powers Act and codified, as of
8 the date of the enactment of this Act, in sub-
9 chapter C of chapter VII of title 15, Code of
10 Federal Regulations; or

11 (B) regulations that are promulgated,
12 maintained, and amended under the authority
13 of title I on or after the date of the enactment
14 of this Act.

15 (5) FOREIGN PERSON.—The term “foreign per-
16 son” means a person that is not a United States
17 person.

18 (6) ITEM.—The term “item” means a com-
19 modity, software, or technology.

20 (7) PERSON.—The term “person” means—

21 (A) a natural person;

22 (B) a corporation, business association,
23 partnership, society, trust, financial institution,
24 insurer, underwriter, guarantor, and any other
25 business organization, any other nongovern-

1 mental entity, organization, or group, or any
2 government or agency thereof; and

3 (C) any successor to any entity described
4 in subparagraph (B).

5 (8) REEXPORT.—The term “reexport”, with re-
6 spect to an item subject to controls under title I, in-
7 cludes—

8 (A) the shipment or transmission of the
9 item from a foreign country to another foreign
10 country, including the sending or taking of the
11 item from the foreign country to the other for-
12 eign country, in any manner; and

13 (B) the release or transfer of technology or
14 source code relating to the item to a foreign
15 person outside the United States.

16 (9) SECRETARY.—Except as otherwise provided,
17 the term “Secretary” means the Secretary of Com-
18 merce.

19 (10) TECHNOLOGY.—The term “technology”
20 includes foundational information and information
21 and know-how necessary for the development (at all
22 stages prior to serial production), production, use,
23 operation, installation, maintenance, repair, overhaul
24 or refurbishing of an item.

1 (11) TRANSFER.—The term “transfer”, with
2 respect to an item subject to controls under title I,
3 means a change in the end-use or end user of the
4 item within the same foreign country.

5 (12) UNITED STATES.—The term “United
6 States” means the several States, the District of Co-
7 lumbia, the Commonwealth of Puerto Rico, the Com-
8 monwealth of the Northern Mariana Islands, Amer-
9 ican Samoa, Guam, the United States Virgin Is-
10 lands, and any other territory or possession of the
11 United States.

12 (13) UNITED STATES PERSON.—The term
13 “United States person” means—

14 (A) for purposes of titles I and III—

15 (i) any individual who is a citizen or
16 national of the United States or who is an
17 individual described in subparagraph (B)
18 of section 274B(a)(3) of the Immigration
19 and Nationality Act (8 U.S.C.
20 1324b(a)(3));

21 (ii) a corporation or other legal entity
22 which is organized under the laws of the
23 United States, any State or territory there-
24 of, or the District of Columbia; and

1 (iii) any person in the United States;

2 and

3 (B) for purposes of title II, any United
4 States resident or national (other than an indi-
5 vidual resident outside the United States and
6 employed by other than a United States per-
7 son), any domestic concern (including any per-
8 manent domestic establishment of any foreign
9 concern) and any foreign subsidiary or affiliate
10 (including any permanent foreign establish-
11 ment) of any domestic concern which is con-
12 trolled in fact by such domestic concern, as de-
13 termined under regulations by the Secretary.

14 (14) WEAPONS OF MASS DESTRUCTION.—The
15 term “weapons of mass destruction” means nuclear,
16 radiological, chemical, and biological weapons and
17 delivery systems for such weapons.

18 **TITLE I—AUTHORITY AND**
19 **ADMINISTRATION OF CONTROLS**

20 **SEC. 101. SHORT TITLE.**

21 This title may be cited as the “Export Controls Act
22 of 2018”.

23 **SEC. 102. STATEMENT OF POLICY.**

24 The following is the policy of the United States:

1 (1) The national security and foreign policy of
2 the United States require that the export, reexport,
3 and transfer of items, and specific activities of
4 United States persons, wherever located, be con-
5 trolled for the following purposes:

6 (A) To control the release of items for use
7 in—

8 (i) the proliferation of weapons of
9 mass destruction or of conventional weap-
10 ons;

11 (ii) the acquisition of destabilizing
12 numbers or types of conventional weapons;

13 (iii) acts of terrorism;

14 (iv) military programs that could pose
15 a threat to the security of the United
16 States or its allies; or

17 (v) activities undertaken specifically to
18 cause significant interference with or dis-
19 ruption of critical infrastructure.

20 (B) To preserve the qualitative military su-
21 periority of the United States.

22 (C) To strengthen the United States in-
23 dustrial base.

1 (D) To carry out the foreign policy of the
2 United States, including the protection of
3 human rights and the promotion of democracy.

4 (E) To carry out obligations and commit-
5 ments under international agreements and ar-
6 rangements, including multilateral export con-
7 trol regimes.

8 (F) To facilitate military interoperability
9 between the United States and its North Atlan-
10 tic Treaty Organization (NATO) and other
11 close allies.

12 (G) To ensure national security controls
13 are tailored to focus on those core technologies
14 and other items that are capable of being used
15 to pose a serious national security threat to the
16 United States.

17 (2) The national security of the United States
18 requires that the United States maintain its leader-
19 ship in the science, technology, engineering, and
20 manufacturing sectors, including foundational tech-
21 nology that is essential to innovation. Such leader-
22 ship requires that United States persons are com-
23 petitive in global markets. The impact of the imple-
24 mentation of this title on such leadership and com-
25 petitiveness must be evaluated on an ongoing basis

1 and applied in imposing controls under sections 103
2 and 104 to avoid negatively affecting such leader-
3 ship.

4 (3) The national security and foreign policy of
5 the United States require that the United States
6 participate in multilateral organizations and agree-
7 ments regarding export controls on items that are
8 consistent with the policy of the United States, and
9 take all the necessary steps to secure the adoption
10 and consistent enforcement, by the governments of
11 such countries, of export controls on items that are
12 consistent with such policy.

13 (4) Export controls should be fully coordinated
14 with the multilateral export control regimes. Export
15 controls that are multilateral are most effective, and
16 should be tailored to focus on those core technologies
17 and other items that are capable of being used to
18 pose a serious national security threat to the United
19 States and its allies.

20 (5) Export controls applied unilaterally to items
21 widely available from foreign sources generally are
22 less effective in preventing end-users from acquiring
23 those items.

24 (6) The effective administration of export con-
25 trols requires a clear understanding both inside and

1 outside the United States Government of which tech-
2 nologies and other items are controlled and an effi-
3 cient process should be created to update the con-
4 trols, such as by removing and adding technologies
5 and other items.

6 (7) The export control system must ensure that
7 it is transparent, predictable, and timely, has the
8 flexibility to be adapted to address new threats in
9 the future, and allows seamless access to and shar-
10 ing of export control information among all relevant
11 United States national security and foreign policy
12 agencies.

13 (8) Implementation and enforcement of United
14 States export controls require robust capabilities in
15 monitoring, intelligence, and investigation, appro-
16 priate penalties for violations, and the ability to
17 swiftly interdict unapproved transfers.

18 (9) Export controls should be balanced with
19 United States counterterrorism, information secu-
20 rity, and cyber-security policies to ensure the ability
21 to export, reexport, and transfer technology and
22 other items in support of counterterrorism, critical
23 infrastructure, and other homeland security prior-
24 ities, while effectively preventing malicious cyber ter-
25 rorists from obtaining items that threaten the

1 United States and its interests, including the protec-
2 tion of and safety of United States citizens abroad.

3 (10) Export controls complement and are a
4 critical element of the national security policies un-
5 derlying the laws and regulations governing foreign
6 direct investment in the United States, including
7 controlling the transfer of critical technologies to
8 certain foreign persons. Thus, the President, in close
9 coordination with the Department of Commerce, the
10 Department of Defense, the Department of State,
11 the Department of Energy, and other agencies re-
12 sponsible for export controls, should have a regular
13 and robust process to identify the emerging and
14 other types of critical technologies of concern and
15 regulate their release to foreign persons as war-
16 ranted regardless of the nature of the underlying
17 transaction. Such identification efforts should draw
18 upon the resources and expertise of all relevant
19 parts of the United States Government, industry,
20 and academia. These efforts should be in addition to
21 traditional efforts to modernize and update the lists
22 of controlled items under the multilateral export con-
23 trol regimes.

1 (11) The authority under this title may be exer-
2 cised only in furtherance of all of the objectives set
3 forth in paragraphs (1) through (10).

4 **SEC. 103. AUTHORITY OF THE PRESIDENT.**

5 (a) **AUTHORITY.**—In order to carry out the policy set
6 forth in paragraphs (1) through (10) of section 102, the
7 President shall control—

8 (1) the export, reexport, and transfer of items
9 subject to the jurisdiction of the United States,
10 whether by United States persons or by foreign per-
11 sons; and

12 (2) the activities of United States persons,
13 wherever located, relating to specific—

14 (A) nuclear explosive devices;

15 (B) missiles;

16 (C) chemical or biological weapons;

17 (D) whole plants for chemical weapons pre-
18 cursors;

19 (E) foreign maritime nuclear projects; and

20 (F) foreign military intelligence services.

21 (b) **REQUIREMENTS.**—In exercising authority under
22 this title, the President shall impose controls to achieve
23 the following objectives:

1 (1) To regulate the export, reexport, and trans-
2 fer of items described in subsection (a)(1) of United
3 States persons or foreign persons.

4 (2) To regulate the activities described in sub-
5 section (a)(2) of United States persons, wherever lo-
6 cated.

7 (3) To secure the cooperation of other govern-
8 ments and multilateral organizations to impose con-
9 trol systems that are consistent, to the extent pos-
10 sible, with the controls imposed under subsection
11 (a).

12 (4) To maintain the leadership of the United
13 States in science, engineering, technology research
14 and development, manufacturing, and foundational
15 technology that is essential to innovation.

16 (5) To protect United States technological ad-
17 vances by prohibiting unauthorized technology trans-
18 fers to foreign persons in the United States or out-
19 side the United States, particularly with respect to
20 countries that may pose a significant threat to the
21 national security of the United States.

22 (6) To enhance the viability of commercial
23 firms, academic institutions, and research establish-
24 ments, and maintain the skilled workforce of such
25 firms, institutions, and establishments, that are nec-

1 essary to preserving the leadership of the United
2 States described in paragraph (4).

3 (7) To strengthen the United States industrial
4 base, both with respect to current and future de-
5 fense requirements.

6 (8) To enforce the controls through means such
7 as regulations, requirements for compliance, lists of
8 controlled items, lists of foreign persons who threat-
9 en the national security or foreign policy of the
10 United States, and guidance in a form that facili-
11 tates compliance by United States persons and for-
12 eign persons, in particular academic institutions, sci-
13 entific and research establishments, and small- and
14 medium-sized businesses.

15 (c) APPLICATION OF CONTROLS.—The President
16 shall impose controls over the export, reexport, or transfer
17 of items for purposes of the objectives described in sub-
18 sections (b)(1) or (b)(2) without regard to the nature of
19 the underlying transaction or any circumstances per-
20 taining to the activity, including whether such export, re-
21 export, or transfer occurs pursuant to a purchase order
22 or other contract requirement, voluntary decision, inter-
23 company arrangement, marketing effort, or during a joint
24 venture, joint development agreement, or similar collabo-
25 rative agreement.

1 **SEC. 104. ADDITIONAL AUTHORITIES.**

2 (a) IN GENERAL.—In carrying out this title, the
3 President shall—

4 (1) establish and maintain lists published by
5 the Secretary of items that are controlled under this
6 title;

7 (2) establish and maintain lists published by
8 the Secretary of foreign persons and end-uses that
9 are determined to be a threat to the national secu-
10 rity and foreign policy of the United States pursuant
11 to the policy set forth in section 102(1)(A);

12 (3) prohibit unauthorized exports, reexports,
13 and transfers of controlled items, including to for-
14 eign persons in the United States or outside the
15 United States;

16 (4) restrict exports, reexports, and transfers of
17 any controlled items to any foreign person or end-
18 use listed under paragraph (2);

19 (5) require licenses or other authorizations, as
20 appropriate, for exports, reexports, and transfers of
21 controlled items, including imposing conditions or re-
22 strictions on United States persons and foreign per-
23 sons with respect to such licenses or other authoriza-
24 tions;

25 (6) establish a process by which a license appli-
26 cant may request an assessment to determine wheth-

1 er a foreign item is comparable in quality to an item
2 controlled under this title, and is available in suffi-
3 cient quantities to render the United States export
4 control of that item or the denial of a license ineffec-
5 tive, including a mechanism to address that dis-
6 parity;

7 (7) require measures for compliance with the
8 export controls established under this title;

9 (8) require and obtain such information from
10 United States persons and foreign persons as is nec-
11 essary to carry out this title;

12 (9) require, as appropriate, advance notice be-
13 fore an item is exported, reexported, or transferred,
14 as an alternative to requiring a license;

15 (10) require, to the extent feasible, identifica-
16 tion of items subject to controls under this title in
17 order to facilitate the enforcement of such controls;

18 (11) inspect, search, detain, seize, or impose
19 temporary denial orders with respect to items, in
20 any form, that are subject to controls under this
21 title, or conveyances on which it is believed that
22 there are items that have been, are being, or are
23 about to be exported, reexported, or transferred in
24 violation of this title;

1 (12) monitor shipments, or other means of
2 transfer;

3 (13) keep the public fully apprised of changes
4 in policy, regulations, and procedures established
5 under this title;

6 (14) appoint technical advisory committees in
7 accordance with the Federal Advisory Committee
8 Act;

9 (15) create, as warranted, exceptions to licens-
10 ing requirements in order to further the objectives of
11 this title;

12 (16) establish and maintain processes to inform
13 persons, either individually by specific notice or
14 through amendment to any regulation or order
15 issued under this title, that a license from the Bu-
16 reau of Industry and Security of the Department of
17 Commerce is required to export; and

18 (17) undertake any other action as is necessary
19 to carry out this title that is not otherwise prohib-
20 ited by law.

21 (b) RELATIONSHIP TO IEEPA.—The authority under
22 this title may not be used to regulate or prohibit under
23 this title the export, reexport, or transfer of any item that
24 may not be regulated or prohibited under section 203(b)
25 of the International Emergency Economic Powers Act (50

1 U.S.C. 1702(b)), except to the extent the President has
2 made a determination necessary to impose controls under
3 subparagraph (A), (B), or (C) of paragraph (2) of such
4 section.

5 (c) COUNTRIES SUPPORTING INTERNATIONAL TER-
6 RORISM.—

7 (1) LICENSE REQUIREMENT.—

8 (A) IN GENERAL.—A license shall be re-
9 quired for the export, reexport, or transfer of
10 items to a country if the Secretary of State has
11 made the following determinations:

12 (i) The government of such country
13 has repeatedly provided support for acts of
14 international terrorism.

15 (ii) The export, reexport, or transfer
16 of such items could make a significant con-
17 tribution to the military potential of such
18 country, including its military logistics ca-
19 pability, or could enhance the ability of
20 such country to support acts of inter-
21 national terrorism.

22 (B) DETERMINATION UNDER OTHER PRO-
23 VISIONS OF LAW.—A determination of the Sec-
24 retary of State under section 620A of the For-
25 eign Assistance Act of 1961 (22 U.S.C. 2371),

1 section 40 of the Arms Export Control Act (22
2 U.S.C. 2780), or any other provision of law
3 that the government of a country described in
4 subparagraph (A) has repeatedly provided sup-
5 port for acts of international terrorism shall be
6 deemed to be a determination with respect to
7 such government for purposes of clause (i) of
8 subparagraph (A).

9 (2) NOTIFICATION TO CONGRESS.—The Sec-
10 retary of State or the Secretary of Commerce shall
11 notify the Committee on Foreign Affairs of the
12 House of Representatives and the Committee on
13 Banking, Housing, and Urban Affairs and the Com-
14 mittee on Foreign Relations of the Senate at least
15 30 days before issuing any license required by para-
16 graph (1).

17 (3) PUBLICATION IN FEDERAL REGISTER.—
18 Each determination of the Secretary of State under
19 paragraph (1)(A) shall be published in the Federal
20 Register, except that the Secretary of State may ex-
21 clude confidential information and trade secrets con-
22 tained in such determination.

23 (4) RESCISSION OF DETERMINATION.—A deter-
24 mination of the Secretary of State under paragraph
25 (1)(A) may not be rescinded unless the President

1 submits to the Speaker of the House of Representa-
2 tives, the chairman of the Committee on Foreign Af-
3 fairs, and the chairman of the Committee on Bank-
4 ing, Housing, and Urban Affairs and the chairman
5 of the Committee on Foreign Relations of the Sen-
6 ate—

7 (A) before the proposed rescission would
8 take effect, a report certifying that—

9 (i) there has been a fundamental
10 change in the leadership and policies of the
11 government of the country concerned;

12 (ii) that government is not supporting
13 acts of international terrorism; and

14 (iii) that government has provided as-
15 surances that it will not support acts of
16 international terrorism in the future; or

17 (B) at least 90 days before the proposed
18 rescission would take effect, a report justifying
19 the rescission and certifying that—

20 (i) the government concerned has not
21 provided any support for acts international
22 terrorism during the preceding 24-month
23 period; and

24 (ii) the government concerned has
25 provided assurances that it will not sup-

1 port acts of international terrorism in the
2 future.

3 (5) DISAPPROVAL OF RESCISSION.—No rescis-
4 sion under paragraph (4)(B) of a determination
5 under paragraph (1)(A) with respect to the govern-
6 ment of a country may be made if Congress, within
7 90 days after receipt of a report under paragraph
8 (4)(B), enacts a joint resolution described in sub-
9 section (f)(2) of section 40 of the Arms Export Con-
10 trol Act with respect to a rescission under subsection
11 (f)(1) of such section with respect to the government
12 of such country.

13 (6) NOTIFICATION AND BRIEFING.—Not later
14 than—

15 (A) ten days after initiating a review of the
16 activities of the government of the country con-
17 cerned within the 24-month period referred to
18 in paragraph (4)(B)(i), the Secretary of State
19 shall notify the Committee on Foreign Affairs
20 of the House of Representatives and the Com-
21 mittee on Foreign Relations of the Senate of
22 such initiation; and

23 (B) 20 days after the notification described
24 in paragraph (1), the Secretary of State shall

1 brief the congressional committees described in
2 paragraph (1) on the status of such review.

3 (7) CONTENTS OF NOTIFICATION OF LI-
4 CENSE.—The Secretary of State shall include in the
5 notification required by paragraph (2)—

6 (A) a detailed description of the items to
7 be offered, including a brief description of the
8 capabilities of any item for which a license to
9 export, reexport, or transfer the items is
10 sought;

11 (B) the reasons why the foreign country,
12 person, or entity to which the export, reexport,
13 or transfer is proposed to be made has re-
14 quested the items under the export, reexport, or
15 transfer, and a description of the manner in
16 which such country, person, or entity intends to
17 use such items;

18 (C) the reasons why the proposed export,
19 reexport, or transfer is in the national interest
20 of the United States;

21 (D) an analysis of the impact of the pro-
22 posed export, reexport, or transfer on the mili-
23 tary capabilities of the foreign country, person,
24 or entity to which such transfer would be made;

1 (E) an analysis of the manner in which the
2 proposed export, reexport, or transfer would af-
3 fect the relative military strengths of countries
4 in the region to which the items that are the
5 subject of such export, reexport, or transfer
6 would be delivered and whether other countries
7 in the region have comparable kinds and
8 amounts of items; and

9 (F) an analysis of the impact of the pro-
10 posed export, reexport, or transfer on the rela-
11 tions of the United States with the countries in
12 the region to which the items that are the sub-
13 ject of such export, reexport, or transfer would
14 be delivered.

15 (d) ENHANCED CONTROLS.—

16 (1) IN GENERAL.—In furtherance of section
17 103(a) of this title, the President shall, except to the
18 extent authorized by a statute or regulation adminis-
19 tered by a Federal department or agency other than
20 the Department of Commerce, require a United
21 States person, wherever located, to apply for and re-
22 ceive a license from the Department of Commerce
23 for—

24 (A) the export, reexport, or transfer of
25 items described in paragraph (2), including

1 items that are not subject to control under this
2 title; and

3 (B) other activities that may support the
4 design, development, production, use, operation,
5 installation, maintenance, repair, overhaul, or
6 refurbishing of, or for the performance of serv-
7 ices relating to, any such items.

8 (2) ITEMS DESCRIBED.—The items described in
9 this paragraph include—

10 (A) nuclear explosive devices;

11 (B) missiles;

12 (C) chemical or biological weapons;

13 (D) whole plants for chemical weapons pre-
14 cursors; and

15 (E) foreign maritime nuclear projects that
16 would pose a risk to the national security or
17 foreign policy of the United States.

18 (c) ADDITIONAL PROHIBITIONS.—The Secretary may
19 inform United States persons, either individually by spe-
20 cific notice or through amendment to any regulation or
21 order issued under this title, that a license from the Bu-
22 reau of Industry and Security of the Department of Com-
23 merce is required to engage in any activity if the activity
24 involves the types of movement, service, or support de-
25 scribed in subsection (d). The absence of any such notifi-

1 cation does not excuse the United States person from com-
2 pliance with the license requirements of subsection (d), or
3 any regulation or order issued under this title.

4 (f) LICENSE REVIEW STANDARDS.—The Secretary
5 shall deny an application to engage in any activity de-
6 scribed in subsection (d) if the activity would make a ma-
7 terial contribution to any of the items described in sub-
8 section (d)(2).

9 **SEC. 105. ADMINISTRATION OF EXPORT CONTROLS.**

10 (a) IN GENERAL.—The President shall delegate to
11 the Secretary of Commerce, the Secretary of Defense, the
12 Secretary of State, the Secretary of Energy, and, as ap-
13 propriate, the Director of National Intelligence and the
14 heads of other appropriate Federal departments and agen-
15 cies, the authority to carry out the purposes set forth in
16 subsection (b).

17 (b) PURPOSES.—

18 (1) IN GENERAL.—The purpose of the delega-
19 tions of authority pursuant to subsection (a) are—

20 (A) to advise the President with respect
21 to—

22 (i) identifying specific threats to the
23 national security and foreign policy that
24 the authority of this title may be used to
25 address; and

1 (ii) exercising the authority under this
2 title to implement policies, regulations,
3 procedures, and actions that are necessary
4 to effectively counteract those threats;
5 (B) to review and approve—

6 (i) criteria for including items on, and
7 removing such an item from, a list of con-
8 trolled items established under this title;

9 (ii) an interagency procedure for com-
10 piling and amending any list described in
11 clause (i);

12 (iii) criteria for including a person on
13 a list of persons to whom exports, reex-
14 ports, and transfers of items are prohibited
15 or restricted under this title;

16 (iv) standards for compliance by per-
17 sons subject to controls under this title;
18 and

19 (v) policies and procedures for the
20 end-use monitoring of exports, reexports,
21 and transfers of items controlled under
22 this title;

23 (C) to obtain independent evaluations, in-
24 cluding from Inspectors General of the relevant
25 departments or agencies, on a periodic basis on

1 the effectiveness of the implementation of this
2 title in carrying out the policy set forth in sec-
3 tion 102; and

4 (D) to benefit from the inherent equities,
5 experience, and capabilities of the Federal offi-
6 cials described in subsection (a), including—

7 (i) the views of the Department of De-
8 fense with respect to the national security
9 implications of a particular control or deci-
10 sion;

11 (ii) the views of the Department of
12 State with respect to the foreign policy im-
13 plications of a particular control or deci-
14 sion;

15 (iii) the views of the Department of
16 Energy with respect to the implications for
17 nuclear proliferation of a particular control
18 or decision; and

19 (iv) the views of the Department of
20 Commerce with respect to the administra-
21 tion of an efficient, coherent, reliable, en-
22 forceable, and predictable export control
23 system, and the resolution of competing
24 views or policy objectives described in sec-
25 tion 102.

1 (2) AUTHORITY TO SEEK INFORMATION.—The
2 Federal officials described in subsection (a) may, in
3 carrying out the purposes set forth in paragraph (1),
4 seek information and advice from experts who are
5 not officers or employees of the Federal Govern-
6 ment.

7 (3) TRANSMITTAL AND IMPLEMENTATION OF
8 EVALUATIONS.—The results of the independent eval-
9 uations conducted pursuant to paragraph (1)(D)
10 shall be transmitted to the President and the Con-
11 gress, in classified form if necessary. Subject to the
12 delegation of authority by the President, the Federal
13 officials described in subsection (a) shall determine,
14 direct, and ensure that improvements recommended
15 in the evaluations are implemented.

16 (c) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that the administration of export controls under this
18 title should be consistent with the procedures relating to
19 export license applications described in Executive Order
20 12981 (1995).

21 **SEC. 106. CONTROL LISTS.**

22 The President shall, pursuant to the delegation of au-
23 thority in section 105, ensure that—

24 (1) a process is established for regular inter-
25 agency review of each list established under section

1 104(a)(1), that pursuant to such review the Sec-
2 retary regularly updates such lists to ensure that
3 new items (including emerging critical technologies)
4 are appropriately controlled, and that the level of
5 control of items on the lists are adjusted as condi-
6 tions change;

7 (2) information and expertise are obtained from
8 officers and employees from relevant Federal depart-
9 ments, agencies, and offices and persons outside the
10 Federal Government who have technical expertise,
11 with respect to the characteristics of the items con-
12 sidered for each list established under section
13 104(a)(1) and the effect of controlling the items on
14 addressing the policy set forth in section 102;

15 (3) each list established under section 104(a)(1)
16 appropriately identifies each entry that has been in-
17 cluded by virtue of the participation of the United
18 States in a multilateral regime, organization, or
19 group the purpose of which is consistent with and
20 supports the policy of the United States under this
21 title relating to the control of exports, reexports, and
22 transfers of items; and

23 (4) each list established under section 104(a)(1)
24 is published by the Secretary in a form that facili-
25 tates compliance with it and related requirements,

1 particularly by small- and medium-sized businesses,
2 and academic institutions.

3 **SEC. 107. LICENSING.**

4 (a) IN GENERAL.—The President shall, pursuant to
5 the delegation of authority in section 105, establish a pro-
6 cedure for the Department of Commerce to license or oth-
7 erwise authorize the export, reexport, and transfer of
8 items controlled under this title in order to carry out the
9 policy set forth in section 102 and the requirements set
10 forth in section 103(b). The procedure shall ensure that—

11 (1) license applications, other requests for au-
12 thorization, and related dispute resolution proce-
13 dures are considered and decisions made with the
14 participation of appropriate departments, agencies,
15 and offices that have delegated functions under this
16 title; and

17 (2) licensing decisions are made in an expedi-
18 tious manner, with transparency to applicants on the
19 status of license and other authorization processing
20 and the reason for denying any license or request for
21 authorization.

22 (b) SENSE OF CONGRESS.—It is the sense of Con-
23 gress that the President should make best efforts to en-
24 sure that an accurate, consistent, and timely evaluation
25 and processing of licenses or other requests for authoriza-

1 tion to export, reexport, or transfer items controlled under
2 this title is accomplished within 30 days from the date
3 of such license request.

4 (c) FEES.—No fee may be charged in connection with
5 the submission, processing, or consideration of any appli-
6 cation for a license or other authorization or other request
7 made in connection with any regulation in effect under
8 the authority of this title.

9 **SEC. 108. COMPLIANCE ASSISTANCE.**

10 (a) SYSTEM FOR SEEKING ASSISTANCE.—The Presi-
11 dent may authorize the Secretary to establish a system
12 to provide United States persons with assistance in com-
13 plying with this title, which may include a mechanism for
14 providing information, in classified form as appropriate,
15 who are potential customers, suppliers, or business part-
16 ners with respect to items controlled under this title, in
17 order to further ensure the prevention of the export, reex-
18 port, or transfer of items that may pose a threat to the
19 national security or foreign policy of the United States.

20 (b) SECURITY CLEARANCES.—In order to carry out
21 subsection (a), the President may issue appropriate secu-
22 rity clearances to persons described in that subsection who
23 are responsible for complying with this title.

24 (c) ASSISTANCE FOR CERTAIN BUSINESSES.—

1 (1) IN GENERAL.—Not later than 120 days
2 after the date of the enactment of this Act, the
3 President shall develop and submit to Congress a
4 plan to assist small- and medium-sized United
5 States in export licensing and other processes under
6 this title.

7 (2) CONTENTS.—The plan shall include, among
8 other things, arrangements for the Department of
9 Commerce to provide counseling to businesses de-
10 scribed in paragraph (1) on filing applications and
11 identifying items controlled under this title, as well
12 as proposals for seminars and conferences to educate
13 such businesses on export controls, licensing proce-
14 dures, and related obligations.

15 **SEC. 109. REQUIREMENTS TO IDENTIFY AND CONTROL**
16 **EMERGING CRITICAL TECHNOLOGIES IN EX-**
17 **PORT CONTROL REGULATIONS.**

18 (a) IN GENERAL.—The President shall, pursuant to
19 the delegation of authority in section 105, establish and,
20 in coordination with the Department of Commerce, the
21 Department of Defense, the Department of State, the De-
22 partment of Energy, and other departments determined
23 to be necessary, lead a regular, ongoing interagency proc-
24 ess to identify the following:

1 (1) Emerging critical technologies that are not
2 identified in any list of items controlled for export
3 under United States law or regulations, but that
4 nonetheless could be essential for maintaining or in-
5 creasing the technological advantage of the United
6 States over countries that pose a significant threat
7 to the national security of the United States with re-
8 spect to national defense, intelligence, or other areas
9 of national security, or gaining such an advantage
10 over such countries in areas where such an advan-
11 tage may not currently exist.

12 (2) Any other technologies that are not identi-
13 fied in any list of items controlled for export under
14 United States law or regulations, but that—

15 (A) have been identified, publicly or other-
16 wise, by countries posing such significant threat
17 as necessary to acquire from the United States
18 to advance their national defense, intelligence,
19 or other areas of national security; and

20 (B) would, if so acquired, be to the det-
21 riment of the national security of the United
22 States.

23 (b) REQUIREMENTS.—The interagency process re-
24 quired under subsection (a) shall—

1 (1) draw upon the expertise, resources, and eq-
2 uities of all relevant United States Government
3 agencies, industries, and academic institutions to
4 identify and describe such emerging critical tech-
5 nologies;

6 (2) require the relevant export control authority
7 to publish proposed regulations for public comment
8 that would control heretofore unlisted emerging crit-
9 ical technologies identified pursuant to subsection
10 (a) and control the release of each such technology
11 to destinations, end uses, or end users as determined
12 by the President;

13 (3) require the Secretary of Commerce, the Sec-
14 retary of State, and the Secretary of Defense to pro-
15 pose to the relevant multilateral export control re-
16 gimes in the following year that such emerging crit-
17 ical technologies be added to the list of technologies
18 controlled by such regimes;

19 (4) determine whether national security con-
20 cerns warrant continued unilateral export controls
21 over technologies identified pursuant to subsection
22 (a) if the relevant multilateral export control regime
23 does not agree to list such technologies on its control
24 list within three years; and

1 (5) require the agencies responsible for admin-
2 istering the export controls identified in subsection
3 (a) to remove or revise, as appropriate, existing con-
4 trols determined to warrant removal or revision as a
5 result of insight or information obtained during ef-
6 forts undertaken to comply with the requirements of
7 this section.

8 **SEC. 110. PENALTIES.**

9 (a) UNLAWFUL ACTS.—

10 (1) IN GENERAL.—It shall be unlawful for a
11 person to violate, attempt to violate, conspire to vio-
12 late, or cause a violation of this title or of any regu-
13 lation, order, license, or other authorization issued
14 under this title, including any of the unlawful acts
15 described in paragraph (2).

16 (2) SPECIFIC UNLAWFUL ACTS.—The unlawful
17 acts described in this paragraph are the following:

18 (A) No person may engage in any conduct
19 prohibited by or contrary to, or refrain from en-
20 gaging in any conduct required by this title, the
21 Export Administration Regulations, or any
22 order, license or authorization issued there-
23 under.

24 (B) No person may cause or aid, abet,
25 counsel, command, induce, procure, permit, or

1 approve the doing of any act prohibited, or the
2 omission of any act required by this title, the
3 Export Administration Regulations, or any
4 order, license or authorization issued there-
5 under.

6 (C) No person may solicit or attempt a vio-
7 lation of this Act, the Export Administration
8 Regulations, or any order, license or authoriza-
9 tion issued thereunder.

10 (D) No person may conspire or act in con-
11 cert with one or more other persons in any
12 manner or for any purpose to bring about or to
13 do any act that constitutes a violation of this
14 title, the Export Administration Regulations, or
15 any order, license or authorization issued there-
16 under.

17 (E) No person may order, buy, remove,
18 conceal, store, use, sell, loan, dispose of, trans-
19 fer, transport, finance, forward, or otherwise
20 service, in whole or in part, or conduct negotia-
21 tions to facilitate such activities for, any item
22 exported or to be exported from the United
23 States, or that is otherwise subject to the Ex-
24 port Administration Regulations, with knowl-
25 edge that a violation of this title, the Export

1 Administration Regulations, or any order, li-
2 cense or authorization issued thereunder, has
3 occurred, is about to occur, or is intended to
4 occur in connection with the item unless valid
5 authorization is obtained therefor.

6 (F) No person may make any false or mis-
7 leading representation, statement, or certifi-
8 cation, or falsify or conceal any material fact,
9 either directly to the Department of Commerce,
10 or an official of any other United States agen-
11 cy, or indirectly through any other person—

12 (i) in the course of an investigation or
13 other action subject to the Export Admin-
14 istration Regulations;

15 (ii) in connection with the prepara-
16 tion, submission, issuance, use, or mainte-
17 nance of any export control document or
18 any report filed or required to be filed pur-
19 suant to the Export Administration Regu-
20 lations; or

21 (iii) for the purpose of or in connec-
22 tion with effecting any export, reexport, or
23 transfer of an item subject to the Export
24 Administration Regulations or a service or

1 other activity of a United States person de-
2 scribed in section 104.

3 (G) No person may engage in any trans-
4 action or take any other action with intent to
5 evade the provisions of this title, the Export
6 Administration Regulations, or any order, li-
7 cense, or authorization issued thereunder.

8 (H) No person may fail or refuse to com-
9 ply with any reporting or recordkeeping require-
10 ments of the Export Administration Regula-
11 tions or of any order, license, or authorization
12 issued thereunder.

13 (I) Except as specifically authorized in the
14 Export Administration Regulations or in writ-
15 ing by the Department of Commerce, no person
16 may alter any license, authorization, export con-
17 trol document, or order issued under the Export
18 Administration Regulations.

19 (J) No person may take any action that is
20 prohibited by a denial order issued by the De-
21 partment of Commerce to prevent imminent
22 violations of this title, the Export Administra-
23 tion Regulations, or any order, license or au-
24 thorization issued thereunder.

1 (3) ADDITIONAL REQUIREMENTS.—For pur-
2 poses of subparagraph (G), any representation,
3 statement, or certification made by any person shall
4 be deemed to be continuing in effect. Each person
5 who has made a representation, statement, or certifi-
6 cation to the Department of Commerce relating to
7 any order, license, or other authorization issued
8 under this title shall notify the Department of Com-
9 merce, in writing, of any change of any material fact
10 or intention from that previously represented, stated,
11 or certified, immediately upon receipt of any infor-
12 mation that would lead a reasonably prudent person
13 to know that a change of material fact or intention
14 had occurred or may occur in the future.

15 (b) CRIMINAL PENALTY.—A person who willfully
16 commits, willfully attempts to commit, or willfully con-
17 spires to commit, or aids and abets in the commission of,
18 an unlawful act described in subsection (a)—

19 (1) shall be fined not more than \$1,000,000;
20 and

21 (2) in the case of the individual, shall be im-
22 prisoned for not more than 20 years, or both.

23 (c) CIVIL PENALTIES.—

24 (1) AUTHORITY.—The President may impose
25 the following civil penalties on a person for each vio-

1 lation by that person of this title or any regulation,
2 order, or license issued under this title, for each vio-
3 lation:

4 (A) A fine of not more than \$300,000 or
5 an amount that is twice the value of the trans-
6 action that is the basis of the violation with re-
7 spect to which the penalty is imposed, which-
8 ever is greater.

9 (B) Revocation of a license issued under
10 this title to the person.

11 (C) A prohibition on the person's ability to
12 export, reexport, or transfer any items, whether
13 or not subject to controls under this title.

14 (2) PROCEDURES.—Any civil penalty under this
15 subsection may be imposed only after notice and op-
16 portunity for an agency hearing on the record in ac-
17 cordance with sections 554 through 557 of title 5,
18 United States Code.

19 (3) STANDARDS FOR LEVELS OF CIVIL PEN-
20 ALTY.—The Secretary may by regulation provide
21 standards for establishing levels of civil penalty
22 under this subsection based upon factors such as the
23 seriousness of the violation, the culpability of the vi-
24 olator, and such mitigating factors as the violator's

1 record of cooperation with the Government in dis-
2 closing the violation.

3 (d) CRIMINAL FORFEITURE OF PROPERTY INTEREST
4 AND PROCEEDS.—

5 (1) FORFEITURE.—Any person who is convicted
6 under subsection (b) of a violation of a control im-
7 posed under section 103 (or any regulation, order,
8 or license issued with respect to such control) shall,
9 in addition to any other penalty, forfeit to the
10 United States—

11 (A) any of that person's interest in, secu-
12 rity of, claim against, or property or contractual
13 rights of any kind in the tangible items that
14 were the subject of the violation;

15 (B) any of that person's interest in, secu-
16 rity of, claim against, or property or contractual
17 rights of any kind in tangible property that was
18 used in the violation; and

19 (C) any of that person's property consti-
20 tuting, or derived from, any proceeds obtained
21 directly or indirectly as a result of the violation.

22 (2) PROCEDURES.—The procedures in any for-
23 feiture under this subsection, and the duties and au-
24 thority of the courts of the United States and the
25 Attorney General with respect to any forfeiture ac-

1 tion under this subsection or with respect to any
2 property that may be subject to forfeiture under this
3 subsection, shall be governed by the provisions of
4 section 1963 of title 18, United States Code.

5 (e) PRIOR CONVICTIONS.—

6 (1) LICENSE BAR.—

7 (A) IN GENERAL.—The Secretary may—

8 (i) deny the eligibility of any person
9 convicted of a criminal violation described
10 in subparagraph (B) to export, reexport, or
11 transfer outside the United States any
12 item, whether or not subject to controls
13 under this title, for a period of up to 10
14 years beginning on the date of the convic-
15 tion; and

16 (ii) revoke any license or other author-
17 ization to export, reexport, or transfer
18 items that was issued under this title and
19 in which such person has an interest at the
20 time of the conviction.

21 (B) VIOLATIONS.—The violations referred
22 to in subparagraph (A) are any criminal viola-
23 tions of, or criminal attempt or conspiracy to
24 violate—

1 (i) this title (or any regulation, li-
2 cense, or order issued under this title);

3 (ii) any regulation, license, or order
4 issued under the International Emergency
5 Economic Powers Act;

6 (iii) section 371, 554, 793, 794, or
7 798 of title 18, United States Code;

8 (iv) section 1001 of title 18, United
9 States Code;

10 (v) section 4(b) of the Internal Secu-
11 rity Act of 1950 (50 U.S.C. 783(b)); or

12 (vi) section 38 of the Arms Export
13 Control Act (22 U.S.C. 2778).

14 (2) APPLICATION TO OTHER PARTIES.—The
15 Secretary may exercise the authority under para-
16 graph (1) with respect to any person related,
17 through affiliation, ownership, control, position of
18 responsibility, or other connection in the conduct of
19 trade or business, to any person convicted of any
20 violation of law set forth in paragraph (1), upon a
21 showing of such relationship with the convicted
22 party, and subject to the procedures set forth in
23 subsection (c)(2).

24 (f) OTHER AUTHORITIES.—Nothing in subsection
25 (c), (d), or (e) limits—

1 (1) the availability of other administrative or
2 judicial remedies with respect to violations of this
3 title, or any regulation, order, license or other au-
4 thorization issued under this title;

5 (2) the authority to compromise and settle ad-
6 ministrative proceedings brought with respect to vio-
7 lations of this title, or any regulation, order, license,
8 or other authorization issued under this title; or

9 (3) the authority to compromise, remit or miti-
10 gate seizures and forfeitures pursuant to section
11 1(b) of title VI of the Act of June 15, 1917 (22
12 U.S.C. 401(b)).

13 **SEC. 111. ENFORCEMENT.**

14 (a) **AUTHORITIES.**—In order to enforce this title, the
15 President shall delegate to the heads of other appropriate
16 Federal departments and agencies the authority to—

17 (1) issue regulations, orders, and guidelines;

18 (2) require, inspect, and obtain books, records,
19 and any other information from any person subject
20 to the provisions of this title;

21 (3) administer oaths or affirmations and by
22 subpoena require any person to appear and testify or
23 to appear and produce books, records, and other
24 writings, or both;

1 (4) conduct investigations (including under-
2 cover) in the United States and in other countries
3 using all applicable laws of the United States, in-
4 cluding intercepting any wire, oral, and electronic
5 communications, conducting electronic surveillance,
6 using pen registers and trap and trace devices, and
7 carrying out acquisitions, to the extent authorized
8 under chapters 119, 121, and 206 of title 18,
9 United States Code;

10 (5) inspect, search, detain, seize, or issue tem-
11 porary denial orders with respect to items, in any
12 form, that are subject to controls under this title, or
13 conveyances on which it is believed that there are
14 items that have been, are being, or are about to be
15 exported, reexported, or transferred in violation of
16 this title, or any regulations, order, license, or other
17 authorization issued thereunder;

18 (6) carry firearms;

19 (7) conduct prelicense inspections and post-
20 shipment verifications; and

21 (8) execute warrants and make arrests.

22 (b) ENFORCEMENT OF SUBPOENAS.—In the case of
23 contumacy by, or refusal to obey a subpoena issued to,
24 any person under subsection (a)(3), a district court of the
25 United States, after notice to such person and a hearing,

1 shall have jurisdiction to issue an order requiring such
2 person to appear and give testimony or to appear and
3 produce books, records, and other writings, regardless of
4 format, that are the subject of the subpoena. Any failure
5 to obey such order of the court may be punished by such
6 court as a contempt thereof.

7 (c) BEST PRACTICE GUIDELINES.—

8 (1) IN GENERAL.—The Secretary, in consulta-
9 tion with the heads of other appropriate Federal
10 agencies, should publish and update “best practices”
11 guidelines to assist persons in developing and imple-
12 menting, on a voluntary basis, effective export con-
13 trol programs in compliance with the regulations
14 issued under this title.

15 (2) EXPORT COMPLIANCE PROGRAM.—The im-
16 plementation by a person of an effective export com-
17 pliance program and a high quality overall export
18 compliance effort by a person should ordinarily be
19 given weight as mitigating factors in a civil penalty
20 action against the person under this title.

21 (d) REFERENCE TO ENFORCEMENT.—For purposes
22 of this section, a reference to the enforcement of, or a vio-
23 lation of, this title includes a reference to the enforcement
24 or a violation of any regulation, order, license or other au-
25 thorization issued pursuant to this title.

1 (e) IMMUNITY.—A person shall not be excused from
2 complying with any requirements under this section be-
3 cause of the person's privilege against self-incrimination,
4 but the immunity provisions of section 6002 of title 18,
5 United States Code, shall apply with respect to any indi-
6 vidual who specifically claims such privilege.

7 (f) CONFIDENTIALITY OF INFORMATION.—

8 (1) EXEMPTIONS FROM DISCLOSURE.—

9 (A) IN GENERAL.—Information obtained
10 under this title may be withheld from disclosure
11 only to the extent permitted by statute, except
12 that information described in subparagraph (B)
13 shall be withheld from public disclosure and
14 shall not be subject to disclosure under section
15 552(b)(3) of title 5, United States Code, unless
16 the release of such information is determined by
17 the Secretary to be in the national interest.

18 (B) INFORMATION DESCRIBED.—Informa-
19 tion described in this subparagraph is informa-
20 tion submitted or obtained in connection with
21 an application for a license or other authoriza-
22 tion to export, reexport, or transfer items, en-
23 gage in other activities, a recordkeeping or re-
24 porting requirement, enforcement activity, or
25 other operations under this title, including—

- 1 (i) the license application, license, or
- 2 other authorization itself;
- 3 (ii) classification or advisory opinion
- 4 requests, and the response thereto;
- 5 (iii) license determinations, and infor-
- 6 mation pertaining thereto;
- 7 (iv) information or evidence obtained
- 8 in the course of any investigation; and
- 9 (v) information obtained or furnished
- 10 in connection with any international agree-
- 11 ment, treaty, or other obligation.

12 (2) INFORMATION TO THE CONGRESS AND
13 GAO.—

14 (A) IN GENERAL.—Nothing in this section
15 shall be construed as authorizing the with-
16 holding of information from the Congress or
17 from the Government Accountability Office.

18 (B) AVAILABILITY TO THE CONGRESS.—

19 (i) IN GENERAL.—Any information
20 obtained at any time under any provision
21 of the Export Administration Act of 1979
22 (as in effect on the day before the date of
23 the enactment of this Act and as continued
24 in effect pursuant to the International
25 Emergency Economic Powers Act), under

1 the Export Administration Regulations, or
2 under this title, including any report or li-
3 cense application required under any such
4 provision, shall be made available to a
5 committee or subcommittee of Congress of
6 appropriate jurisdiction, upon the request
7 of the chairman or ranking minority mem-
8 ber of such committee or subcommittee.

9 (ii) PROHIBITION ON FURTHER DIS-
10 CLOSURE.—No such committee or sub-
11 committee, or member thereof, may dis-
12 close any information made available under
13 clause (i), that is submitted on a confiden-
14 tial basis unless the full committee deter-
15 mines that the withholding of that infor-
16 mation is contrary to the national interest.

17 (C) AVAILABILITY TO GAO.—

18 (i) IN GENERAL.—Information de-
19 scribed in clause (i) of subparagraph (B)
20 shall be subject to the limitations con-
21 tained in section 716 of title 31, United
22 States Code.

23 (ii) PROHIBITION ON FURTHER DIS-
24 CLOSURE.—An officer or employee of the
25 Government Accountability Office may not

1 disclose, except to the Congress in accord-
2 ance with this paragraph, any such infor-
3 mation that is submitted on a confidential
4 basis or from which any individual can be
5 identified.

6 (3) INFORMATION SHARING.—

7 (A) IN GENERAL.—Any Federal official de-
8 scribed in section 105(a) who obtains informa-
9 tion that is relevant to the enforcement of this
10 title, including information pertaining to any in-
11 vestigation, shall furnish such information to
12 each appropriate department, agency, or office
13 with enforcement responsibilities under this sec-
14 tion to the extent consistent with the protection
15 of intelligence, counterintelligence, and law en-
16 forcement sources, methods, and activities.

17 (B) EXCEPTIONS.—The provisions of this
18 paragraph shall not apply to information sub-
19 ject to the restrictions set forth in section 9 of
20 title 13, United States Code, and return infor-
21 mation, as defined in subsection (b) of section
22 6103 of the Internal Revenue Code of 1986 (26
23 U.S.C. 6103(b)), may be disclosed only as au-
24 thorized by that section.

1 (C) EXCHANGE OF INFORMATION.—The
2 President shall ensure that the heads of depart-
3 ments, agencies, and offices with enforcement
4 authorities under this title, consistent with pro-
5 tection of law enforcement and its sources and
6 methods—

7 (i) exchange any licensing and en-
8 forcement information with one another
9 that is necessary to facilitate enforcement
10 efforts under this section; and

11 (ii) consult on a regular basis with
12 one another and with the head of other de-
13 partments, agencies, and offices that ob-
14 tain information subject to this paragraph,
15 in order to facilitate the exchange of such
16 information.

17 (D) INFORMATION SHARING WITH FED-
18 ERAL AGENCIES.—Licensing or enforcement in-
19 formation obtained under this title may be
20 shared with heads of departments, agencies,
21 and offices that do not have enforcement au-
22 thorities under this title on a case-by-case basis
23 at the discretion of the President. Such infor-
24 mation may be shared only when the President

1 makes a determination that the sharing of this
2 information is in the national interest.

3 (g) REPORTING REQUIREMENTS.—In the administra-
4 tion of this section, reporting requirements shall be de-
5 signed to reduce the cost of reporting, recordkeeping, and
6 documentation to the extent consistent with effective en-
7 forcement and compilation of useful trade statistics. Re-
8 porting, recordkeeping, and documentation requirements
9 shall be periodically reviewed and revised in the light of
10 developments in the field of information technology.

11 (h) CIVIL FORFEITURE.—

12 (1) IN GENERAL.—Any tangible items seized
13 under subsection (a) by designated officers or em-
14 ployees shall be subject to forfeiture to the United
15 States in accordance with applicable law, except that
16 property seized shall be returned if the property
17 owner is not found guilty of a civil or criminal viola-
18 tion under section 109.

19 (2) PROCEDURES.—Any seizure or forfeiture
20 under this subsection shall be carried out in accord-
21 ance with the procedures set forth in section 981 of
22 title 18, United States Code.

1 **SEC. 112. ADMINISTRATIVE PROCEDURE.**

2 (a) IN GENERAL.—The functions exercised under
3 this title shall not be subject to sections 551, 553 through
4 559, and 701 through 706 of title 5, United States Code.

5 (b) ADMINISTRATIVE LAW JUDGES.—The Secretary
6 is authorized to appoint an administrative law judge, and
7 may designate administrative law judges from other Fed-
8 eral agencies who are provided pursuant to a legally au-
9 thorized interagency agreement with the Department of
10 Commerce, and consistent with the provisions of section
11 3105 of title 5, United States Code.

12 (c) AMENDMENTS TO REGULATIONS.—The President
13 shall notify in advance the Committee on Banking, Hous-
14 ing, and Urban Affairs of the Senate and the Committee
15 on Foreign Affairs of the House of Representatives of any
16 proposed amendments to the Export Administration Regu-
17 lations with an explanation of the intent and rationale of
18 such amendments.

19 **SEC. 113. ANNUAL REPORT TO CONGRESS.**

20 (a) IN GENERAL.—The President shall submit to
21 Congress, by December 31 of each year, a report on the
22 implementation of this title during the preceding fiscal
23 year. The report shall include a review of—

24 (1) the effect of controls imposed under this
25 title on exports, reexports, and transfers of items in
26 addressing threats to the national security or foreign

- 1 policy of the United States, including a description
- 2 of licensing processing times;
- 3 (2) the impact of such controls on the scientific
- 4 and technological leadership of the United States;
- 5 (3) the consistency with such controls of export
- 6 controls imposed by other countries;
- 7 (4) efforts to provide exporters with compliance
- 8 assistance, including specific actions to assist small-
- 9 and medium-sized businesses;
- 10 (5) a summary of regulatory changes from the
- 11 prior fiscal year;
- 12 (6) a summary of export enforcement actions,
- 13 including of actions taken to implement end-use
- 14 monitoring of dual-use, military, and other items
- 15 subject to the Export Administration Regulations;
- 16 (7) a summary of approved license applications
- 17 to proscribed persons;
- 18 (8) efforts undertaken within the previous year
- 19 to comply with the requirements of section 109, in-
- 20 cluding any “critical technologies” identified under
- 21 such section and how or whether such critical tech-
- 22 nologies were controlled for export; and
- 23 (9) a summary of industrial base assessments
- 24 conducted during the previous year by the Depart-
- 25 ment of Commerce, including with respect to coun-

1 terfeit electronics, foundational technologies, and
2 other research and analysis of critical technologies
3 and industrial capabilities of key defense-related sec-
4 tors.

5 (b) FORM.—The report required under subsection (a)
6 shall be submitted in unclassified form, but may contain
7 a classified annex.

8 **SEC. 114. REPEAL.**

9 (a) IN GENERAL.—The Export Administration Act of
10 1979 (50 U.S.C. App. 2401 et seq.) (as continued in effect
11 pursuant to the International Emergency Economic Pow-
12 ers Act) is repealed.

13 (b) IMPLEMENTATION.—The President shall imple-
14 ment the amendment made by subsection (a) by exercising
15 the authorities of the President under the International
16 Emergency Economic Powers Act (50 U.S.C. 1701 et
17 seq.).

18 **SEC. 115. EFFECT ON OTHER ACTS.**

19 (a) IN GENERAL.—Except as otherwise provided in
20 this title, nothing contained in this title shall be construed
21 to modify, repeal, supersede, or otherwise affect the provi-
22 sions of any other laws authorizing control over exports,
23 reexports, or transfers of any item, or activities of United
24 States persons subject to the Export Administration Reg-
25 ulations.

1 (b) COORDINATION OF CONTROLS.—

2 (1) IN GENERAL.—The authority granted to the
3 President under this title shall be exercised in such
4 manner so as to achieve effective coordination with
5 all export control and sanctions authorities exercised
6 by Federal departments and agencies delegated with
7 authority under this title, particularly the Depart-
8 ment of State, the Department of the Treasury, and
9 the Department of Energy.

10 (2) SENSE OF CONGRESS.—It is the sense of
11 Congress that in order to achieve effective coordina-
12 tion described in paragraph (1), such Federal de-
13 partments and agencies—

14 (A) should continuously work to create en-
15 forceable regulations with respect to the export,
16 reexport, and transfer by United States and
17 foreign persons of commodities, software, tech-
18 nology, and services to various end uses and
19 end users for foreign policy and national secu-
20 rity reasons;

21 (B) should regularly work to reduce com-
22 plexity in the system, including complexity
23 caused merely by the existence of structural,
24 definitional, and other non-policy based dif-

1 ferences between and among different export
2 control and sanctions systems; and

3 (C) should coordinate controls on items ex-
4 ported, reexported, or transferred in connection
5 with a foreign military sale under chapter 2 of
6 the Arms Export Control Act or a commercial
7 sale under section 38 of the Arms Export Con-
8 trol Act to reduce as much unnecessary admin-
9 istrative burden as possible that is a result of
10 differences between the exercise of those two
11 authorities.

12 (c) NONPROLIFERATION CONTROLS.—Nothing in
13 this title shall be construed to supersede the procedures
14 published by the President pursuant to section 309(c) of
15 the Nuclear Non-Proliferation Act of 1978.

16 **SEC. 116. TRANSITION PROVISIONS.**

17 (a) IN GENERAL.—All delegations, rules, regulations,
18 orders, determinations, licenses, or other forms of admin-
19 istrative action that have been made, issued, conducted,
20 or allowed to become effective under the Export Adminis-
21 tration Act of 1979 (as in effect on the day before the
22 date of the enactment of this Act and as continued in ef-
23 fect pursuant to the International Emergency Economic
24 Powers Act), or the Export Administration Regulations,
25 and are in effect as of the date of the enactment of this

1 Act, shall continue in effect according to their terms until
2 modified, superseded, set aside, or revoked under the au-
3 thority of this title.

4 (b) ADMINISTRATIVE AND JUDICIAL PRO-
5 CEEDINGS.—This title shall not affect any administrative
6 or judicial proceedings commenced, or any applications for
7 licenses made, under the Export Administration Act of
8 1979 (as in effect on the day before the date of the enact-
9 ment of this Act and as continued in effect pursuant to
10 the International Emergency Economic Powers Act), or
11 the Export Administration Regulations.

12 (c) CERTAIN DETERMINATIONS AND REFERENCES.—

13 (1) STATE SPONSORS OF TERRORISM.—Any de-
14 termination that was made under section 6(j) of the
15 Export Administration Act of 1979 (as in effect on
16 the day before the date of the enactment of this Act
17 and as continued in effect pursuant to the Inter-
18 national Emergency Economic Powers Act) shall
19 continue in effect as if the determination had been
20 made under section 104(c) of this Act.

21 (2) REFERENCE.—Any reference in any other
22 provision of law to a country the government of
23 which the Secretary of State has determined, for
24 purposes of section 6(j) of the Export Administra-
25 tion Act of 1979 (as in effect on the day before the

1 date of the enactment of this Act and as continued
2 in effect pursuant to the International Emergency
3 Economic Powers Act), is a government that has re-
4 peatedly provided support for acts of international
5 terrorism shall be deemed to refer to a country the
6 government of which the Secretary of State has de-
7 termined, for purposes of section 104(c) of this Act,
8 is a government that has repeatedly provided sup-
9 port for acts of international terrorism.

10 **TITLE II—ANTI-BOYCOTT ACT OF**
11 **2018**

12 **SEC. 201. SHORT TITLE.**

13 This Act may be cited as the “Anti-Boycott Act of
14 2018”.

15 **SEC. 202. STATEMENT OF POLICY.**

16 Congress declares it is the policy of the United
17 States—

18 (1) to oppose restrictive trade practices or boy-
19 cotts fostered or imposed by any foreign country
20 against other countries friendly to the United States
21 or against any United States person;

22 (2) to encourage and, in specified cases, require
23 United States persons engaged in the export of
24 goods or technology or other information to refuse to
25 take actions, including furnishing information or en-

1 tering into or implementing agreements, which have
2 the effect of furthering or supporting the restrictive
3 trade practices or boycotts fostered or imposed by
4 any foreign country against any United States per-
5 son; and

6 (3) to foster international cooperation and the
7 development of international rules and institutions
8 to assure reasonable access to world supplies.

9 **SEC. 203. FOREIGN BOYCOTTS.**

10 (a) PROHIBITIONS AND EXCEPTIONS.—

11 (1) PROHIBITIONS.—For the purpose of imple-
12 menting the policies set forth in section 202, the
13 President shall issue regulations prohibiting any
14 United States person, with respect to that person's
15 activities in the interstate or foreign commerce of
16 the United States, from taking or knowingly agree-
17 ing to take any of the following actions with intent
18 to comply with, further, or support any boycott fos-
19 tered or imposed by any foreign country, against a
20 country which is friendly to the United States and
21 which is not itself the object of any form of boycott
22 pursuant to United States law or regulation:

23 (Δ) Refusing, or requiring any other per-
24 son to refuse, to do business with or in the boy-
25 cotted country, with any business concern orga-

1 nized under the laws of the boycotted country,
2 with any national or resident of the boycotted
3 country, or with any other person, pursuant to
4 an agreement with, a requirement of, or a re-
5 quest from or on behalf of the boycotting coun-
6 try. The mere absence of a business relationship
7 with or in the boycotted country with any busi-
8 ness concern organized under the laws of the
9 boycotted country, with any national or resident
10 of the boycotted country, or with any other per-
11 son, does not indicate the existence of the in-
12 tent required to establish a violation of regula-
13 tions issued to carry out this subparagraph.

14 (B) Refusing, or requiring any other per-
15 son to refuse, to employ or otherwise discrimi-
16 nating against any United States person on the
17 basis of race, religion, sex, or national origin of
18 that person or of any owner, officer, director, or
19 employee of such person.

20 (C) Furnishing information with respect to
21 the race, religion, sex, or national origin of any
22 United States person or of any owner, officer,
23 director, or employee of such person.

24 (D) Furnishing information, or requesting
25 the furnishing of information, about whether

1 any person has, has had, or proposes to have
2 any business relationship (including a relation-
3 ship by way of sale, purchase, legal or commer-
4 cial representation, shipping or other transport,
5 insurance, investment, or supply) with or in the
6 boycotted country, with any business concern
7 organized under the laws of the boycotted coun-
8 try, with any national or resident of the boy-
9 cotted country, or with any other person which
10 is known or believed to be restricted from hav-
11 ing any business relationship with or in the boy-
12 cotted country. Nothing in this subparagraph
13 shall prohibit the furnishing of normal business
14 information in a commercial context as defined
15 by the Secretary.

16 (E) Furnishing information about whether
17 any person is a member of, has made contribu-
18 tions to, or is otherwise associated with or in-
19 volved in the activities of any charitable or fra-
20 ternal organization which supports the boy-
21 cotted country.

22 (F) Paying, honoring, confirming, or other-
23 wise implementing a letter of credit which con-
24 tains any condition or requirement compliance
25 with which is prohibited by regulations issued

1 pursuant to this paragraph, and no United
2 States person shall, as a result of the applica-
3 tion of this paragraph, be obligated to pay or
4 otherwise honor or implement such letter of
5 credit.

6 (2) EXCEPTIONS.—Regulations issued pursuant
7 to paragraph (1) shall provide exceptions for—

8 (A) complying or agreeing to comply with
9 requirements—

10 (i) prohibiting the import of goods or
11 services from the boycotted country or
12 goods produced or services provided by any
13 business concern organized under the laws
14 of the boycotted country or by nationals or
15 residents of the boycotted country; or

16 (ii) prohibiting the shipment of goods
17 to the boycotting country on a carrier of
18 the boycotted country, or by a route other
19 than that prescribed by the boycotting
20 country or the recipient of the shipment;

21 (B) complying or agreeing to comply with
22 import and shipping document requirements
23 with respect to the country of origin, the name
24 of the carrier and route of shipment, the name
25 of the supplier of the shipment or the name of

1 the provider of other services, except that no in-
2 formation knowingly furnished or conveyed in
3 response to such requirements may be stated in
4 negative, blacklisting, or similar exclusionary
5 terms, other than with respect to carriers or
6 route of shipment as may be permitted by such
7 regulations in order to comply with pre-
8 cautionary requirements protecting against war
9 risks and confiscation;

10 (C) complying or agreeing to comply in the
11 normal course of business with the unilateral
12 and specific selection by a boycotting country,
13 or national or resident thereof, of carriers, in-
14 surers, suppliers of services to be performed
15 within the boycotting country or specific goods
16 which, in the normal course of business, are
17 identifiable by source when imported into the
18 boycotting country;

19 (D) complying or agreeing to comply with
20 export requirements of the boycotting country
21 relating to shipments or transshipments of ex-
22 ports to the boycotted country, to any business
23 concern of or organized under the laws of the
24 boycotted country, or to any national or resi-
25 dent of the boycotted country;

1 (E) compliance by an individual or agree-
2 ment by an individual to comply with the immi-
3 gration or passport requirements of any country
4 with respect to such individual or any member
5 of such individual's family or with requests for
6 information regarding requirements of employ-
7 ment of such individual within the boycotting
8 country; and

9 (F) compliance by a United States person
10 resident in a foreign country or agreement by
11 such person to comply with the laws of that
12 country with respect to his activities exclusively
13 therein, and such regulations may contain ex-
14 ceptions for such resident complying with the
15 laws or regulations of that foreign country gov-
16 erning imports into such country of
17 trademarked, trade named, or similarly specifi-
18 cally identifiable products, or components of
19 products for his own use, including the per-
20 formance of contractual services within that
21 country, as may be defined by such regulations.

22 (3) SPECIAL RULES.—Regulations issued pur-
23 suant to paragraphs (2)(C) and (2)(F) shall not pro-
24 vide exceptions from paragraphs (1)(B) and (1)(C).

1 (4) RULE OF CONSTRUCTION.—Nothing in this
2 subsection may be construed to supersede or limit
3 the operation of the antitrust or civil rights laws of
4 the United States.

5 (5) APPLICATION.—This section shall apply to
6 any transaction or activity undertaken, by or
7 through a United States person or any other person,
8 with intent to evade the provisions of this section as
9 implemented by the regulations issued pursuant to
10 this subsection, and such regulations shall expressly
11 provide that the exceptions set forth in paragraph
12 (2) shall not permit activities or agreements (ex-
13 pressed or implied by a course of conduct, including
14 a pattern of responses) otherwise prohibited, which
15 are not within the intent of such exceptions.

16 (b) FOREIGN POLICY CONTROLS.—

17 (1) IN GENERAL.—In addition to the regula-
18 tions issued pursuant to subsection (a), regulations
19 issued under title I of this Act to carry out the poli-
20 cies set forth in section 102(1)(D) shall implement
21 the policies set forth in this section.

22 (2) REQUIREMENTS.—Such regulations shall
23 require that any United States person receiving a re-
24 quest for the furnishing of information, the entering
25 into or implementing of agreements, or the taking of

1 any other action referred to in subsection (a) shall
2 report that fact to the Secretary, together with such
3 other information concerning such request as the
4 Secretary may require for such action as the Sec-
5 retary considers appropriate for carrying out the
6 policies of that section. Such person shall also report
7 to the Secretary whether such person intends to
8 comply and whether such person has complied with
9 such request. Any report filed pursuant to this para-
10 graph shall be made available promptly for public in-
11 spection and copying, except that information re-
12 garding the quantity, description, and value of any
13 goods or technology to which such report relates
14 may be kept confidential if the Secretary determines
15 that disclosure thereof would place the United States
16 person involved at a competitive disadvantage. The
17 Secretary shall periodically transmit summaries of
18 the information contained in such reports to the Sec-
19 retary of State for such action as the Secretary of
20 State, in consultation with the Secretary, considers
21 appropriate for carrying out the policies set forth in
22 section 202.

23 (c) PREEMPTION.—The provisions of this section and
24 the regulations issued pursuant thereto shall preempt any
25 law, rule, or regulation of any of the several States or the

1 District of Columbia, or any of the territories or posses-
2 sions of the United States, or of any governmental subdivi-
3 sion thereof, which law, rule, or regulation pertains to par-
4 ticipation in, compliance with, implementation of, or the
5 furnishing of information regarding restrictive trade prac-
6 tices or boycotts fostered or imposed by foreign countries
7 against other countries friendly to the United States.

8 **SEC. 204. ENFORCEMENT.**

9 (a) CRIMINAL PENALTY.—A person who willfully
10 commits, willfully attempts to commit, or willfully con-
11 spires to commit, or aids or abets in the commission of,
12 an unlawful act section 203—

13 (1) shall, upon conviction, be fined not more
14 than \$1,000,000; or

15 (2) if a natural person, may be imprisoned for
16 not more than 20 years, or both.

17 (b) CIVIL PENALTIES.—The President may impose
18 the following civil penalties on a person who violates sec-
19 tion 203 or any regulation issued under this title:

20 (1) A fine of not more than \$300,000 or an
21 amount that is twice the value of the transaction
22 that is the basis of the violation with respect to
23 which the penalty is imposed, whichever is greater.

24 (2) Revocation of a license issued under title I
25 to the person.

1 (3) A prohibition on the person's ability to ex-
2 port, reexport, or transfer any items controlled
3 under title I.

4 (c) PROCEDURES.—Any civil penalty or administra-
5 tive sanction (including any suspension or revocation of
6 authority to export) under this section may be imposed
7 only after notice and opportunity for an agency hearing
8 on the record in accordance with sections 554 through 557
9 of title 5, United States Code, and shall be subject to judi-
10 cial review in accordance with chapter 7 of such title.

11 (d) STANDARDS FOR LEVELS OF CIVIL PENALTY.—
12 The President may by regulation provide standards for es-
13 tablishing levels of civil penalty under this section based
14 upon factors such as the seriousness of the violation, the
15 culpability of the violator, and the violator's record of co-
16 operation with the Government in disclosing the violation.

17 **TITLE III—SANCTIONS REGARD-**
18 **ING MISSILE PROLIFERATION**
19 **AND CHEMICAL AND BIO-**
20 **LOGICAL WEAPONS PRO-**
21 **LIFERATION**

22 **SEC. 301. MISSILE PROLIFERATION CONTROL VIOLATIONS.**

23 (a) VIOLATIONS BY UNITED STATES PERSONS.—

24 (1) SANCTIONS.—

1 (A) SANCTIONABLE ACTIVITY.—The Presi-
2 dent shall impose the applicable sanctions de-
3 scribed in subparagraph (B) if the President
4 determines that a United States person know-
5 ingly—

6 (i) exports, reexports, or transfers of
7 any item on the MTCR Annex, in violation
8 of the provisions of section 38 (22 U.S.C.
9 2778) or chapter 7 of the Arms Export
10 Control Act, title I of this Act, or any reg-
11 ulations or orders issued under any such
12 provisions; or

13 (ii) conspires to or attempts to engage
14 in such export, reexport, or transfer.

15 (B) SANCTIONS.—The sanctions that apply
16 to a United States person under subparagraph
17 (A) are the following:

18 (i) If the item on the MTCR Annex
19 involved in the export, reexport, or transfer
20 is missile equipment or technology within
21 category II of the MTCR Annex, then the
22 President shall deny to such United States
23 person, for a period of 2 years, licenses for
24 the transfer of missile equipment or tech-
25 nology controlled under title I.

1 (ii) If the item on the MTCR Annex
2 involved in the export, reexport, or transfer
3 is missile equipment or technology within
4 category I of the MTCR Annex, then the
5 President shall deny to such United States
6 person, for a period of not less than 2
7 years, all licenses for items the transfer of
8 which is controlled under title I.

9 (2) DISCRETIONARY SANCTIONS.—In the case
10 of any determination referred to in paragraph (1),
11 the President may pursue any other appropriate
12 penalties under section 110 of this Act.

13 (3) WAIVER.—The President may waive the im-
14 position of sanctions under paragraph (1) on a per-
15 son with respect to a product or service if the Presi-
16 dent certifies to the Congress that—

17 (A) the product or service is essential to
18 the national security of the United States; and

19 (B) such person is a sole source supplier of
20 the product or service, the product or service is
21 not available from any alternative reliable sup-
22 plier, and the need for the product or service
23 cannot be met in a timely manner by improved
24 manufacturing processes or technological devel-
25 opments.

1 (b) TRANSFERS OF MISSILE EQUIPMENT OR TECH-
2 NOLOGY BY FOREIGN PERSONS.—

3 (1) SANCTIONS.—

4 (A) SANCTIONABLE ACTIVITY.—Subject to
5 paragraphs (3) through (7), the President shall
6 impose the applicable sanctions under subpara-
7 graph (B) on a foreign person if the Presi-
8 dent—

9 (i) determines that a foreign person
10 knowingly—

11 (I) exports, reexports, or trans-
12 fers any MTCR equipment or tech-
13 nology that contributes to the design,
14 development, or production of missiles
15 in a country that is not an MTCR ad-
16 herent and would be, if it were United
17 States-origin equipment or technology,
18 subject to the jurisdiction of the
19 United States under title I;

20 (II) conspires to or attempts to
21 engage in such export, reexport, or
22 transfer; or

23 (III) facilitates such export, reex-
24 port, or transfer by any other person;
25 or

1 (ii) has made a determination with re-
2 spect to the foreign person under section
3 73(a) of the Arms Export Control Act.

4 (B) SANCTIONS.—The sanctions that apply
5 to a foreign person under subparagraph (A) are
6 the following:

7 (i) If the item involved in the export,
8 reexport, or transfer is within category II
9 of the MTCR Annex, then the President
10 shall deny, for a period of 2 years, licenses
11 for the transfer to such foreign person of
12 missile equipment or technology the trans-
13 fer of which is controlled under title I.

14 (ii) If the item involved in the export,
15 reexport, or transfer is within category I of
16 the MTCR Annex, then the President shall
17 deny, for a period of not less than 2 years,
18 licenses for the transfer to such foreign
19 person of items the transfer of which is
20 controlled under title I.

21 (2) INAPPLICABILITY WITH RESPECT TO MTCR
22 ADHERENTS.—Paragraph (1) does not apply with
23 respect to—

24 (A) any export, reexport, or transfer that
25 is authorized by the laws of an MTCR adher-

1 ent, if such authorization is not obtained by
2 misrepresentation or fraud; or

3 (B) any export, reexport, or transfer of an
4 item to an end user in a country that is an
5 MTCR adherent.

6 (3) EFFECT OF ENFORCEMENT ACTIONS BY
7 MTCR ADHERENTS.—Sanctions set forth in para-
8 graph (1) may not be imposed under this subsection
9 on a person with respect to acts described in such
10 paragraph or, if such sanctions are in effect against
11 a person on account of such acts, such sanctions
12 shall be terminated, if an MTCR adherent is taking
13 judicial or other enforcement action against that
14 person with respect to such acts, or that person has
15 been found by the government of an MTCR adher-
16 ent to be innocent of wrongdoing with respect to
17 such acts.

18 (4) WAIVER AND REPORT TO CONGRESS.—

19 (A) WAIVER AUTHORITY.—The President
20 may waive the application of paragraph (1) to
21 a foreign person if the President determines
22 that such waiver is essential to the national se-
23 curity of the United States.

24 (B) NOTIFICATION AND REPORT TO CON-
25 GRESS.—In the event that the President decides

1 to apply the waiver described in subparagraph
2 (A), the President shall so notify the appro-
3 priate congressional committees not less than
4 20 working days before issuing the waiver.
5 Such notification shall include a report fully ar-
6 ticulating the rationale and circumstances
7 which led the President to apply the waiver.

8 (5) ADDITIONAL WAIVER.—The President may
9 waive the imposition of sanctions under paragraph
10 (1) on a person with respect to a product or service
11 if the President certifies to the appropriate congres-
12 sional committees that—

13 (A) the product or service is essential to
14 the national security of the United States; and

15 (B) such person is a sole source supplier of
16 the product or service, the product or service is
17 not available from any alternative reliable sup-
18 plier, and the need for the product or service
19 cannot be met in a timely manner by improved
20 manufacturing processes or technological devel-
21 opments.

22 (6) EXCEPTIONS.—The President shall not
23 apply the sanction under this subsection prohibiting
24 the importation of the products of a foreign per-
25 son—

1 (A) in the case of procurement of defense
2 articles or defense services—

3 (i) under existing contracts or sub-
4 contracts, including the exercise of options
5 for production quantities to satisfy require-
6 ments essential to the national security of
7 the United States;

8 (ii) if the President determines that
9 the person to which the sanctions would be
10 applied is a sole source supplier of the de-
11 fense articles or defense services, that the
12 defense articles or defense services are es-
13 sential to the national security of the
14 United States, and that alternative sources
15 are not readily or reasonably available; or

16 (iii) if the President determines that
17 such articles or services are essential to the
18 national security of the United States
19 under defense coproduction agreements or
20 NATO Programs of Cooperation;

21 (B) to products or services provided under
22 contracts entered into before the date on which
23 the President publishes his intention to impose
24 the sanctions; or

25 (C) to—

- 1 (i) spare parts;
2 (ii) component parts, but not finished
3 products, essential to United States prod-
4 ucts or production;
5 (iii) routine services and maintenance
6 of products, to the extent that alternative
7 sources are not readily or reasonably avail-
8 able; or
9 (iv) information and technology essen-
10 tial to United States products or produc-
11 tion.

12 (c) DEFINITIONS.—In this section:

13 (1) APPROPRIATE CONGRESSIONAL COMMIT-
14 TEES.—The term “appropriate congressional com-
15 mittees” means—

16 (A) the Committee on Foreign Affairs of
17 the House of Representatives; and

18 (B) the Committee on Foreign Relations
19 and the Committee on Banking, Housing, and
20 Urban Affairs of the Senate.

21 (2) DEFENSE ARTICLES; DEFENSE SERVICES.—
22 The terms “defense articles” and “defense services”
23 mean those items on the United States Munitions
24 List as defined in section 47(7) of the Arms Export
25 Control Act (22 U.S.C. 2794 note).

1 (3) MISSILE.—The term “missile” means a cat-
2 egory I system as defined in the MTCR Annex.

3 (4) MISSILE TECHNOLOGY CONTROL REGIME;
4 MTCR.—The term “Missile Technology Control Re-
5 gime” or “MTCR” means the policy statement, be-
6 tween the United States, the United Kingdom, the
7 Federal Republic of Germany, France, Italy, Can-
8 ada, and Japan, announced on April 16, 1987, to re-
9 strict sensitive missile-relevant transfers based on
10 the MTCR Annex, and any amendments thereto.

11 (5) MTCR ADHERENT.—The term “MTCR ad-
12 herent” means a country that participates in the
13 MTCR or that, pursuant to an international under-
14 standing to which the United States is a party, con-
15 trols MTCR equipment or technology in accordance
16 with the criteria and standards set forth in the
17 MTCR.

18 (6) MTCR ANNEX.—The term “MTCR Annex”
19 means the Guidelines and Equipment and Tech-
20 nology Annex of the MTCR, and any amendments
21 thereto.

22 (7) MISSILE EQUIPMENT OR TECHNOLOGY;
23 MTCR EQUIPMENT OR TECHNOLOGY.—The terms
24 “missile equipment or technology” and “MTCR

1 equipment or technology” mean those items listed in
2 category I or category II of the MTCR Annex.

3 **SEC. 302. CHEMICAL AND BIOLOGICAL WEAPONS PRO-**
4 **LIFERATION SANCTIONS.**

5 (a) IMPOSITION OF SANCTIONS.—

6 (1) DETERMINATION BY THE PRESIDENT.—Ex-
7 cept as provided in subsection (b)(2), the President
8 shall impose the sanction described in subsection (c)
9 if the President determines that a foreign person has
10 knowingly and materially contributed—

11 (A) through the export from the United
12 States of any item that is subject to the juris-
13 diction of the United States under this title; or

14 (B) through the export from any other
15 country of any item that would be, if they were
16 United States goods or technology, subject to
17 the jurisdiction of the United States under this
18 title,

19 to the efforts by any foreign country, project, or en-
20 tity described in paragraph (2) to use, develop,
21 produce, stockpile, or otherwise acquire chemical or
22 biological weapons.

23 (2) COUNTRIES, PROJECTS, OR ENTITIES RE-
24 CEIVING ASSISTANCE.—Paragraph (1) applies in the
25 case of—

1 (A) any foreign country that the President
2 determines has, at any time after January 1,
3 1980—

4 (i) used chemical or biological weap-
5 ons in violation of international law;

6 (ii) used lethal chemical or biological
7 weapons against its own nationals; or

8 (iii) made substantial preparations to
9 engage in the activities described in clause
10 (i) or (ii);

11 (B) any foreign country whose government
12 is determined for purposes of section 104(c) of
13 this Act to be a government that has repeatedly
14 provided support for acts of international ter-
15 rorism; or

16 (C) any other foreign country, project, or
17 entity designated by the President for purposes
18 of this section.

19 (3) PERSONS AGAINST WHICH SANCTIONS ARE
20 TO BE IMPOSED.—A sanction shall be imposed pur-
21 suant to paragraph (1) on—

22 (A) the foreign person with respect to
23 which the President makes the determination
24 described in that paragraph;

1 (B) any successor entity to that foreign
2 person; and

3 (C) any foreign person that is a parent,
4 subsidiary, or affiliate of that foreign person if
5 that parent, subsidiary, or affiliate knowingly
6 assisted in the activities which were the basis of
7 that determination.

8 (b) CONSULTATIONS WITH AND ACTIONS BY FOR-
9 EIGN GOVERNMENT OF JURISDICTION.—

10 (1) CONSULTATIONS.—If the President makes
11 the determinations described in subsection (a)(1)
12 with respect to a foreign person, the Congress urges
13 the President to initiate consultations immediately
14 with the government with primary jurisdiction over
15 that foreign person with respect to the imposition of
16 a sanction pursuant to this section.

17 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
18 TION.—In order to pursue such consultations with
19 that government, the President may delay imposition
20 of a sanction pursuant to this section for a period
21 of up to 90 days. Following such consultations, the
22 President shall impose the sanction unless the Presi-
23 dent determines and certifies to the appropriate con-
24 gressional committees that the Government has
25 taken specific and effective actions, including appro-

1 priate penalties, to terminate the involvement of the
2 foreign person in the activities described in sub-
3 section (a)(1). The President may delay imposition
4 of the sanction for an additional period of up to 90
5 days if the President determines and certifies to the
6 Congress that the government is in the process of
7 taking the actions described in the preceding sen-
8 tence.

9 (3) REPORT TO CONGRESS.—The President
10 shall report to the appropriate congressional commit-
11 tees, not later than 90 days after making a deter-
12 mination under subsection (a)(1), on the status of
13 consultations with the appropriate government under
14 this subsection, and the basis for any determination
15 under paragraph (2) of this subsection that such
16 government has taken specific corrective actions.

17 (c) SANCTION.—

18 (1) DESCRIPTION OF SANCTION.—The sanction
19 to be imposed pursuant to subsection (a)(1) is, ex-
20 cept as provided that the United States Government
21 shall not procure, or enter into any contract for the
22 procurement of, any goods or services from any per-
23 son described in subsection (a)(3).

1 (2) EXCEPTIONS.—The President shall not be
2 required to apply or maintain a sanction under this
3 section—

4 (A) in the case of procurement of defense
5 articles or defense services—

6 (i) under existing contracts or sub-
7 contracts, including the exercise of options
8 for production quantities to satisfy United
9 States operational military requirements;

10 (ii) if the President determines that
11 the person or other entity to which the
12 sanctions would otherwise be applied is a
13 sole source supplier of the defense articles
14 or defense services, that the defense arti-
15 cles or defense services are essential, and
16 that alternative sources are not readily or
17 reasonably available; or

18 (iii) if the President determines that
19 such articles or services are essential to the
20 national security under defense coproduc-
21 tion agreements;

22 (B) to products or services provided under
23 contracts entered into before the date on which
24 the President publishes his intention to impose
25 sanctions;

- 1 (C) to—
2 (i) spare parts;
3 (ii) component parts, but not finished
4 products, essential to United States prod-
5 ucts or production; or
6 (iii) routine servicing and mainte-
7 nance of products, to the extent that alter-
8 native sources are not readily or reason-
9 ably available;
10 (D) to information and technology essen-
11 tial to United States products or production; or
12 (E) to medical or other humanitarian
13 items.

14 (d) TERMINATION OF SANCTIONS.—A sanction im-
15 posed pursuant to this section shall apply for a period of
16 at least 12 months following the imposition of one sanction
17 and shall cease to apply thereafter only if the President
18 determines and certifies to the appropriate congressional
19 committees that reliable information indicates that the
20 foreign person with respect to which the determination
21 was made under subsection (a)(1) has ceased to aid or
22 abet any foreign government, project, or entity in its ef-
23 forts to acquire chemical or biological weapons capability
24 as described in that subsection.

25 (e) WAIVER.—

1 (1) CRITERION FOR WAIVER.—The President
2 may waive the application of any sanction imposed
3 on any person pursuant to this section, after the end
4 of the 12-month period beginning on the date on
5 which that sanction was imposed on that person, if
6 the President determines and certifies to the appro-
7 priate congressional committees that such waiver is
8 important to the national security interests of the
9 United States.

10 (2) NOTIFICATION OF AND REPORT TO CON-
11 GRESS.—If the President decides to exercise the
12 waiver authority provided in paragraph (1), the
13 President shall so notify the appropriate congress-
14 sional committees not less than 20 days before the
15 waiver takes effect. Such notification shall include a
16 report fully articulating the rationale and cir-
17 cumstances which led the President to exercise the
18 waiver authority.

19 (f) DEFINITIONS.—In this section:

20 (1) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES.—The term “appropriate congressional com-
22 mittees” means—

23 (Δ) the Committee on Foreign Affairs of
24 the House of Representatives; and

1 (B) the Committee on Foreign Relations
2 and the Committee on Banking, Housing, and
3 Urban Affairs of the Senate.

4 (2) DEFENSE ARTICLES; DEFENSE SERVICES.—
5 The terms “defense articles” and “defense services”
6 mean those items on the United States Munitions
7 List or are otherwise controlled under the Arms Ex-
8 port Control Act.

9 **TITLE IV—ADMINISTRATIVE**
10 **AUTHORITIES**

11 **SEC. 401. UNDER SECRETARY OF COMMERCE FOR INDUS-**
12 **TRY AND SECURITY.**

13 (a) APPOINTMENT.—

14 (1) IN GENERAL.—The President shall appoint,
15 by and with the advice and consent of the Senate,
16 an Under Secretary of Commerce for Industry and
17 Security who shall carry out all the functions of the
18 Secretary under this Act and such other provisions
19 of law that relate to the implementation of the dual-
20 use export system.

21 (2) ASSISTANT SECRETARIES OF COMMERCE.—
22 The President shall appoint, by and with the advice
23 and consent of the Senate, two Assistant Secretaries
24 of Commerce to assist the Under Secretary in car-
25 rying out the functions described in paragraph (1).

1 (b) DELEGATION.—

2 (1) TO SECRETARY.—The President shall con-
3 tinue the delegation of functions to the Secretary to
4 administer and enforce the export control system au-
5 thorized by this Act that were delegated to the Sec-
6 retary as of the day before the date of the enact-
7 ment of this Act.

8 (2) TO BUREAU OF INDUSTRY AND SECU-
9 RITY.—The Secretary shall further delegate imple-
10 mentation of the authorities set forth in this Act to
11 the Bureau of Industry and Security within the De-
12 partment of Commerce.



**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 5040
OFFERED BY MR. SHERMAN OF CALIFORNIA**

Insert after subsection (a) of section 107 the following new subsection:

1 (b) ADDITIONAL PROCEDURAL REQUIREMENTS.—

2 (1) IN GENERAL.—The procedure required
3 under subsection (a) shall provide for the assessment
4 of the impact of a proposed export of an item on the
5 United States defense industrial base and the denial
6 of an application for a license or a request for an
7 authorization of any export that would have a sig-
8 nificant negative impact on such defense industrial
9 base, as described in paragraph (3).

10 (2) INFORMATION FROM APPLICANT.—The pro-
11 cedure required under subsection (a) shall also re-
12 quire an applicant for a license to provide the infor-
13 mation necessary to make the assessment provided
14 under paragraph (1), including whether the purpose
15 or effect of the export is to allow for the significant
16 production of items relevant for the defense indus-
17 trial base outside the United States.

1 (3) SIGNIFICANTLY NEGATIVE IMPACT DE-
2 FINED.—A significant negative impact on the United
3 States defense industrial base is the following:

4 (A) A reduction in the availability of an
5 item produced in the United States that is like-
6 ly to be acquired by the Department of Defense
7 or other Federal department or agency for the
8 advancement of the national security of the
9 United States, or for the production of an item
10 in the United States for the Department of De-
11 fense or other agency for the advancement of
12 the national security of the United States.

13 (B) A reduction in the production in the
14 United States of an item that is the result of
15 research and development carried out, or fund-
16 ed by, the Department of Defense or other Fed-
17 eral department or agency to advance the na-
18 tional security of the United States, or a feder-
19 ally funded research and development center.

20 (C) A reduction in the employment of
21 United States persons whose knowledge and
22 skills are necessary for the continued produc-
23 tion in the United States of an item that is
24 likely to be acquired by the Department of De-
25 fense or other Federal department or agency

1 for the advancement of the national security of
2 the United States.



115TH CONGRESS
2D SESSION

H. R. 5129

To reauthorize the Global Food Security Act of 2016, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2018

Mr. SMITH of New Jersey (for himself, Ms. MCCOLLUM, Mr. ROYCE of California, Mr. ENGEL, Mr. AUSTIN SCOTT of Georgia, Ms. BASS, Mr. FORTENBERRY, Mr. MCGOVERN, Mr. PAULSEN, Ms. DELAURO, Mr. REICHERT, Mr. SMITH of Washington, and Mr. CICILLINE) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To reauthorize the Global Food Security Act of 2016, 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 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Global Food Security
5 Reauthorization Act of 2018”.

6 SEC. 2. AMENDMENTS TO THE GLOBAL FOOD SECURITY 7 ACT.

8 (a) STATEMENT OF POLICY OBJECTIVES.—Section
9 3(a)(6) of the Global Food Security Act of 2016 (22

1 U.S.C. 9302(a)(6)) is amended by inserting “deworming
2 programs,” after “diet diversification,”.

3 (b) RELEVANT FEDERAL DEPARTMENTS AND AGEN-
4 CIES.—Section 4(7) of such Act (22 U.S.C. 9303(7)) is
5 amended by inserting “the Inter-American Foundation,”
6 after “the United States Africa Development Founda-
7 tion,”.

8 (c) AUTHORIZATION OF APPROPRIATIONS TO IMPL-
9 ENT GLOBAL FOOD SECURITY STRATEGY.—Section 6(b)
10 of such Act (22 U.S.C. 9305(b)) is amended by striking
11 “fiscal years 2017 and 2018” and inserting “fiscal years
12 2017 through 2021”.

13 (d) REPORTS.—The matter preceding section 8(a)(1)
14 of such Act (22 U.S.C. 9307(a)(1)) is amended—

15 (1) by striking “Not later than 1 year and 2
16 years after the date of the submission of the strat-
17 egy required under section 5(e),” and inserting “Not
18 later than September 30, 2018, and annually there-
19 after through 2021,”; and

20 (2) by striking “for 2017 and 2018” and in-
21 serting “for the preceding fiscal year”.

22 **SEC. 3. AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF**
23 **1961.**

24 Section 492(a) of the Foreign Assistance Act of 1961
25 (22 U.S.C. 2292a(a)) is amended by striking “fiscal years

1 2017 and 2018” and inserting “fiscal years 2017 through
2 2021”.

AMENDMENT TO H.R. 5129

OFFERED BY MR. SMITH OF NEW JERSEY

Page 2, line 12, strike “2021” and insert “2020”.

Page 2, line 19, strike “2021” and insert “2020”.

Page 3, line 2, strike “2021” and insert “2020”.



115TH CONGRESS
2D SESSION

H. R. 5274

To promote international exchanges on best election practices, cultivate more secure democratic institutions around the world, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2018

Mr. CASTRO of Texas (for himself, Mr. MEADOWS, Mr. PRICE of North Carolina, and Mr. ROSKAM) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To promote international exchanges on best election practices, cultivate more secure democratic institutions around the world, 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 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Global Electoral Ex-
5 change Act”.

6 SEC. 2. SENSE OF CONGRESS.

7 It is the sense of Congress that—

8 (1) recent elections globally have illustrated the
9 urgent need for the promotion and exchange of

1 international best election practices, particularly in
2 the areas of cybersecurity, results transmission,
3 transparency of electoral data, election dispute reso-
4 lution, and the elimination of discriminatory reg-
5 istration practices and other electoral irregularities;

6 (2) the advancement of democracy worldwide
7 promotes American interests, as stable democracies
8 provide new market opportunities, improve global
9 health outcomes, and promote economic freedom and
10 regional security;

11 (3) credible elections are the cornerstone of a
12 healthy democracy and enable all persons to exercise
13 their basic human right to have a say in how they
14 are governed;

15 (4) inclusive elections strengthen the credibility
16 and stability of democracies more broadly, as demo-
17 cratic institutions flourish when representative of all
18 groups of society;

19 (5) at the heart of a strong election cycle is the
20 professionalism of the election management body
21 and an empowered civil society; and

22 (6) the development of local expertise via peer-
23 to-peer learning and exchanges promotes the inde-
24 pendence of such bodies from internal and external
25 influence.

1 **SEC. 3. GLOBAL ELECTORAL EXCHANGE.**

2 (a) GLOBAL ELECTORAL EXCHANGE.—The Sec-
3 retary of State shall establish and administer a Global
4 Electoral Exchange Program to promote the utilization of
5 sound election administration practices in the United
6 States and foreign countries.

7 (b) PURPOSE.—The purpose of the Global Electoral
8 Exchange Program described in subsection (a) shall in-
9 clude the promotion and exchange of international best
10 election practices, including in the areas of cybersecurity,
11 results transmission, transparency of electoral data, elec-
12 tion dispute resolution, the elimination of discriminatory
13 registration practices and electoral irregularities, and
14 other sound election administration practices.

15 (c) EXCHANGE OF ELECTORAL AUTHORITIES.—

16 (1) IN GENERAL.—The Secretary of State may,
17 in consultation, as appropriate, with the United
18 States Agency for International Development and re-
19 gionally focused independent agencies, make grants
20 to any United States-based organization described in
21 section 501(c)(3) of the Internal Revenue Code of
22 1986 and exempt from tax under section 501(a) of
23 such Code with experience in comparative election
24 systems or subject matter expertise in the areas of
25 election administration or electoral integrity that

1 submits an application in such form, and satisfying
2 such requirements, as the Secretary may require.

3 (2) TYPES OF GRANTS.—An organization de-
4 scribed in paragraph (1) may receive a grant for one
5 or more of the following purposes:

6 (A) To design and implement programs
7 bringing election administrators and officials,
8 including government officials, polling workers,
9 civil society representatives, members of the ju-
10 diciary, and others who participate in the orga-
11 nization and administration of an election in a
12 foreign country to the United States to study
13 election procedures in the United States for
14 educational purposes.

15 (B) To design and implement programs
16 taking United States or another country's elec-
17 tion administrators and officials, including gov-
18 ernment officials, polling workers, civil society
19 representatives, members of the judiciary, and
20 others who participate in the organization and
21 administration of elections for public office in
22 the United States or such other countries to
23 foreign countries to study election procedures in
24 such countries for educational purposes.

1 (3) COORDINATION.—The Secretary of State
2 shall coordinate with State and local governments in
3 the United States, in addition to the governments of
4 United States territories, to conduct exchanges
5 under this section and may enter into memorandums
6 of understanding with such governments to guide
7 participation by such governments in the Global
8 Electoral Exchange Program.

9 (4) LIMITS ON ACTIVITIES.—Activities adminis-
10 tered under the Global Electoral Exchange Program
11 may not—

12 (A) include election observation for the
13 purposes of discussing the validity or legitimacy
14 of an election; or

15 (B) facilitate any advocacy for a certain
16 electoral result by a grantee when participating
17 in the Program.

18 (5) FURTHER LIMITS.—A recipient of a grant
19 under the Global Electoral Exchange Program may
20 use such grant for only the purpose for which such
21 grant was awarded, unless otherwise authorized by
22 the Secretary of State.

23 (6) NOT DUPLICATIVE.—Grants made under
24 this subsection may not be duplicative of any other

1 grants made under any other provision of law for
2 similar or related purposes.

3 **SEC. 4. REPORT.**

4 (a) INTERNET.—The Secretary of State shall main-
5 tain a publically available Department of State website de-
6 tailing the Global Electoral Exchange Program, including
7 a list of grants awarded under the Program and the
8 amount awarded in each such grant, each annual report
9 required under subsection (c), and other information at
10 the discretion of the Secretary.

11 (b) NOTIFICATION OF GRANTS.—Not later than 30
12 days after each grant award under the Global Electoral
13 Exchange Program under section 3, the Secretary of State
14 shall publish on the website described in subsection (a)
15 a summary of such grant, including criteria for selecting
16 the grantee and any relevant agreements between the Sec-
17 retary of State and foreign governments, State and local
18 governments in the United States, or the governments of
19 United States territories that are associated with such
20 grant. The Secretary shall notify the Committee on For-
21 eign Affairs of the House of Representatives and the Com-
22 mittee on Foreign Relations of the Senate of such publica-
23 tion.

24 (c) ANNUAL REPORTS.—

1 (1) IN GENERAL.—Not later than one year
2 after the date of the enactment of this Act and every
3 year thereafter, the Secretary of State shall publish
4 on the website described in subsection (a) a report
5 on the Global Electoral Exchange Program and no-
6 tify the Committee on Foreign Affairs of the House
7 of Representatives and the Committee on Foreign
8 Relations of the Senate of such report.

9 (2) ELEMENTS.—The reports required by para-
10 graph (1) shall include the following:

11 (A) A summary of all exchanges conducted
12 under the Global Electoral Exchange Program,
13 including criteria used to select grantees.

14 (B) A summary of all memorandum of un-
15 derstandings with States, local governments,
16 and territories in accordance with section
17 3(c)(3).

18 (d) ANNUAL RECOMMENDATIONS.—In conjunction
19 with the annual reports required under subsection (c), the
20 Secretary of State may provide recommendations for the
21 improvement of the Global Electoral Exchange Program,
22 based on the purposes under section 3(b), in a written re-
23 port to the Committee on Foreign Affairs of the House

1 of Representatives and the Committee on Foreign Rela-
2 tions of the Senate.

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5274
OFFERED BY MR . CASTRO

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Global Electoral Ex-
3 change Act”.

4 SEC. 2. SENSE OF CONGRESS.

5 It is the sense of Congress that—

6 (1) recent elections globally have illustrated the
7 urgent need for the promotion and exchange of
8 international best election practices, particularly in
9 the areas of cybersecurity, results transmission,
10 transparency of electoral data, election dispute reso-
11 lution, and the elimination of discriminatory reg-
12 istration practices and other electoral irregularities;

13 (2) the advancement of democracy worldwide
14 promotes American interests, as stable democracies
15 provide new market opportunities, improve global
16 health outcomes, and promote economic freedom and
17 regional security;

1 (3) credible elections are the cornerstone of a
2 healthy democracy and enable all persons to exercise
3 their basic human right to have a say in how they
4 are governed;

5 (4) inclusive elections strengthen the credibility
6 and stability of democracies more broadly, as demo-
7 cratic institutions flourish when representative of all
8 groups of society;

9 (5) at the heart of a strong election cycle is the
10 professionalism of the election management body
11 and an empowered civil society; and

12 (6) the development of local expertise via peer-
13 to-peer learning and exchanges promotes the inde-
14 pendence of such bodies from internal and external
15 influence.

16 **SEC. 3. GLOBAL ELECTORAL EXCHANGE.**

17 (a) GLOBAL ELECTORAL EXCHANGE.—The Sec-
18 retary of State is authorized to establish and administer
19 a Global Electoral Exchange Program to promote the utili-
20 zation of sound election administration practices around
21 the world.

22 (b) PURPOSE.—The purpose of the Global Electoral
23 Exchange Program described in subsection (a) shall in-
24 clude the promotion and exchange of international best
25 election practices, including in the areas of cybersecurity,

1 results transmission, transparency of electoral data, elec-
2 tion dispute resolution, the elimination of discriminatory
3 registration practices and electoral irregularities, and
4 other sound election administration practices.

5 (c) EXCHANGE OF ELECTORAL AUTHORITIES.—

6 (1) IN GENERAL.—The Secretary of State may,
7 in consultation, as appropriate, with the United
8 States Agency for International Development, make
9 grants to any United States-based organization de-
10 scribed in section 501(c)(3) of the Internal Revenue
11 Code of 1986 and exempt from tax under section
12 501(a) of such Code with experience in comparative
13 election systems or subject matter expertise in the
14 areas of election administration or electoral integrity
15 that submits an application in such form, and satis-
16 fying such requirements, as the Secretary may re-
17 quire.

18 (2) TYPES OF GRANTS.—An organization de-
19 scribed in paragraph (1) may receive a grant for one
20 or more of the following purposes:

21 (A) To design and implement programs
22 bringing election administrators and officials,
23 including government officials, poll workers,
24 civil society representatives, members of the ju-
25 diciary, and others who participate in the orga-

1 nization and administration of public elections
2 in a foreign country to the United States to
3 study election procedures in the United States
4 for educational purposes.

5 (B) To design and implement programs
6 taking United States or another country's elec-
7 tion administrators and officials, including gov-
8 ernment officials, poll workers, civil society rep-
9 resentatives, members of the judiciary, and oth-
10 ers who participate in the organization and ad-
11 ministration of public elections to study election
12 procedures for educational purposes.

13 (3) LIMITS ON ACTIVITIES.—Activities adminis-
14 tered under the Global Electoral Exchange Program
15 may not—

16 (A) include observation of an election for
17 the purposes of assessing the validity or legit-
18 imacy of that election; or

19 (B) facilitate any advocacy for a certain
20 electoral result by a grantee when participating
21 in the Program.

22 (4) SENSE OF CONGRESS.—It is the sense of
23 Congress that the Secretary of State should estab-
24 lish and maintain a network of Global Electoral Ex-
25 change Program alumni, to promote communication

1 and further exchange of information regarding
2 sound election administration practices among cur-
3 rent and former program participants.

4 (5) FURTHER LIMITS.—A recipient of a grant
5 under the Global Electoral Exchange Program may
6 use such grant for only the purpose for which such
7 grant was awarded, unless otherwise authorized by
8 the Secretary of State.

9 (6) NOT DUPLICATIVE.—Grants made under
10 this subsection may not be duplicative of any other
11 grants made under any other provision of law for
12 similar or related purposes.

13 **SEC. 4. CONGRESSIONAL OVERSIGHT.**

14 Not later than one year after the date of the enact-
15 ment of this Act and in each of the following two years
16 thereafter, the Secretary of State shall provide to the
17 Committee on Foreign Affairs of the House of Representa-
18 tives and the Committee on Foreign Relations of the Sen-
19 ate a briefing on the status of any activities carried out
20 pursuant to this Act during the preceding year, which
21 shall include, among other information, the following:

22 (1) A summary of all exchanges conducted
23 under the Global Electoral Exchange Program, in-
24 cluding information regarding grantees, participants,
25 and the locations where program activities were held.

1 (2) A description of the criteria used to select
2 grantees under the Global Electoral Exchange Pro-
3 gram.

4 (3) Any recommendations for the improvement
5 of the Global Electoral Exchange Program, based on
6 the purpose specified in section 3(b).



**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 5274
OFFERED BY MS. TITUS OF NEVADA**

In section 3(b), insert “equitable access to polling places, voter education information, and voting mechanisms (including by persons with disabilities),” after “electoral irregularities,”.





(Original Signature of Member)

115TH CONGRESS
2D SESSION

H. R. 5480

To improve programs and activities relating to women's entrepreneurship and economic empowerment that are carried out by the United States Agency for International Development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ROYCE of California (for himself and Ms. FRANKEL of Florida) introduced the following bill; which was referred to the Committee on

A BILL

To improve programs and activities relating to women's entrepreneurship and economic empowerment that are carried out by the United States Agency for International Development, 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 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Women's Entrepre-
5 neurship and Economic Empowerment Act of 2018".

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Because women make up the majority of
4 the world's poor and gender inequalities prevail in
5 incomes, wages, access to finance, ownership of as-
6 sets, and control over the allocation of resources,
7 women's entrepreneurship and economic empower-
8 ment is important to achieve inclusive economic
9 growth at all levels of society. Research shows that
10 when women exert greater influence over household
11 finances, economic outcomes for families improve,
12 and childhood survival rates, food security, and edu-
13 cational attainment increase. Women also tend to
14 place a greater emphasis on household savings which
15 improves families' financial resiliency.

16 (2) A 2016 report by the McKinsey Global In-
17 stitute estimated that achieving global gender parity
18 in economic activity could add as much as \$28 tril-
19 lion to annual global gross domestic product (GDP)
20 by 2025.

21 (3) Lack of access to financial services that ad-
22 dress gender-specific constraints impedes women's
23 economic inclusion. More than one billion women
24 around the world are currently left out of the formal
25 financial system, which in turn causes many women
26 to rely on informal means of saving and borrowing

1 that are riskier and less reliable. Among other con-
2 sequences, this hampers the success of women entre-
3 preneurs, including those seeking to run or grow
4 small and medium-sized enterprises (SMEs). The
5 International Finance Corporation has estimated
6 that 70 percent of women-owned SMEs in the for-
7 mal sector are unserved or underserved in terms of
8 access to credit, amounting to a \$285 billion credit
9 gap.

10 (4) Women's economic empowerment is inex-
11 tricably linked to a myriad of other women's human
12 rights that are essential to their ability to thrive as
13 economic actors across the lifecycle. This includes,
14 but is not limited to, living lives free of violence and
15 exploitation, achieving the highest possible standard
16 of health and well-being, enjoying full legal and
17 human rights such as access to registration, identi-
18 fication, and citizenship documents, benefitting from
19 formal and informal education, and equal protection
20 of and access to land and property rights, access to
21 fundamental labor rights, policies to address dis-
22 proportionate care burdens, and business and man-
23 agement skills and leadership opportunities.

24 (5) Discriminatory legal and regulatory systems
25 and banking practices are hurdles to women's access

1 to capital and assets, including land, machinery, pro-
2 duction facilities, technology, and human resources.
3 Often, these barriers are connected to a woman's
4 marital status, which can determine whether she is
5 able to inherit land or own property in her name.
6 These constraints contribute to women frequently
7 running smaller businesses, with fewer employees
8 and lower asset values.

9 (6) Savings groups primarily comprised of
10 women are recognized as a vital entry point, espe-
11 cially for poor and very poor women, to formal fi-
12 nancial services and there is a high demand for such
13 groups to protect and grow their savings with formal
14 financial institutions. Evidence shows that, once
15 linked to a bank, the average savings per member
16 increases between 40 to 100 percent and the average
17 profit per member doubles. Key to these outcomes is
18 investing in financial literacy, business leadership
19 training, and mentorship.

20 (7) United States support for microenterprise
21 and microfinance development programs, which seek
22 to reduce poverty in low-income countries by giving
23 small loans to small-scale entrepreneurs without col-
24 lateral, have been a useful mechanism to help fami-
25 lies weather economic shocks, but many microcredit

1 borrowers largely remain in poverty. The vast major-
2 ity of microcredit borrowers are women who would
3 like to move up the economic ladder but are held
4 back by binding constraints that create a “missing
5 middle”—large numbers of microenterprises, a hand-
6 ful of large firms or conglomerates, and very few
7 SMEs in between, which are critical to driving eco-
8 nomic growth in developing countries.

9 (8) According to the World Bank, SMEs create
10 4 out of 5 new positions in emerging markets but
11 about half of formal SMEs don’t have access to for-
12 mal credit. The financing gap is even larger when
13 micro and informal enterprises are taken into ac-
14 count. Overall, approximately 70 percent of all
15 micro, small and medium-sized enterprises (MSMEs)
16 in emerging markets lack access to credit.

17 **SEC. 3. ACTIONS TO IMPROVE GENDER POLICIES OF THE**
18 **UNITED STATES AGENCY FOR INTER-**
19 **NATIONAL DEVELOPMENT.**

20 (a) DEVELOPMENT COOPERATION POLICY.—It shall
21 be the development cooperation policy of the United
22 States—

23 (1) to reduce gender disparities in access to,
24 control over, and benefit from economic, social, polit-

1 ical, and cultural resources, wealth, opportunities,
2 and services;

3 (2) to strive to eliminate gender-based violence
4 and mitigate its harmful effects on individuals and
5 communities through efforts to develop standards
6 and capacity to reduce gender-based violence in the
7 workplace and other places where women conduct
8 work;

9 (3) to support activities that secure private
10 property rights and land tenure for women in devel-
11 oping countries, including legal frameworks to give
12 women equal rights to own, register, use, profit
13 from, and inherit land and property, legal literacy to
14 exercise these rights, and capacity of law enforce-
15 ment and community leaders to enforce such rights;
16 and

17 (4) to increase the capability of women and
18 girls to realize their rights, determine their life out-
19 comes, assume leadership roles, and influence deci-
20 sion-making in households, communities, and soci-
21 eties.

22 (b) ACTIONS.—In order to advance the policy de-
23 scribed in subsection (a), the Administrator of the United
24 States Agency for International Development shall ensure
25 that—

1 (1) strategies, projects, and activities of the
2 Agency are shaped by a gender analysis and, when
3 applicable, use standard indicators to provide one
4 measure of success of such strategies, projects, and
5 activities; and

6 (2) gender equality and female empowerment is
7 integrated throughout the Agency's Program Cycle
8 and related processes for purposes of strategic plan-
9 ning, project design and implementation, and moni-
10 toring and evaluation.

11 (c) GENDER ANALYSIS DEFINED.—In this section,
12 the term “gender analysis”—

13 (1) means a socio-economic analysis of available
14 or gathered quantitative and qualitative information
15 to identify, understand, and explain gaps between
16 men and women which typically involves exam-
17 ining—

18 (A) differences in the status of women and
19 men and their differential access to and control
20 over assets, resources, opportunities, and serv-
21 ices;

22 (B) the influence of gender roles, struc-
23 tural barriers, and norms on the division of
24 time between paid employment, unpaid work

1 (including subsistence production and care for
2 family members), and volunteer activities;

3 (C) the influence of gender roles, struc-
4 tural barriers, and norms on leadership roles
5 and decision making; constraints, opportunities,
6 and entry points for narrowing gender gaps and
7 empowering women; and

8 (D) potential differential impacts of devel-
9 opment policies and programs on men and
10 women, including unintended or negative con-
11 sequences; and

12 (2) includes conclusions and recommendations
13 to enable development policies and programs to nar-
14 row gender gaps and improve the lives of women and
15 girls.

16 **SEC. 4. DEVELOPMENT ASSISTANCE FOR MICRO, SMALL**
17 **AND MEDIUM-SIZED ENTERPRISES.**

18 (a) FINDINGS AND POLICY.—Section 251 of the For-
19 eign Assistance Act of 1961 (22 U.S.C. 2211) is amend-
20 ed—

21 (1) in paragraph (1)—

22 (A) by striking “microenterprise” and in-
23 serting “micro, small and medium-sized enter-
24 prise”;

1 (B) by striking “and in the development”
2 and inserting “, in the development”; and

3 (C) by adding at the end before the period
4 the following: “, and in the economic empower-
5 ment of the poor, especially women”;
6 (2) in paragraph (2)—

7 (A) by striking “microenterprise” and in-
8 serting “micro, small and medium-sized enter-
9 prise”; and

10 (B) by adding at the end before the period
11 the following: “, particularly those enterprises
12 owned, managed, and controlled by women”;

13 (3) in paragraph (3), by striking “microenter-
14 prises” and inserting “micro, small and medium-
15 sized enterprises”;

16 (4) in paragraph (4), by striking “microenter-
17 prise” and inserting “micro, small and medium-sized
18 enterprise”;

19 (5) in paragraph (5)—

20 (A) by striking “should continue” and in-
21 serting “should continue and be expanded”; and

22 (B) by striking “microenterprise and
23 microfinance development assistance” and in-
24 serting “development assistance for micro,
25 small and medium-sized enterprises”; and

1 (6) in paragraph (6)—

2 (A) by striking “have been successful” and
3 inserting “have had some success”;

4 (B) by striking “microenterprise pro-
5 grams” and inserting “development assistance
6 for micro, small and medium-sized enterprises”;
7 and

8 (C) by striking “, such as countries in
9 Latin America”.

10 (b) AUTHORIZATION; IMPLEMENTATION; TARGETED
11 ASSISTANCE.—Section 252 of the Foreign Assistance Act
12 of 1961 (22 U.S.C. 2211a) is amended as follows:

13 (1) In subsection (a)—

14 (A) in the matter preceding paragraph
15 (1)—

16 (i) by striking “credit, savings, and
17 other services” and inserting “credit, in-
18 cluding the use of innovative credit scoring
19 models, savings, financial technology, fi-
20 nancial literacy, insurance, property rights,
21 and other services”; and

22 (ii) by striking “microfinance and mi-
23 croenterprise clients” and inserting “micro,
24 small and medium-sized enterprise cli-
25 ents”;

1 (B) in paragraph (1), by striking “micro-
2 finance and microenterprise clients” and insert-
3 ing “micro, small and medium-sized enterprise
4 clients, particularly those clients owned, man-
5 aged, and controlled by women”;

6 (C) in paragraph (2)—

7 (i) by striking “microenterprises” and
8 inserting “micro, small and medium-sized
9 enterprises”; and

10 (ii) by inserting “acquire United
11 States goods and services,” after “United
12 States markets,”;

13 (D) in paragraph (3)—

14 (i) by striking “microfinance and mi-
15 croenterprise institutions” and inserting
16 “financial intermediaries”;

17 (ii) by striking “microfinance and mi-
18 croenterprise clients” and inserting “micro,
19 small and medium-sized enterprises”; and

20 (iii) by striking “and” at the end;

21 (E) in paragraph (4)—

22 (i) by striking “microfinance and mi-
23 croenterprise clients and institutions” and
24 inserting “micro, small and medium-sized

1 enterprises, financial intermediaries, and
2 capital markets”; and

3 (ii) by striking “the poor and very
4 poor.” and inserting “the poor and very
5 poor, especially women;”; and

6 (F) by adding at the end the following:

7 “(5) assistance for the purpose of promoting
8 the economic empowerment of women, including
9 through increased access to financial resources and
10 improving property rights, inheritance rights, and
11 other legal protections; and

12 “(6) assistance for the purpose of scaling up
13 evidence-based graduation approaches, which include
14 targeting the very poor and households in ultra-pov-
15 erty, consumption support, promotion of savings,
16 skills training, and asset transfers.”.

17 (2) In subsection (b)—

18 (A) in paragraph (1) to read as follows:

19 “(1) IN GENERAL.—There is authorized to be
20 established within the Agency an office to support
21 the Agency’s efforts to broaden and deepen local fi-
22 nancial markets, expand access to appropriate finan-
23 cial products and services, and support the develop-
24 ment of micro, small and medium-sized enterprises.
25 The Office shall be headed by a Director who shall

1 possess technical expertise and ability to offer lead-
2 ership in the field of financial sector development.”;

3 (B) in paragraph (2)—

4 (i) in subparagraph (B)—

5 (I) by striking “USE OF CENTRAL
6 FUNDING MECHANISMS.—” and all
7 that follows through “In order to en-
8 sure” and inserting “USE OF CEN-
9 TRAL FUNDING MECHANISMS.—In
10 order to ensure”;

11 (II) by striking “the office shall”
12 and all that follows through “and
13 other practitioners” and inserting
14 “the office shall provide coordination
15 and support for field-implemented
16 programs, including through targeted
17 core support for micro, small and me-
18 dium-sized enterprises and local finan-
19 cial markets”; and

20 (III) by striking clause (ii);

21 (ii) in subparagraph (C)—

22 (I) by inserting “, particularly by
23 protecting the use and funding of
24 local organizations in countries in

1 which the Agency invests,” after “and
2 sustainability”; and

3 (II) by inserting “, especially
4 women” after “the poor and very
5 poor”; and

6 (C) by striking paragraph (3).

7 (3) In subsection (c)—

8 (A) by striking “all microenterprise re-
9 sources” and inserting “all micro, small and
10 medium-sized enterprise resources”; and

11 (B) by striking “clients who are” and all
12 that follows and inserting “activities that reach
13 the very poor, and 50 percent of all small and
14 medium-sized enterprise resources shall be tar-
15 geted to activities that reach enterprises owned,
16 managed, and controlled by women.”.

17 (c) MONITORING SYSTEM.—Section 253(b) of the
18 Foreign Assistance Act of 1961 (22 U.S.C. 2211b(b)) is
19 amended—

20 (1) in paragraph (1), by inserting “, including
21 goals on a gender disaggregated basis, such as im-
22 provements in employment, access to financial serv-
23 ices, enterprise development, earnings and control
24 over income, and property and land rights,” after
25 “performance goals”;

1 (2) in paragraph (2), by striking “include per-
2 formance indicators” and all that follows through
3 “the achievement” and inserting “incorporate Agen-
4 cy planning and reporting processes and indicators
5 to measure or assess the achievement”; and

6 (3) by striking paragraph (4).

7 (d) **POVERTY MEASUREMENT METHODS.**—Section
8 254 of the Foreign Assistance Act of 1961 (22 U.S.C.
9 2211c) is amended to read as follows:

10 **“SEC. 254. POVERTY MEASUREMENT METHODS.**

11 “The Administrator of the Agency, in consultation
12 with financial intermediaries and other appropriate orga-
13 nizations, should have in place at least one method for
14 implementing partners to use to assess poverty levels of
15 their current incoming or prospective clients.”.

16 (e) **ADDITIONAL AUTHORITIES.**—Section 255 of the
17 Foreign Assistance Act of 1961 (22 U.S.C. 2211d) is
18 amended—

19 (1) by striking “assistance for microenterprise
20 development assistance” and inserting “development
21 assistance for micro, small and medium-sized enter-
22 prises”; and

23 (2) by striking “and, to the extent applicable”
24 and all that follows and inserting a period.

1 (f) MICROENTERPRISE DEVELOPMENT CREDITS.—
2 Section 256 of the Foreign Assistance Act of 1961 (22
3 U.S.C. 2212) is amended—

4 (1) in the section heading, by striking “**MICRO-**
5 **ENTERPRISE DEVELOPMENT CREDITS**” and in-
6 serting “**DEVELOPMENT CREDITS FOR MICRO,**
7 **SMALL AND MEDIUM-SIZED ENTERPRISES**”;

8 (2) in subsection (a)—

9 (A) in paragraph (1), by striking “micro-
10 and small enterprises” and inserting “micro,
11 small and medium-sized enterprises”; and

12 (B) in paragraph (2), by striking “micro-
13 enterprises” and inserting “micro, small and
14 medium-sized enterprises”;

15 (3) in subsection (b), in the matter preceding
16 paragraph (1), by inserting “and other financial
17 services” after “credit”;

18 (4) by striking “microenterprise households”
19 each place it appears and inserting “micro, small
20 and medium-sized enterprises and households”; and

21 (5) by striking “microfinance institutions” each
22 place it appears and inserting “financial inter-
23 mediaries”.

1 (g) UNITED STATES MICROFINANCE LOAN FACIL-
2 ITY.—Section 257 of the Foreign Assistance Act of 1961
3 (22 U.S.C. 2213) is amended—

4 (1) in the section heading, by striking
5 “UNITED STATES MICROFINANCE LOAN FACIL-
6 ITY” and inserting “UNITED STATES MICRO,
7 SMALL AND MEDIUM-SIZED ENTERPRISE LOAN
8 FACILITY”;

9 (2) in subsection (a)—

10 (A) by striking “United States Micro-
11 finance Loan Facility” and inserting “United
12 States Micro, Small and Medium-Sized Enter-
13 prise Loan Facility”; and

14 (B) by striking “United States-supported
15 microfinance institutions” and inserting
16 “United States-supported financial inter-
17 mediaries”;

18 (3) in subsection (b), by striking “United
19 States-supported microfinance institutions” each
20 place it appears and inserting “United States-sup-
21 ported financial intermediaries”;

22 (4) by striking “microfinance institutions” each
23 place it appears and inserting “financial inter-
24 mediaries”.

1 (h) CONTENTS OF REPORT.—Subsection (b) of sec-
2 tion 258 of the Foreign Assistance Act of 1961 (22 U.S.C.
3 2214) is amended to read as follows:

4 “(b) CONTENTS.—To the extent practicable, the re-
5 port should contain the following:

6 “(1) Information about assistance provided
7 under section 252, including—

8 “(A) the amount of each grant or other
9 form of assistance;

10 “(B) the name of each intermediary and
11 implementing institution receiving assistance;

12 “(C) the name of each country receiving
13 assistance; and

14 “(D) the methodology used to ensure com-
15 pliance with the targeted assistance require-
16 ments in subsection (c) of such section.

17 “(2) The percentage of assistance provided
18 under section 252 disaggregated by income level, in-
19 cluding for the very poor, and gender.

20 “(3) The estimated number of individuals that
21 received assistance provided under section 252
22 disaggregated by income level, including for the very
23 poor, and gender, and by type of assistance, includ-
24 ing loans, training, and business development serv-
25 ices.

1 “(4) The results of the monitoring system re-
2 quired under section 253.

3 “(5) Information about any method in place to
4 assess poverty levels under section 254.”.

5 (i) DEFINITIONS.—Section 259 of the Foreign As-
6 sistance Act of 1961 (22 U.S.C. 2214a) is amended—

7 (1) in paragraph (3), by striking “Committee
8 on International Relations” and inserting “Com-
9 mittee on Foreign Affairs”;

10 (2) in paragraph (4), by striking “microenter-
11 prises” and inserting “micro, small and medium-
12 sized enterprises”;

13 (3) in paragraph (6)—

14 (A) in subparagraph (E), by striking “mi-
15 croenterprise institution” and inserting “micro,
16 small and medium-sized enterprise institution”;
17 and

18 (B) in subparagraph (F), by striking “mi-
19 croenterprise institution” and inserting “finan-
20 cial intermediary”;

21 (4) in paragraph (7) to read as follows:

22 “(7) MICRO, SMALL AND MEDIUM-SIZED EN-
23 TERPRISE INSTITUTION.—The term ‘micro, small
24 and medium-sized enterprise institution’ means an
25 entity that provides services, including finance,

1 training, or business development services, for micro,
2 small and medium-sized enterprises in foreign coun-
3 tries.”;

4 (5) in paragraph (8) to read as follows:

5 “(8) FINANCIAL INTERMEDIARY.—The term ‘fi-
6 nancial intermediary’ means the entity that acts as
7 the intermediary between parties in a financial
8 transaction, such as a bank, credit union, investment
9 fund, a village savings and loan group, or an institu-
10 tion that provides financial services to a micro, small
11 or medium-sized enterprise.”;

12 (6) by striking paragraph (9);

13 (7) by redesignating paragraphs (10) through
14 (14) as paragraphs (9) through (13), respectively;

15 (8) in paragraph (9) (as redesignated), by strik-
16 ing “of microenterprise development”;

17 (9) in paragraph (10) to read as follows:

18 “(10) PRACTITIONER INSTITUTION.—The term
19 ‘practitioner institution’ means a not-for-profit enti-
20 ty, financial intermediary, telecommunications firm
21 with a mobile money platform, a village and savings
22 loan group, or any other entity that provides services
23 authorized under section 252 that benefits micro,
24 small and medium-sized enterprise clients.”;

25 (10) in paragraph (12) (as redesignated)—

1 (A) in the heading, by striking “UNITED
2 STATES-SUPPORTED MICROFINANCE INSTITU-
3 TION” and inserting “UNITED STATES-SUP-
4 PORTED FINANCIAL INTERMEDIARY”; and

5 (B) by striking “United States-supported
6 microfinance institution” and inserting “United
7 States-supported financial intermediary”;

8 (11) in subparagraph (B) of paragraph (13) (as
9 redesignated) to read as follows:

10 “(B) living below the International Poverty
11 Line, as defined by the International Bank for
12 Reconstruction and Development and the Inter-
13 national Development Association (collectively
14 referred to as the ‘World Bank’).”.

15 (j) TECHNICAL AND CONFORMING AMENDMENTS.—
16 Title VI of chapter 2 of part I of the Foreign Assistance
17 Act of 1961 is amended as follows:

18 (1) In the title heading, by striking “MICRO-
19 ENTERPRISE DEVELOPMENT ASSISTANCE”
20 and inserting “DEVELOPMENT ASSISTANCE
21 FOR MICRO, SMALL AND MEDIUM-SIZED
22 ENTERPRISES”.

23 (2) In the heading for subtitle C, by striking
24 “UNITED STATES MICROFINANCE LOAN FACILITY”

1 and inserting “UNITED STATES MICRO, SMALL AND
2 MEDIUM-SIZED MICROFINANCE LOAN FACILITY”.

3 **SEC. 5. REPORT AND BRIEFING BY UNITED STATES AGEN-**
4 **CY FOR INTERNATIONAL DEVELOPMENT.**

5 (a) IN GENERAL.—Not later than one year after the
6 date of the enactment of this Act, the Administrator of
7 the United States Agency for International Development
8 shall provide a briefing and submit to the Committee on
9 Foreign Affairs of the House of Representatives and the
10 Committee on Foreign Relations of the Senate a report
11 on the implementation of this Act and the amendments
12 made by this Act, including actions to improve the gender
13 policies of the United States Agency for International De-
14 velopment pursuant to section 3.

15 (b) PUBLIC AVAILABILITY.—The report required
16 under paragraph (1) shall be posted and made available
17 on a text-based, searchable, and publicly-available internet
18 website.

19 **SEC. 6. REPORT BY COMPTROLLER GENERAL OF THE**
20 **UNITED STATES.**

21 (a) IN GENERAL.—Not later than two years after the
22 date of the enactment of this Act, the Comptroller General
23 of the United States shall submit to the Committee on
24 Foreign Affairs of the House of Representatives and the
25 Committee on Foreign Relations of the Senate a report

1 on development assistance for micro, small and medium-
2 sized enterprises administered by the United States Agen-
3 cy for International Development.

4 (b) MATTERS TO BE INCLUDED.—The report re-
5 quired under subsection (a) shall include an assessment
6 of the following:

7 (1) What is known about the impact of such de-
8 velopment assistance on the economies of developing
9 countries.

10 (2) The extent to which such development as-
11 sistance is targeting women and the very poor, in-
12 cluding what is known about how such development
13 assistance benefits women.

14 (3) The extent to which the United States
15 Agency for International Development has developed
16 a methodology used to ensure compliance with the
17 targeted assistance requirement in section 252(c) of
18 the Foreign Assistance Act of 1961, as amended by
19 section 4 of this Act.

20 (4) The monitoring system requirements in sec-
21 tion 253(b) of the Foreign Assistance Act of 1961,
22 as amended by section 4 of this Act, including the
23 quality of such monitoring system.

AMENDMENT TO H.R. 5480
OFFERED BY MR. ROYCE OF CALIFORNIA

Page 18, strike lines 10 and 11 and insert the following:

1 “(B) the name and type of each inter-
 2 mediary and implementing partner organization
 3 receiving assistance;”.

Page 20, line 20, strike “telecommunications” and insert “information and communications technology”.

Page 20, line 22, insert “financial or business development” before “services”.

Page 23, line 19, insert “, and the quality of such methodology” before the period.

Page 23, line 20, strike “requirements” and insert “required”.



Chairman ROYCE. And I now recognize myself to speak on today's business.

So, first, we have the Export Control Reform Act of 2018. This is a bipartisan bill that would replace the outdated Export Administration Act of 1979, which has been in lapse for the last quarter century. And it would replace it with a permanent modern export control authority. So, obviously, this step is long overdue.

Crucially, the bill closes gaps in our export controls that could permit transfers of cutting-edge technology like artificial intelligence and advanced semiconductors to potential adversaries such as Beijing. It also ensures that transfers of sensitive manufacturing knowhow, including through joint ventures, are subject to more rigorous export controls. This act mandates an urgent effort to iden-

tify and appropriately control critical emerging technologies, technologies that are not currently subject to export controls, but which could be essential to our U.S. national security. Together with SIFIs reforms, this bill will enable the U.S. to remain a leader in innovation, strengthen our industrial base, and protect technologies essential to national security.

Next, we consider the bipartisan H.R. 5480. This is the Women's Entrepreneurship and Economic Empowerment Act. Women in developing countries around the world face binding constraints to entrepreneurship and economic participation. So, we have today over 1 billion women that are left out of the formal financial system, and that leaves them without access to savings or credit or insurance or basic property rights.

What this legislation does is expands USAID's microenterprise assistance authority to include support for small and medium-sized enterprises which create four out of every five jobs in emerging markets. When women exert greater influence over household finances, economic outcomes for families improve and, obviously, childhood survival rates go up. Food security and educational attainment are increased.

This isn't just good for local communities in these developing countries. Achieving global gender parity in economic activity could add tens of trillions of dollars to annual GDP growth around the planet by 2025. This helps us.

Next, we have Chairman Smith's H.R. 5129. This is the Global Food Security Reauthorization Act of 2018. Last Congress, we came together in a bipartisan way to enact the Global Food Security Act. Since enactment in 2016, the Global Food Security Strategy has helped 11 million small farmers gain access to new technologies. It has unlocked \$2.7 billion in loans, \$830 million in direct private sector investment, and it has reduced poverty by an average of 19 percent in the focus areas. These programs have also allowed us to reach 27 million children under the age of 5 with vital nutrition assistance. And we did this without increase spending. H.R. 5129 continues this good work by extending the existing authorization for an additional 2 years.

Finally, I want to thank Representatives Castro and Meadows for introducing H.R. 5274. This is the Global Electoral Exchange Act. Healthy societies depend on elections that accurately reflect the decision of voters. The world has a shared stake in the integrity of election mechanisms. The nuts and bolts of how people cast their votes and how these votes are counted free from manipulation is the subject here, and this bill would strengthen this work by authorizing the Secretary of State to run exchanges to better equip those who organize and administer elections in their home countries.

And I now recognize the ranking member for his remarks.

Mr. ENGEL. Thank you, Mr. Chairman. Thank you very much for calling this markup. We have four good measures before us today, and I am happy to support them all. As always, I want to thank all of our members on both sides of the aisle for their hard work.

Mr. Chairman, I want to thank you for putting forward the Export Control Reform Act. As you mentioned, it has been almost four decades since the law on export controls was revised. The old law

is filled with out-of-date provisions that simply don't reflect our current national security priorities. It also expired in 2001.

So, for the last 17 years, the legal authority for regulating sensitive exports has been based on emergency authority contained in Executive orders. That is why this bill is so essential. It updates the export control system to reflect today's reality of the way these technologies are developed and transferred in global trade. It provides a new approach to help mitigate the risks of sensitive technologies falling into the hands of our adversaries, and it reasserts the role of Congress in addressing the important national security priority. I am proud to be the lead Democratic cosponsor of this legislation and I urge all members to support it.

Next, I want to turn to the Global Food Safety Reauthorization Act. This is another great example of bipartisan common-sense cooperation on vital foreign policy issues. I am an original cosponsor, and I am pleased to see this bill on the agenda.

Nearly 800 million people around the world live without the certainty that their families will have enough to eat. Underfed populations are less productive and more vulnerable to disease. Without reliable access to food, it is much harder for a country to achieve stability and prosperity. So, we have an interest and a moral obligation in tackling this problem as part of our foreign policy.

This bill reauthorizes the successful Global Food Security Act which codified the Feed the Future Program. We are already seeing some excellent results from this program, a 26 percent drop in child stunting. Nine million more people are above the poverty line; 1.7 million more families are living without hunger, and \$2.6 billion earned by Feed the Future farmers in new agricultural sales. This is a great bill, and I thank the drafters, Representative Chris Smith and Betty McCollum, for their hard work, and encourage all my colleagues to support it.

Fighting global poverty is a critical issue that our committee faces, and one of the most effective ways we can improve global prosperity is to empower women throughout the world. That brings me to the next measure for today's markup, the Women's Entrepreneurship and Economic Empowerment Act. This is important. It is a very important piece of legislation, introduced by Chairman Royce and Congresswoman Frankel. It expands U.S. development policy to empower women entrepreneurs in developing countries.

Women and girls are powerful, and we know what happens when that power and potentials are unleashed. Communities thrive. Local and global economies grow. Societies prosper and become more inclusive and equitable. If women were full participants in the global economy, we would see an additional \$28 trillion in growth in global GDP by the year 2025.

Women in developing countries face a series of gender-specific constraints to moving up the economic ladder, including lack of access to financial services. Women-owned small- and medium-sized enterprises face almost a \$300 billion credit gap. The Women's Entrepreneurship and Economic Empowerment Act works to address that disparity by expanding U.S. development assistance to reach those small- and medium-sized enterprises.

This bill is a welcomed step toward improving women's economic prospects, but there remain other barriers to women's economic

empowerment, including issues related to maternal and reproductive health. There is a well-documented link between improved access to contraception and women's economic empowerment. Women who are able to plan their families are more likely to receive an education, raise their standards of living, and climb out of poverty. These benefits aren't limited to a woman herself. In homes where parents have the ability to decide the number of children they have, their children tend to be healthier, do better in school, and grow up to earn higher incomes.

I am pleased to be an original cosponsor of this, and I urge all of our members to join me in supporting it. And I hope that we can build upon the good work and address all the barriers that women and girls face, so that they can achieve full economic empowerment.

And lastly, I turn to the Global Electoral Exchange Act, introduced by Representatives Castro and Meadows, which would establish exchange programs at the State Department that focus on strengthening the electoral mechanisms around the world. It is in America's interest that we promote credible elections, and having exchange programs to share best election practices is an excellent idea. We should be doing all that we can be doing to promote democracy.

I support this bill, along with the other measures we are considering today, and I again thank all our members on both sides.

And I yield back, Mr. Chairman. Thank you.

Chairman ROYCE. Thank you.

We go now to Mr. Chris Smith, the author of the Global Food Security Reauthorization Act.

Mr. SMITH. Thank you very much, Mr. Chairman. Thank you, Mr. Engel, for your strong support for this as well. Both of you are cosponsors, as is Betty McCollum, who is the principal Democrat cosponsor, and my good friend and colleague, Karen Bass, who is also one of the leading original sponsors as well. Thank you.

This is bipartisan legislation that has worked and this is the reauthorization to continue, and, hopefully, to bring additional emphasis to some of the areas that we have missed in the original enactment of this landmark legislation.

I would remind my colleagues that there are 800 million hungry people in the world today. Not only do children still die from malnutrition, we know that, because of malnutrition, those children are subjected to other sicknesses, opportunistic infections. Malaria takes an even more devastating toll on them because of their malnutrition.

Feed the Future, this legislation, and the underlying program which began in the Bush administration, was strengthened and expanded in the Obama administration, and has now been continued and strengthened under the leadership of President Trump, and continues to reach out to the most vulnerable. As you pointed out, Mr. Chairman, we have seen a significant drop in poverty, some 19 percent, and the drop in child stunting. And as I travel throughout the world, particularly in Africa and places like Guatemala, which has had a huge stunting problem, they have joined the effort to provide nutrition to young people, especially mothers and mothers carrying children. Stunting has dropped significantly.

And why is stunting so bad? Obviously, the impact it has on the individual, their diminished capabilities intellectually, and the like. If the food and nutrition is there, especially in the first 1,000 days from conception to the second birthday, and then, hopefully, God willing, it continues, we have stronger, more resilient children and, then, young adults and, then, adults to live out a life that is far more fruitful than when they are carrying a number of sicknesses.

This authorization bill emphasizes the importance of de-worming initiatives. Among the neglected tropical diseases, intestinal worms account for nearly 80 percent of neglected tropical disease prevalence, affecting close to 1 billion people all over the world. These worms undercut our nutrition interventions and can lead to death by malnutrition or lifelong stunting as well. We need to combine our nutrition interventions not only with coordinated de-worming campaigns, but also with water sanitation and health interventions that change people's behavior. WASH training helps ensure people limited exposure to worms such as by washing and peeling vegetables or something as simple as giving children shoes to wear if they walk on worm-infected soil, so that they don't get sick again.

Again, I will ask unanimous consent that my full statement be made a part of the record. But this legislation I think will save many lives. And I thank you again for bringing it to the committee today.

Chairman ROYCE. We go now to Mr. David Cicilline of Rhode Island.

Mr. CICILLINE. Thank you, Mr. Chairman. Thank you to you and to the ranking member for holding this markup today of these bipartisan measures. As always, I appreciate the way our committee works together across the aisle in moving important reforms and authorizations.

I am pleased to support H.R. 5129, the Global Food Security Reauthorization Act, which will extend Feed the Future until 2021, ensuring that the United States Government remains at the forefront of fighting global hunger by providing assistance to millions of hungry and vulnerable people around the world in order to build sustainable food systems, improve resilience, expand agricultural markets, and improve nutrition for local communities. The Feed the Future Program has had a remarkable success, as outlined in its 2016 progress report showing statistically-significant declines in poverty in 11 out of 17 focus countries.

I am also pleased to join with my colleagues, Congressman Smith and Congresswoman McCollum, as well as the chair and ranking member, as a cosponsor of this important legislation, and I urge my colleagues to support it.

I am also pleased to support H.R. 5480, the Women's Entrepreneurship and Economic Empowerment Act, introduced by Chairman Royce and Congresswoman Frankel. Though the United States already does a lot of incredible work to support the empowerment of women and girls around the world, this legislation would expand programs to ensure that all USAID projects and activities are shaped by a gender analysis and gender equality, and female empowerment is integrated throughout the agency's program cycle.

This bill will expand USAID's microenterprise development assistance to include small and medium enterprises, particularly those owned, controlled, and managed by women, and will institute requirements, so that we can track the implementation of this bill. I strongly support these efforts and thank my colleagues for their work on behalf of women and girls.

And finally, I am pleased to support H.R. 5274, the Global Electoral Exchange Act, introduced by my friend and colleague, Congressman Castro. This smart legislation will create an exchange program for election officials in order to exchange best practices between the United States and other countries. At a time when democratic systems are under attack across the globe, this legislation will help educate election officials on best practices for administering an election. I am also a proud cosponsor of this legislation and urge my colleagues to support it as well.

I thank you, again, to all of my colleagues for working on these important pieces of legislation, and thank you again to you, Mr. Chairman and the ranking member, for holding this markup today.

And with that, I yield back.

Chairman ROYCE. We go now to Ileana Ros-Lehtinen of Florida.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman.

It has been a long time since Congress has been able to reform some of our outdated laws. The chairman and ranking member's Export Control Reform Act is a much-needed update to the old Export Administration Act of 1979. And while I do applaud this measure, as well as your efforts to reestablish strong congressional oversight of export controls, I do wish that we had moved away from the current rescission process. The bill allows for a rescission of a country's designation as a state sponsor of terror (SST) to continue to operate under the current mechanism. This allows for the administration, any administration, to remove a country from the SST list and only by passing a joint resolution of disapproval can Congress block this decision, meaning we need a veto-proof majority, very difficult to do.

And I look back at the most recent decisions that removed SST countries, Cuba and North Korea, and think that Congress was really powerless to prevent these moves. We are missing an opportunity here and are, again, allowing the administration too much leeway. We have seen that some administrations will bargain an SST designation for next to nothing, and we will have little to prevent that. I am dismayed that we aren't giving ourselves the proper oversight over SST designations, and I hope, Mr. Chairman and Ranking Member, that we can find a way to modify this mechanism going forward.

I would also like to express my strong support for my colleague Chris Smith's bill, the Global Food Security Reauthorization Act. With nearly 800 million hungry people worldwide, addressing the challenge of food insecurity is both a moral and national security imperative. Hunger is a leading factor driving so much of the instability and violence that we see in the world today. And by investing in stronger food systems, we can help develop more resilient communities that are able to withstand these pressures.

We need proper oversight and a strategy that makes sure USAID and its partners are fully integrated in achieving U.S. interests.

This bill ensures that strategy remains in place, and I offer the bill my strong support. Congrats, Mr. Smith.

I also want to speak in support of my friend Joaquin Castro's Global Electoral Exchange Act. At a time when bad actors such as Russia have been proven to meddle in other nations' elections, including our own, it is more important now than ever that we do what we can to ensure the validity and security of our electoral process. This bill is a tool that we can use to not only advance and protect our interests by ensuring that outside actors cannot work to manipulate election results, but it also serves to advance our democratic ideals.

I do want to note that elections alone do not make a democracy. We saw that last month in my native homeland of Cuba with the sham selections. Really, there were no elections set up by the Castro regime, and we are set to see the same fraud taking place in Venezuela next month with Maduro's sham snap elections. And with this farce of a transition of power set to happen tomorrow in Cuba, this bill serves to remind us that the people of Cuba are still denied their God-given rights. Until there are free, fair, and transparent elections in Cuba, in Venezuela, or anywhere in the world, we need to continue to support the people whose rights are being denied, which is why initiatives such as this one are so important in promoting sound election practices around the world.

And finally, Mr. Speaker—Mr. Chairman, I elevated you or demoted you, I am not sure—I also support your bill with Ranking Member Engel, the Women's Entrepreneurship and Economic Empowerment Act. Sadly, women continue to face insurmountable barriers that deter their availability to becoming full and equal members of society. This bill seeks to update USAID policy to chip away at those barriers, improve women's working environments, support their property rights, and aid them in providing access to greater economic opportunity. It is our responsibility to empower women, and this bill does so through our USAID programs.

Congratulations, Mr. Chairman and Ranking Member, for a fine set of initiatives that we can all support.

Chairman ROYCE. Well, I thank the chairman emeritus, and I recognize her for her longstanding support for strengthening congressional oversight over U.S. foreign policy and for combating terrorism.

I would make a few points on the Export Controls Reform Act, where it does move in the direction that you want to see, maybe not as robustly as you wanted to see it. But what it does do is it strengthens the congressional oversight over the delisting of a state sponsor of terrorism. And it does that really by quadrupling the time by fourfold that a designated country has got to refrain from sponsoring terrorism before being delisted. So, it is no longer 6 months; it is 24 months. I think this gives us a chance for much better evidence that a country has truly abandoned terrorism, but it also doubles the time that Congress has to review the proposed removal of the country from the list. So, it goes from 45 days to 90 days, and that improves our oversight. And it, I think, gives us much more time to reject a removal if we find that objectionable. So, it helps in that way as well.

But one of the changes that I think will work best for us and the committee is that it requires that the administration notify and brief Congress at the front end, when they initiate a review of a designated country's potential removal from the list. So, I think all of that puts us in a better position than we are now, and I did want to share that with you. And I understand your plight.

Ms. ROS-LEHTINEN. Well, thank you very much. Thank you, Mr. Chairman.

Chairman ROYCE. We go now to Lois Frankel from Florida, the cosponsor of our Women's Entrepreneurship and Economic Empowerment Act.

Ms. FRANKEL. Thank you, Mr. Royce and Mr. Engel, for your extraordinary bipartisan leadership. And I want to thank my colleagues for their good work on all these bills, which I support.

I want to specifically focus my remarks on the Women's Entrepreneurship and Economic Empowerment Act, which I am honored to be one of the original cosponsors. The bill recognizes that, when women around the world are educated and have access to the tools for economic success, their communities are safer, stronger, and more peaceful, and so is the world.

Living in the United States where there is so much opportunity, it is hard to comprehend the hardships and obstacles that girls and women face in so many parts of the world. I think of Fatime, a young girl born in Mali. At just 8 months she may be cut, subjected to general mutilation. By age 12, her father may sell her for marriage to a man she has never met. Or Nasha, a young woman in Nigeria, desperate for an education, who has to walk miles fearful of sexual violence or kidnapping just to get to school. Or Camilia, a grown woman in Pakistan who dreams of starting her own business and being able to care for her family, but discriminatory laws prohibit her from owning property or being able to access credit. She is among the 1 billion women excluded from the formal financial system.

And millions of young girls face child marriage, sexual assault, human trafficking, genital mutilation, femicide. I could go on. One in three suffer gender-based violence. Access to health care and education is limited. Laws in their countries restrict their employment, property rights, access to credit and other financial resources.

So, it is not surprising that women and girls are the majority of the world's poor. Now here's the thing: Because of so many, too many cruel and unfair practices against girls and women, the world is poorer, too. According to McKinsey Global Institute, a leading international private sector think tank, if we change this equation and advance women's equality, we could add \$28 trillion to the global GDP in just 7 years.

And there is an undeniable link between women's economic success and global prosperity, and this excellent bill makes it a U.S. development policy to reduce gender disparities related to economic opportunity; to strive to eliminate gender-based violence; to support women's property rights, and increase the capability of women and girls to determine their own future. The bill requires that 50 percent of USAID's resources for small and medium-sized enterprises be targeted to reach enterprises owned and managed and con-

trolled by women. It codifies USAID's practice of shaping policy and activities through a gender analysis which should examine gender differences in access to resources and opportunities, different impacts of policy and programs on men and women, and provide recommendations to narrow the gender gaps and improve the lives of women and girls.

And to ensure that our development assistance is reaching women, this legislation mandates that USAID track and measure improvements in women's economic empowerment, including employment, access to financial services, enterprise development, earnings and control over income, and property and land rights. In addition, this legislation expands the scope of development assistance for microenterprises to micro-, small-, and medium-sized enterprises to reflect the change in the field.

Investing in women's empowerment is not only humane, it is good common sense, because when women exert greater influence over household finances, economic outcomes for families improve, childhood survival rates increase, food security and educational attainment also increase. Women also tend to place a greater emphasis on household savings, which improves families' financial resiliency. When girls and women do better, their nations do better. Women are potent forces for peace and prosperity. When they succeed, the world will succeed.

And I thank my colleagues for joining me in support of this important bill.

And I yield back.

Chairman ROYCE. Thank you.

We now go to Joe Wilson of South Carolina.

Mr. WILSON. Thank you, Mr. Chairman.

I appreciate Chairman Ed Royce and Ranking Member Eliot Engel for their bipartisan efforts to bring the Export Control Reform Act before the committee. This bill helps protect industry and commerce in the United States by preventing technological theft while reducing the risks of other countries misusing controlled items and technologies for nefarious purposes.

Importantly, this bill would replace the Export Administration Act, which lapsed in 2001. While export controls have been maintained through emergency powers granted to the President, this legislation would update and strengthen our export controls to maintain the pace for modern international and digital trade without harming trade.

Foreign investment in the United States creates economic opportunity, but it also has created gaps in our technological security. Currently, foreign-owned companies in the United States often do not need a license to receive dual-use technology normally subject to such controls when exported abroad. This bill corrects and updates this flaw for the modern era.

This legislation also would adapt to the advances in technology by mandating an interagency process to identify emerging technologies that need to be protected by export controls, which will allow export controls to stay up-to-date. This bill protects American technology from theft and abuse and ensures that our export control system remains robust and effective.

I am grateful to support and cosponsor H.R. 5040, the Export Control Reform Act of 2018, and urge its passage.

Additionally, as a former election observer for the International Republican Institute to Bulgaria, and as a host for election observation by Ambassador Peter Burian of Slovakia during the Republican primary for President, I especially appreciate the Global Electoral Exchange Act, by Congressman Joaquin Castro, and urge its passage.

I yield back.

Chairman ROYCE. We go now to the author of the Global Electoral Exchange Act, Joaquin Castro of Texas.

Mr. CASTRO. Thank you, Chairman Royce and Ranking Member Engel, for bringing these measures before us today, and for your leadership on this committee. I want to say thank you to all the members whose bills are before us today for your hard work.

The bills considered today, including the Export Control Reform Act, Global Food Security Reauthorization Act, and Women's Entrepreneurship and Economic Empowerment Act, address important issues in the world, and I am pleased to support all of them.

Included in this package is a bill I authored with Representative Mark Meadows of North Carolina, before the committee today, the Global Electoral Exchange Act, or H.R. 5274. In the last decade, we have seen democracies around the world in retreat, including some in our own backyard. This is in contrast to prior years. In countries around the world, democracy activists and well-intentioned leaders strive to create more inclusive societies, but face significant challenges, including lack of institutional knowledge of electoral processes.

An election is a complex endeavor and an exercise a society undertakes together. It requires an engaged public, robust institutions, and a transparent, technically-sound electoral mechanism. Such an electoral mechanism must include a secret ballot, inclusive voting systems, chain of custody, neutral instructions to voters, and so much more of what may be considered good electoral practices.

When these electoral mechanisms are inadequately transparent or technically unsound, the legitimacy of an election and its results are in question. We saw this firsthand in Kenya and Honduras over the last year, where electoral failure led to election violence and a questionable outcome.

The State Department and USAID already engage in excellent work, in partnership with groups like the National Endowment for Democracy, the National Democratic Institute, International Republican Institute, and International Foundation for Electoral Systems, supporting democracy worldwide.

This bill would establish exchange programs with other countries, administered by the State Department, for individuals involved in the conduct of elections. When we bring folks over here to show them how we do things and send Americans to other countries to see how elections are conducted overseas, we can have candid conversations on how all of us can improve these processes. These educational programs would benefit both societies abroad keyed on democratizing and our own States and cities right here in the United States.

I would like to thank again my coauthor, Mark Meadows. I believe he is at an OGR hearing and can't be here right now. But he and his staff put in a lot of work also, and I would like to say thank you and ask for my colleagues' support on this.

Chairman ROYCE. Thank you.

We go now to Mike McCaul of Texas.

Mr. MCCAUL. Thank you, Mr. Chairman, Ranking Member Engel. I want to thank you for holding today's markup, and especially thank you and the other members of this committee for your work to advance H.R. 5480, the Women's Entrepreneurship and Economic Empowerment Act. And I say that as a father of four daughters.

Women make up approximately 40 percent of the world's workforce; yet, are restricted from contributing to their economies due to economic barriers such as access to credit and other financial services. Due to this, less women are able to start or grow their own businesses. Research suggests that leveling the financial playing field for women could result in \$28 trillion to the annual GDP by 2025, and that is why I would like to offer my strong support for this bill.

This legislation will empower women's entrepreneurship by expanding U.S. assistance to women-owned and -managed small- and medium-sized enterprises. I believe that a world in which women have access to the same economic opportunities as men is a world that will be more prosperous and more stable. So, I encourage my colleagues to support the passage of this measure.

And I yield back.

Chairman ROYCE. Thank you.

We go to Dina Titus of Nevada.

Ms. TITUS. Well, thank you, Mr. Chairman and Ranking Member.

I, too, support all of these bills and think they are excellent pieces of legislation, and appreciate the work that their sponsors have done to bring them to this point.

I would like to speak specifically, though, about the Global Electoral Exchange Act, and salute Congressmen Castro and Meadows for introducing this bill. I am a cosponsor of it, and I appreciate, also, the chairman including my amendment en bloc today.

The Global Electoral Exchange Act will help promote best election practices through a global electoral exchange program to foster the growth of democracy around the world. As a member of the House Democracy Partnership, which works with developing democracies to strengthen their institutions, I can attest to the importance of strong electoral processes in bolstering democracy and promoting economic development.

According to the World Health Organization, roughly 15 percent of the earth's population has a disability and 80 percent of those persons live in developing countries. Inclusion of persons with disabilities is a fundamental part of democracy, and this must extend to the electoral process as well. Unfortunately, barriers continue to exist around the world that limit these folks to their full and effective participation in elections. So, therefore, they aren't able to enjoy aspects of life and fulfill their potential.

My amendment would ensure that the best practices shared through this program would also include those related to equitable access to polling place, voter education information, and voting mechanisms for persons with disabilities. By recognizing this need, the U.S. is continuing its role as a leader in disability accommodation in all aspects of life here at home and around the world.

And I thank you and yield back.

Chairman ROYCE. Thank you.

We go to Mr. Ted Yoho of Florida.

Mr. YOH0. Thank you, Mr. Chairman, and I appreciate you bringing up these important pieces of legislation, and I support them all.

I want to give a strong support for the Export Control Reform Act. I support this legislation completely, and I would like to see it in the future expand to cover other forms of research, including biotech, including plant, animal, and medicine. These are also vital to national security, and I look forward to offering amendments in the Rules Committee and also on the House Floor when this bill comes up for a vote on its way to becoming a law.

And also, to give a shoutout for H.R. 4030, the State Sponsors of Terrorism Review and Enhancement Act, that a lot of the portions of that are in the Export Control Reform Act, and I look forward to that piece of legislation coming up also.

And I yield back.

Chairman ROYCE. We will look forward to working with the gentleman on biotech and some of these other considerations that should be included.

Mr. Brad Schneider of Illinois.

Mr. SCHNEIDER. Thank you. I just want to say I am glad we have these bills here today. I am glad to support all of them.

Chairman ROYCE. Thank you, Mr. Schneider.

Any further members seeking recognition?

Mr. Tom Garrett.

Mr. GARRETT. Thank you, Mr. Chair.

Again, I would echo the sentiments of our colleagues on each side of the aisle. Proud of each of these four pieces of legislation.

Very briefly and specifically, on H.R. 5480, I would commend yourself, Ranking Member Engel, and Member Frankel. Member Engel said—and I will adopt fully his comments—that these actions to empower women economically will “help communities thrive, help economies grow, help opportunity expand.” I wholeheartedly agree, and I would add it will also help reduce radicalization, expand hope, which stymies extremist recruitment, and will foster a more tolerant and open society across the globe. Such a good bill. In other words, this act helps not only women across the globe, but people everywhere. And, Mr. Chairman, I would argue it will save many uncountable lives.

Also, on H.R. 5040, the Export Control Reform Act, I commend the chair and ranking member on their ability to determine sort of a glaring problem that had been delayed in being addressed for decades. This is a good, bipartisan, and overdue reform. Just as Mr. Yoho referenced hopes that we talk more about biotech, et cetera, I understand this might not be the committee of purview, but I hope that this legislation will embolden us to address the

glaring EB-5 visa situation, which essentially were sold and allow four out of five of these to go to Chinese, which, once they are here, allows them nearly unlimited access to sensitive technology.

Again, I commend the ranking member, the chair, and the committee as a whole for advancing these common-sense and good, bipartisan initiatives.

Thank you, Mr. Chair.

Chairman ROYCE. Thank you, Mr. Garrett. And I think you raise a point there, and we should confer with Judiciary, with Mr. Goodlatte, on that issue.

Mr. Brad Sherman of California.

Mr. SHERMAN. Thank you, Mr. Chairman. I want to thank you for working with me on an amendment to H.R. 5040, which is the Export Control Reform Act. I think the bill is excellent. I think the amendment makes it better.

This amendment will ensure that the Department of Commerce, which licenses the exports of dual-use items, explicitly gathers information and takes into consideration whether a major export of controlled equipment or technology will have a negative impact on the production of items that are needed for our own national security here in the United States.

So much of export control is that we look at a particular weapon system and say, should that country be trusted with that weapon system? But what is just as important is that we control the export of manufacturing equipment and technology. We export far less than any other major country as a percentage of our GDP. When an American firm sends technology and the ability to produce critical items outside the United States, we could call that as one small export, but it has a negative impact on our national security, industrial base, and our high-tech workforce.

Even when we are exporting this material to an ally, what we are doing is making that ally the country that will do the manufacturing using our technology. Well, that may not be good for jobs and our economy, but this is not a pair of shoes. This is not a television set. When we export jobs and industrial base in the military sector, in the dual-use sector, we undermine our ability to produce what our military needs, should the case arise. Having a robust toy-making industry might be good for the United States. Having a robust industry in the area of weapon systems is critical for our national security.

Not only that, but by transferring this technology and industrial capacity, we create a circumstance where some other country will determine whether the produce of that industry, whether the weapon systems that are manufactured or the dual-use items that are manufactured, will be exported to this or that additional country. Right now, when weapon systems and dual-use items are exported, it comes to not only the administration of this country, but often comes to this committee. But, if we export the manufacturing capacity, the government of Italy or the government of Japan is not going to be submitting reports to the United States Congress giving us 60 or 90 days to approve or disapprove of arms or dual-capacity material export. So, I think that it is important, that we look at the industrial base as part of our national security infrastructure.

I want to take this moment, also, to voice my support for the other bills that are before us. I particularly want to associate myself with the comments of Ms. Frankel from Florida and her excellent work on the Women's Entrepreneurship and Economic Empowerment Act, and associate myself with Mr. Castro's comments on the importance of the Global Electoral Exchange Act and commend him for his work on that.

Again, Mr. Chairman, thank you for working with me on this amendment and including it in the en bloc package, and I urge support of the motion.

Chairman ROYCE. Thank you.

I think Mr. Sherman puts his finger on the heart of the matter here, because the question is no longer can it be the export of individual systems on dual use; it has to be the export of the knowhow. And your point about making certain we have re-export controls, so that if we transfer it to an ally, they cannot transfer it, is equally applicable to the question of making certain that the knowhow itself is not transferred, in all the ways that we try to do that in this measure.

And as we move forward, I just wanted to thank Mr. Sherman for his contributions to this overhaul. It has been a long time coming, and I think our efforts here are to identify every one of these examples from past mistakes and figure out how we close those loopholes, especially given the new technologies that are coming.

Do any other members seek recognition?

[No response.]

Hearing no further requests for recognition, the question occurs on the items considered en bloc. All those in favor say aye.

[Chorus of ayes.]

All those opposed, no.

In the opinion of the Chair, the ayes have it, and the measures considered en bloc are agreed to.

And without objection, the measures considered en bloc are ordered favorably reported as amended, and staff is directed to make any technical and conforming changes. And the Chair is authorized to seek House consideration under suspension of the rules.

That concludes our business for today. And I want to thank Ranking Member Engel and all of our committee members for their contributions and their assistance with this markup today.

The committee stands adjourned.

[Whereupon, at 10:56 a.m., the committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE RECORD

FULL COMMITTEE MARKUP NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

April 17, 2018

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN meeting of the Committee on Foreign Affairs to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

DATE: Tuesday, April 17, 2018

TIME: 10:00 a.m.

MARKUP OF: H.R. 5040, Export Control Reform Act of 2018;
H.R. 5129, Global Food Security Reauthorization Act of 2018;
H.R. 5274, Global Electoral Exchange Act; and
H.R. 5480, Women's Entrepreneurship and Economic Empowerment Act.

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.



COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE MARKUP

Day Tuesday Date 04/17/2018 Room 2172

Starting Time 10:05AM Ending Time 10:56AM

Recesses 0 (to) (to) (to) (to) (to) (to)

Presiding Member(s)

Chairman Edward R. Royce

Check all of the following that apply:

Open Session ☒

Electronically Recorded (taped) ☒

Executive (closed) Session ☐

Stenographic Record ☒

Televised ☒

BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

See attached.

COMMITTEE MEMBERS PRESENT:

See attached.

NON-COMMITTEE MEMBERS PRESENT:

N/A

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

SFR - Mr. Christopher H. Smith

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

See markup summary.


RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

<u>Subject</u>	<u>Yeas</u>	<u>Nays</u>	<u>Present</u>	<u>Not Voting</u>
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TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 10:56AM


Full Committee Hearing Coordinator

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE MARKUP

<i>PRESENT</i>	<i>MEMBER</i>
X	Edward R. Royce, CA
X	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
	Dana Rohrabacher, CA
X	Steve Chabot, OH
X	Joe Wilson, SC
X	Michael T. McCaul, TX
X	Ted Poe, TX
X	Darrell Issa, CA
	Tom Marino, PA
	Mo Brooks, AL
X	Paul Cook, CA
X	Scott Perry, PA
X	Ron DeSantis, FL
	Mark Meadows, NC
X	Ted Yoho, FL
	Adam Kinzinger, IL
X	Lee Zeldin, NY
	Dan Donovan, NY
	James F. Sensenbrenner, Jr., WI
	Ann Wagner, MO
X	Brian J. Mast, FL
	Brian K. Fitzpatrick, PA
	Francis Rooney, FL
X	Thomas A. Garrett, Jr., VA
X	John Curtis, UT

<i>PRESENT</i>	<i>MEMBER</i>
X	Eliot L. Engel, NY
X	Brad Sherman, CA
	Gregory W. Meeks, NY
X	Albio Sires, NJ
X	Gerald E. Connolly, VA
	Theodore E. Deutch, FL
	Karen Bass, CA
X	William Keating, MA
X	David Cicilline, RI
	Ami Bera, CA
X	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX
	Robin Kelly, IL
	Brendan Boyle, PA
X	Dina Titus, NV
	Norma Torres, CA
	Brad Schneider, IL
	Tom Suozzi, NY
	Adriano Espaillat, NY
X	Ted Liguori, CA

4/17/18 Foreign Affairs Committee Markup Summary

By unanimous consent, the Chair called up the following measures and amendments, previously provided to Members, to be considered *en bloc*:

- 1) H.R. 5040 (Royce), Export Control Reform Act of 2018;
 - a. Royce 101, an amendment in the nature of a substitute to H.R. 5040;
 - i. Sherman 45, an amendment to Royce 101.
- 2) H.R. 5129 (Smith), Global Food Security Reauthorization Act of 2018;
 - a. Smith 85.
- 3) H.R. 5274 (Castro), Global Electoral Exchange Act;
 - a. Castro amendment in the nature of a substitute to H.R. 5274;
 - i. Titus 38, an amendment to the Castro ANS.
- 4) H.R. 5480 (Royce), Women’s Entrepreneurship and Economic Empowerment Act;
 - a. Royce 103.

The measures considered *en bloc* were agreed to by voice vote.

By unanimous consent, the measures were ordered favorably reported, as amended, to the House, and the Chairman was authorized to seek House consideration under suspension of the rules.

The Committee adjourned.



Statement for the Record
Submitted by Mr. Christopher H. Smith

Thank you Chairman Royce, for your leadership on global food security, including in particular for your original cosponsorship of this reauthorization as well as the original Global Food Security Act, and your agreeing to move this bill to markup so rapidly.

The original Global Food Security Act promoted food security, resilience and nutrition in developing countries in keeping with U.S. national security interests. Through agriculture-led economic development, GFSA has strengthened partner countries' capacity and lessened their dependence on emergency food assistance. It has also improved efficiency among federal departments and agencies and leveraged the participation of other non-U.S. governmental partners.

It should be restated that GFSA's legacy as a bipartisan success story – legislation which solidified in law a policy that had its roots in the Bush Administration, was amplified by President Obama and is now being implemented by President Trump.

Now is the time to reauthorize this landmark legislation. H.R. 5129 builds upon the *Global Food Security Act of 2016*, which formally codified the Feed the Future Initiative and was signed into law with overwhelming bipartisan support in July 2016, by reauthorizing the program for two years – per the Amendment you have before you – through 2020.

Crucially, this reauthorization bill emphasizes the importance of deworming initiatives. Among the neglected tropical diseases, intestinal worms account for nearly eighty percent of NTD prevalence, affecting close to one billion people the world over. These worms undercut our nutrition interventions, and can lead to death by malnutrition or lifelong stunting. We need to combine our nutrition interventions not only with a coordinated deworming campaign, but also with Water Sanitation Health interventions that change people's behavior. WaSH training helps ensure people limit exposure to worms, such as by washing and peeling vegetables or something as simple as giving children shoes to wear so if they trod on worm-infected soil they don't get sick again. We are trying to feed the future, not feed the worms.

We will also rectify an oversight by including the Inter-American Foundation in the interagency initiative on Food Security. IAF does development

right, in particular working with small holder farmers while keeping bureaucratic overhead low.

That we are here reauthorizing the Global Food Security Act is a testament to the dedication of numerous committed groups outside Congress that have made food security and nutrition their priority, from advocates to implementers—especially and including faith-based organizations who perhaps work the closest to the small-holder farmers and women who benefit in particular from our food security efforts. I thank them for their support and look forward to working with them more in this process.

I'd also like to complement our federal agencies tasked with implementing the GFSA—in particular USAID under the leadership of Beth Dunford. The professionalism and dedication of Beth and many others is critical to the overall success of the program.

Finally, I would like to thank Rep. Betty McCollum for again being the lead cosponsor on this critical, bipartisan legislation, as well as to thank original cosponsor Ranking Member Engel and the Ranking member of our subcommittee, Karen Bass and others.

Thank you.