

gations incurred through international agreements entered into before March 1, 1992; and

“(4) the decision whether to engage in offsets, and the responsibility for negotiating and implementing offset arrangements, reside with the companies involved.

“(b) **PRESIDENTIAL APPROVAL OF EXCEPTIONS.**—It is the policy of the Congress that the President may approve an exception to the policy stated in subsection (a) after receiving the recommendation of the National Security Council.

“(c) **NEGOTIATIONS.**—

“(1) **INTERAGENCY TEAM.**—

“(A) **IN GENERAL.**—It is the policy of Congress that the President shall designate a chairman of an interagency team comprised of the Secretary of Commerce, Secretary of Defense, United States Trade Representative, Secretary of Labor, and Secretary of State to consult with foreign nations on limiting the adverse effects of offsets in defense procurement without damaging the economy or the defense industrial base of the United States or United States defense production or defense preparedness.

“(B) **MEETINGS.**—The President shall direct the interagency team to meet on a quarterly basis.

“(C) **REPORTS.**—The President shall direct the interagency team to submit to Congress an annual report, to be included as part of the report required under section 723(a) of the Defense Production Act of 1950 [50 U.S.C. 4568(a)], that describes the results of the consultations of the interagency team under subparagraph (A) and the meetings of the interagency team under subparagraph (B).

“(2) **RECOMMENDATIONS FOR MODIFICATIONS.**—The interagency team shall submit to the President any recommendations for modifications of any existing or proposed memorandum of understanding between officials acting on behalf of the United States and one or more foreign countries (or any instrumentality of a foreign country) relating to—

“(A) research, development, or production of defense equipment; or

“(B) the reciprocal procurement of defense items.”

EX. ORD. NO. 13177. NATIONAL COMMISSION ON THE USE OF OFFSETS IN DEFENSE TRADE AND PRESIDENT'S COUNCIL ON THE USE OF OFFSETS IN COMMERCIAL TRADE

Ex. Ord. No. 13177, Dec. 4, 2000, 65 F.R. 76558, as amended by Ex. Ord. No. 13316, §3(f), Sept. 17, 2003, 68 F.R. 55256, provided:

By the authority vested in the President by the Constitution and the laws of the United States of America, including Public Law 106-113 [see Tables for classification] and the Federal Advisory Committee Act, as amended (5 U.S.C. App.), and in order to implement section 1247 of Public Law 106-113 (113 Stat. 1501A-502) [set out in a note above] and to create a parallel “President’s Council on the Use of Offsets in Commercial Trade,” it is hereby ordered as follows:

SECTION 1. Membership. Pursuant to Public Law 106-113, the “National Commission on the Use of Offsets in Defense Trade” (Commission) comprises 11 members appointed by the President with the concurrence of the Majority and Minority Leaders of the Senate and the Speaker and the Minority Leader of the House of Representatives. The Commission membership includes: (a) representatives from the private sector, including one each from (i) a labor organization, (ii) a United States defense manufacturing company dependent on foreign sales, (iii) a United States company dependent on foreign sales that is not a defense manufacturer, and (iv) a United States company that specializes in international investment; (b) two members from academia with widely recognized expertise in international economics; and (c) five members from the executive branch, including a member from the: (i) Office of Management and Budget, (ii) Department of Commerce, (iii) Department of Defense, (iv) Department of State,

and (v) Department of Labor. The member from the Office of Management and Budget will serve as Chairperson of the Commission and will appoint, and fix the compensation of, the Executive Director of the Commission.

SEC. 2. Duties. The Commission will be responsible for reviewing and reporting on: (a) current practices by foreign governments in requiring offsets in purchasing agreements and the extent and nature of offsets offered by United States and foreign defense industry contractors; (b) the impact of the use of offsets on defense sub-contractors and nondefense industrial sectors affected by indirect offsets; and (c) the role of offsets, both direct and indirect, on domestic industry stability, United States trade competitiveness, and national security.

SEC. 3. Commission Report. Not later than 12 months after the Commission is established, it will report to the appropriate congressional committees. In addition to the items described in section 2 of this order, the report will include: (a) an analysis of (i) the collateral impact of offsets on industry sectors that may be different than those of the contractor paying offsets, including estimates of contracts and jobs lost as well as an assessment of damage to industrial sectors; (ii) the role of offsets with respect to competitiveness of the United States defense industry in international trade and the potential damage to the ability of United States contractors to compete if offsets were prohibited or limited; and (iii) the impact on United States national security, and upon United States nonproliferation objectives, of the use of co-production, subcontracting, and technology transfer with foreign governments or companies, that results from fulfilling offset requirements, with particular emphasis on the question of dependency upon foreign nations for the supply of critical components or technology; (b) proposals for unilateral, bilateral, or multilateral measures aimed at reducing any detrimental effects of offsets; and (c) an identification of the appropriate executive branch agencies to be responsible for monitoring the use of offsets in international defense trade.

SEC. 4. Administration, Compensation, and Termination. (a) The Department of Defense will provide administrative support and funding for the Commission and Federal Government employees may be detailed to the Commission without reimbursement.

(b) Members of the Commission who are not officers or employees of the Federal Government will be compensated at a rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performance of the duties of the Commission. Members of the Commission who are officers or employees of the Federal Government will serve without compensation in addition to that received for their services as officers or employees of the Federal Government.

(c) Members of the Commission will be allowed travel expenses, including per diem in lieu of subsistence, under subchapter 1 of chapter 57 of title 5, United States Code, while on business in the performance of services for the Commission.

(d) The Commission will terminate 30 days after transmitting the report required in section 1248(b) of Public Law 106-113 (113 Stat. 1501A-505) [set out in a note above].

[SECS. 5 to 8. Revoked effective Sept. 30, 2003, by Ex. Ord. No. 13316, §3(f), Sept. 17, 2003, 68 F.R. 55256.]

CHAPTER 56—EXPORT ADMINISTRATION

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ELIMINATION OF TITLE 50, APPENDIX

Pub. L. 96-72, Sept. 29, 1979, 93 Stat. 503, comprising this chapter, was formerly set out in the Appendix to this title, prior to the elimination of the Appendix to this title and the editorial reclassification of the Act as this chapter, see provisions set out as a note preceding section 1 of this title. For disposition of sections of the former Appendix to this title, see the Elimination of Title 50, Appendix note and Table II, set out preceding section 1 of this title.

§ 4601. Congressional findings

The Congress makes the following findings:

(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.

(2) Exports contribute significantly to the economic well-being of the United States and the stability of the world economy by increasing employment and production in the United States, and by earning foreign exchange, thereby contributing favorably to the trade balance. The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

(3) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, consistent with the economic, security, and foreign policy objectives of the United States.

(4) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

(5) Exports of goods or technology without regard to whether they make a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States.

(6) Uncertainty of export control policy can inhibit the efforts of United States business and work to the detriment of the overall attempt to improve the trade balance of the United States.

(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

(9) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to a positive contribution to the balance of payments, to reducing the level of Federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.

(10) It is important that the administration of export controls imposed for foreign policy purposes give¹ special emphasis to the need to control exports of goods and substances hazardous to the public health and the environment which are banned or severely restricted for use in the United States, and which, if exported, could affect the international reputation of the United States as a responsible trading partner.

(11) Availability to controlled countries of goods and technology from foreign sources is a fundamental concern of the United States and should be eliminated through negotiations and other appropriate means whenever possible.

(12) Excessive dependence of the United States, its allies, or countries sharing common strategic objectives with the United States, on energy and other critical resources from potential adversaries can be harmful to the mutual and individual security of all those countries.

(Pub. L. 96-72, § 2, Sept. 29, 1979, 93 Stat. 503; Pub. L. 99-64, title I, § 102, July 12, 1985, 99 Stat. 120; Pub. L. 103-199, title II, § 201(a), Dec. 17, 1993, 107 Stat. 2320.)

TERMINATION DATE

For termination of authority granted by this chapter, see section 4622 of this title.

CODIFICATION

Section was formerly classified to section 2401 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

A prior section 2401 of the former Appendix to this title, Pub. L. 91-184, § 2, Dec. 30, 1969, 83 Stat. 841; Pub. L. 92-412, title I, § 102, Aug. 29, 1972, 86 Stat. 644; Pub. L. 93-500, § 4(a), Oct. 29, 1974, 88 Stat. 1553, set forth findings of Congress with respect to the Export Administration Act of 1969, prior to the expiration of this Act on Sept. 30, 1979.

AMENDMENTS

1993—Pars. (11) to (13). Pub. L. 103-199 redesignated pars. (12) and (13) as (11) and (12), respectively, and

¹ So in original. Probably should be "gives".