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IN THE SENATE OF THE UNITED STATES

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Mr. Tsongas <sup>(for himself and Mr. Gorton)</sup> introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

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A BILL

To amend the Export Administration Act of 1979.

1     Be it enacted by the Senate and House of Representatives  
2     of the United States of America in Congress assembled,

3                                     SHORT TITLE

4     Section 1. This Act may be cited as the ``Export  
5     Administration Improvement Amendments of 1983``.

6                                     EXPORT LICENSES

7     Sec. 2. Section 5 (e) of the Export Administration Act of  
8     1979 is amended by adding at the end thereof the following:

9     ``(5) The Secretary may not require an individual  
10    validated license under this section for the export of goods  
11    or technology to destinations in countries cooperating  
12    formally or informally with the United States in the  
13    establishment and maintenance of export controls if the goods  
14    and technology, or like goods and technology, are available  
15    in fact to such countries from sources outside the United  
16    States.

17    ``(6) The export of goods and technology to destinations  
18    within countries other than those referred to in section 62Ø  
19    (f) of the Foreign Assistance Act of 1961 shall be eligible  
20    for a distribution license or other bulk export license in  
21    lieu of an individual validated license under this section.  
22    The Secretary periodically shall perform audits of these

1 special licensing procedures to assure their integrity and  
2 effectiveness.

3       “(7) The export of technology and related goods,  
4 including items classified on the list of militarily critical  
5 technologies developed pursuant to subsection (d) of this  
6 section, to countries other than those referred to in section  
7 620 (f) of the Foreign Assistance Act of 1961 shall be  
8 eligible for a comprehensive operations license in lieu of an  
9 individual validated license under this section. Such a  
10 license shall cover multiple exports and reexports over a  
11 period of years to and among subsidiaries, affiliates, and  
12 other approved consignees that have long-term, contractually  
13 defined relations with the exporter. The Secretary shall  
14 grant a license under this paragraph to manufacturing,  
15 laboratory, or related operations on the basis of approval of  
16 the exporter's system of control, including internal  
17 proprietary controls, applicable to the technology and  
18 related goods to be exported rather than approval of  
19 individual export transactions.

20       “(8) The Secretary may require a validated license or  
21 specific authorization under this section for the export or  
22 reexport of any good or technology on the list established  
23 under subsection (c) which is not subject to controls by  
24 formal or informal agreement of the United States and other  
25 countries only after he makes a foreign availability  
26 determination with respect to such good or technology  
27 pursuant to subsection (f) (1). If the Secretary makes an  
28 affirmative determination under such subsection, then he may  
29 require a validated license or specific authorization under  
30 this section for the export or reexport of such good or  
31 technology notwithstanding subsection (f) (1), but only  
32 after the President determines that extraordinary national  
33 security circumstances require such action. The Secretary may  
34 not require a validated license under this section for the

1 export or reexport of a good or technology described in the  
2 preceding sentence for a period in excess of one year after  
3 the date on which such requirement is first imposed, unless  
4 the President determines that an extension of such period for  
5 a period not to exceed one year is essential to achieve the  
6 purposes of this section and publishes notice of his  
7 determination, together with the reasons therefor.''.  
8

#### MILITARY CRITICAL TECHNOLOGIES

9 Sec. 3. Section 5 (d) (5) of the Export Administration  
10 Act of 1979 is amended--

11 (1) by inserting ``and except as otherwise provided  
12 in this paragraph'' before the period; and

13 (2) by adding at the end thereof the following: ``An  
14 item on the list of militarily critical technologies  
15 shall become a part of the commodity control list only  
16 if--

17 ``(A) the Secretary of Defense finds that the  
18 item would make a direct and significant contribution  
19 to the military capabilities of countries to which  
20 exports are controlled under this section and would  
21 permit a significant advance in a military system of  
22 such a country; and

23 ``(B) the Secretary finds that countries to which  
24 exports are controlled under this section do not  
25 possess the item or a like item, and the item or a  
26 like item is not available in fact to such a country  
27 from sources outside the United States in sufficient  
28 quantity and sufficient quality so that the  
29 requirement of a validated license for the export of  
30 such item is or would be ineffective in achieving the  
31 purpose set forth in subsection (a) of this  
32 section.''.  
33

34 GOODS CONTAINING MICROPROCESSORS AND REMOVAL OF CERTAIN

CONTROLS

1       Sec. 4. Section 5 of the Export Administration Act of  
2 1979 is amended by adding at the end thereof the following  
3 new subsections:

4       “(m) Goods Containing Microprocessors.--Export controls  
5 may not be imposed under this section on a good based solely  
6 on the fact that the good contains an imbedded microprocessor  
7 or microcomputer. An export control may be imposed under this  
8 section on a good containing a microprocessor or  
9 microcomputer when (1) the microcomputer's or  
10 microprocessor's capabilities exceed the COCOM general  
11 exception levels established for computer devices, or (2) the  
12 functions of the good itself are such that the good, if  
13 exported, would make a significant contribution to the  
14 military potential of any other country or combination of  
15 countries which would prove detrimental to the national  
16 security of the United States.

17       “(n) Removal of Certain Controls.--At the close of any  
18 one-year period during which all export license applications  
19 filed for the export of a good subject to an export control  
20 under this section have been approved, the Secretary shall  
21 remove the export control on exports of that good, or provide  
22 notice of a determination to retain the control which notice  
23 must be published together with the reasons therefor in the  
24 Federal Register.”.