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SELECTIVE AGRICULTURAL EMBARGOES ACT OF 1998

JULY 16, 1998.—Ordered to be printed

Mr. SMITH of Oregon, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 3654]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 3654) to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Selective Agricultural Embargoes Act of 1998".

SEC. 2. REPORTING ON SELECTIVE EMBARGOES.

The Agricultural Trade Act of 1978 (7 U.S.C. 5711 et seq.) is amended by adding at the end of title VI:

"SEC. 604. REPORTING ON SELECTIVE EMBARGOES.

"(a) REPORT.—If the President takes any action, pursuant to statutory authority, to embargo the export under an export sales contract (as defined in subsection (e)) of an agricultural commodity to a country that is not part of an embargo on all exports to the country, not later than 5 days after imposing the embargo, the President shall submit a report to Congress that sets forth in detail the reasons for the embargo and specifies the proposed period during which the embargo will be effective.

"(b) APPROVAL OF EMBARGO.—If a joint resolution approving the embargo becomes law during the 100-day period beginning on the date of receipt of the report provided for in subsection (a), the embargo shall terminate on the earlier of—

"(1) a date determined by the President; or

"(2) the date that is 1 year after the date of enactment of the joint resolution approving the embargo.

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"(c) DISAPPROVAL OF EMBARGO.—If a joint resolution disapproving the embargo becomes law during the 100-day period referred to in subsection (b), the embargo shall terminate on the expiration of the 100-day period.

"(d) EXCEPTION.—Notwithstanding any other provision of this section, an embargo may take effect and continue in effect during any period in which the United States is in a state of war declared by Congress or national emergency, requiring such action, declared by the President.

"(e) DEFINITIONS.—As used in this section—

"(1) the term 'agricultural commodity' includes plant nutrient materials;

"(2) the term 'under an export sales contract' means under an export sales contract entered into before the President has transmitted to Congress notice of the proposed embargo; and

"(3) the term 'embargo' includes any prohibition or curtailment.".

SEC. 3. ADDITION OF PLANT NUTRIENT MATERIALS TO PROTECTION OF CONTRACT SANCTITY.

Section 602(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5712(c)) is amended by inserting "(including plant nutrient materials)" after "agricultural commodity" each place it appears.

SEC. 4. EXEMPTION FROM SANCTIONS FOR PROGRAMS OF DEPARTMENT OF AGRICULTURE.

Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(D)) is amended—

(1) in clause (i) by striking "or" at the end;

(2) in clause (ii) by striking the period at the end and inserting ", or"; and

(3) by inserting after clause (ii) the following:

"(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.".

BRIEF EXPLANATION

H.R. 3654, the Selective Agricultural Embargoes Act of 1998, requires the President to report to Congress on any selective embargo on agricultural commodities and specifies the period during which the embargo will be in effect. Additionally, the bill clarifies that U.S. Department of Agriculture (USDA) credit, credit guarantees or other financial assistance for the purchase or provision of food or other agricultural commodities are not included in the sanctions provided for in Section 102 of the Arms Export Control Act.

PURPOSE AND NEED

For American farmers and ranchers, trade is an essential part of their livelihood. Currently exports account for 30% of U.S. farm cash receipts and nearly 40% of all agricultural production is exported. U.S. farmers and ranchers produce much more than is consumed in the United States, therefore exports are vital to the prosperity and success of U.S. farmers and ranchers. The future holds great promise for agriculture exports as world income and economic growth expand. Higher incomes for consumers mean improved and diverse diets, which, in turn, result in a greater demand for high value agricultural products.

In order to continue to meet the worldwide demand for U.S. agricultural products, farmers and ranchers must continually assess the world market to determine where those markets are for specific agricultural products. It has become increasingly difficult to make this assessment because farmers and ranchers are denied access to certain world markets due to economic sanctions and embargoes, among other reasons.

A June 1997, report entitled *Unilateral Economic Sanctions,* prepared by the President's Export Council, details what is described

as a complex and growing web of restrictions and legal impediments in the international trading system that extends well beyond the intent of the individual measures. The Export Council's report describes more than 75 countries, from Angola to Zaire, that are subject to, or under the threat of one or more of some 21 specific sanctions. The report describes the impact of all sanctions as including foregone sales and business relationships, estimated at from $15 billion to $19 billion, affecting 200,000 to 250,000 export-related jobs in 1995.

For U.S. agriculture, embargoes or sanctions, whether imposed by the Administration or by law, often have unintended consequences that can fall unfairly on U.S. farmers and ranchers. U.S. agriculture remembers the 1980 Soviet grain embargo. The one lasting impression left of that embargo is that the U.S. could not be considered to be a reliable supplier of wheat. The past 18 years have been spent attempting to reverse that opinion.

Iran and Iraq used to be $5.5 billion markets for agriculture products, with the U.S. as a major supplier. No U.S. agriculture exports go to Iran and last year exports to Iraq were $50 million—2% of that country's agriculture imports.

Therefore because of the importance of assuring the reliability of the U.S. as a supplier of food and agricultural products, the Committee determined legislation was needed to address the effects of embargoes and sanctions on U.S. agriculture.

Selective Embargoes

This bill amends the Agricultural Trade Act of 1978 to require that if the President acts to implement an embargo of any agricultural commodity to any country, the President must submit a report to Congress, within 5 days of imposing the embargo, that describes the reasons for the embargo and the period of time the embargo will be in effect. This requirement is applicable when there is an embargo of agriculture commodities to a country and that embargo does not include all exports to that country.

H.R. 3654 also provides that if within 100 days of receiving the President's report, a joint resolution is enacted that approves the embargo, the embargo will end on the date determined by the President or 1 year after the date of enactment of the joint resolution, whichever is earlier. If a joint resolution disapproving the embargo is enacted during that 100-day period, the embargo will terminate at the end of that 100-day period.

The bill includes an exception providing that an embargo may take effect during any period in which there is a state of war declared by Congress or a national emergency declared by the President.

Contract Sanctity

The bill also clarifies that "plant nutrient materials" are to be included in the category of agricultural commodities in the section of the Agricultural Trade Act of 1978 regarding contract sanctity. Therefore the protection afforded agricultural commodities in regard to suspension of trade and contract sanctity will be applied to plant nutrient materials.

Plant nutrient materials under export sales contracts will be protected from suspension of trade, as long as the contract is entered into before the suspension of trade is announced and the contract terms require delivery within 270 days after suspension of trade is imposed.

Agricultural Sanctions

In 1994, the Arms Export Control Act was amended to include Section 102, providing for prohibitions on assistance to countries involved in transfer or use of nuclear explosive devices. That section requires the President to impose sanctions against a country that is a non-nuclear weapon state and detonates a nuclear explosive device.

H.R. 3654 includes a provision, offered by the Chairman and the Ranking Minority Member, that clarifies that USDA credit, credit guarantees or other financial assistance for the purchase or provision of food or other agricultural commodities (including any financial assistance under USDA export promotion programs) are not included in the sanctions provided for in Section 102 of the Arms Export Control Act.

The Committee believes that Section 102 of the Arms Export Control Act does not apply to USDA credit guarantee programs or other USDA programs related to food or agricultural commodities (see May 29, 1998, letter to the President from the Chairman and Ranking Minority Member). Nevertheless, the Committee is acting because of the uncertainty placed on the U.S. wheat market.

U.S. farmers and ranchers, since the passage of the Freedom to Farm Act, look to the marketplace to sell their product. It is the responsibility of the U.S. government to make sure that there are no artificial impediments in the way of agriculture sales. This means that unfair trade practices around the world and barriers, such as sanctions and embargoes, must be eliminated because they limit the competitiveness of U.S. farmers and ranchers.

The Assistant to the President for National Security Affairs has indicated the Administration's support for this legislative language.

SECTION-BY-SECTION ANALYSIS

SEC. 1. SHORT TITLE

This Act may be cited as the "Selective Agricultural Embargoes Act of 1998".

SEC. 2. REPORTING ON SELECTIVE EMBARGOES

This section adds a new section to the end of title VI of the Agricultural Trade Act of 1978 which would—

(1) Require the President to report to Congress within five (5) days in the event the President takes any action to embargo the export of any agricultural commodity under a contract which was entered into prior to the time the President transmits to Congress notice of the proposed embargo. In his report the President must detail the reasons for the embargo, and the proposed length of time it will be in effect. This requirement only takes effect if the embargo is *not* part of an embargo of all exports to the country.

(2) Require that if within 100 days after receiving the President's report a Joint Resolution is enacted into law approving the embargo, the embargo shall terminate either on a date chosen by the President, or 1 year after the date of enactment of the resolution, whichever is earlier. If within 100 days after receiving the President's report a Joint Resolution disapproving the embargo is enacted into law, the embargo will automatically terminate at the end of that 100 day period.

This section also provides the exception that an embargo may take effect and continue in effect during any period in which the United States is at war as declared by Congress, or during a national emergency requiring such action as declared by the President.

SEC. 3. ADDITION OF PLANT NUTRIENT MATERIALS TO PROTECTION OF CONTRACT SANCTITY

This section amends section 602(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5712(c)). It clarifies that plant nutrient materials are agricultural commodities for purposes of protecting export sales contracts of such commodities from being prohibited or curtailed by Presidential action if such contracts were entered into prior to the time the President acts to prohibit the export of such commodities, and under the terms of the contract delivery will be made within 270 days of the suspension of trade.

SEC. 4. EXEMPTION FROM SANCTIONS FOR PROGRAMS OF DEPARTMENT OF AGRICULTURE

This section amends section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(D)) to clarify that sanctions imposed under that Act do not apply to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities (including any financial assistance under USDA promotion programs).

COMMITTEE CONSIDERATION

I—Hearings

The Subcommittee on Department Operations, Nutrition and Foreign Agriculture held a hearing on June 3, 1998 to receive testimony on H.R. 3654, the Selective Agricultural Embargoes Act of 1998.

The Subcommittee heard testimony from 3 witnesses representing the Foreign Agricultural Service of the U.S. Department of Agriculture, farm organizations, and associations.

II—Full Committee

The Committee on Agriculture met, pursuant to notice, with a quorum present, on June 18, 1998, to consider H.R. 3654, the Selective Agricultural Embargoes Act of 1998.

Chairman Smith made a brief opening statement on how embargoes and sanctions often have unintended consequences that can fall unfairly on U.S. farmers and ranchers and then asked Senior Professional Staff to present an explanation of the bill.

Chairman Smith then offered an amendment on behalf of himself and Ranking Minority Member Stenholm which would amend the Arms Export Control Act to clarify that sanctions imposed under that Act do not apply to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities. Chairman Smith also noted that the Assistant to the President for National Security Affairs had indicated the Administration's support for this legislative language in the a letter to Senator Murray dated June 11, 1998.

After a brief statement by Mr. Stenholm, Mr. Goodlatte, Chairman of the Subcommittee on Department Operations, Nutrition, and Foreign Agriculture requested by unanimous consent to discharge the Subcommittee from further consideration of H.R. 3654. Without objection it was ordered.

Mr. Ewing, author of H.R. 3654 was then recognized for a statement and stated that the bill was important because of the trade problems confronting agriculture at this time.

Mr. Pomeroy was also recognized and expressed his support for the bill and the Smith-Stenholm amendment. Mr. Pomeroy noted that the amendment was identical to a bill introduced by Congressman Nethercutt and Pomeroy which had also been unanimously adopted by the Appropriations Committee and the attached to the Agriculture Appropriations bill for FY 99. Mr. Pomeroy suggested that the Committee hold hearings on those countries where we presently have embargoes.

Chairman Smith noted the difficult situation regarding farm prices, and he urged the Members to continue to push for legislation on fast track, the International Monetary Fund, Most Favored Nation status for China, and H.R. 3654.

Mrs. Chenoweth was then recognized and asked staff how H.R. 3654 would work together with her language on embargo compensation which had previously been adopted in the Farm Bill. Staff noted that unofficially the Department of Agriculture did not think the language regarding embargo compensation would apply to Pakistan. Mrs. Chenoweth requested that Staff work with her and the Department to clarify the issue.

Mr. Ewing was recognized to offer and explain an amendment which would clarify that plant nutrient materials would be included in the category of agricultural commodities in the section of the Agricultural Trade Act of 1978 regarding contract sanctity. Mr. Ewing also noted that his amendment would delete the only provision that USDA had expressed concern over due to the cost to USDA of the collection of additional export sales information.

Chairman Smith called for a vote on the Smith-Stenholm Amendment. By a voice vote the amendment was adopted.

Chairman Smith then called for a vote on the Ewing Amendment. By a voice vote, the amendment was adopted.

Mr. Ewing moved that H.R. 3654, as amended, be reported favorably to the House with the recommendation that it do pass. By a voice vote, and in the presence of a quorum, H.R. 3654, as amended, was ordered reported to the House.

Without objection, staff was given permission to make technical, clarifying and conforming changes to the bill.

The meeting was adjourned, subject to the call of the Chair.

REPORTING THE BILL—ROLLCALL VOTES

In compliance with clause 2(l)(2) of Rule XI of the House of Representatives, H.R. 3654 was reported by voice vote with a majority quorum present. There was no request for a recorded vote.

BUDGET ACT COMPLIANCE (SECTIONS 308, 403, AND 424)

The provisions of clause 2(l)(3)(B) of Rule XI of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives and sections 403 and 424 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 25, 1998.

Hon. ROBERT F. (BOB) SMITH,
Chairman, Committee on Agriculture,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3654, the Selective Agricultural Embargoes Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Craig Jagger.

Sincerely,

JUNE E. O'NEILL.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 3654.—Selective Agricultural Embargoes Act of 1998

Summary.—H.R. 3654 would establish procedures for the Congress to approve or disapprove certain types of agricultural embargoes imposed by the President. It would require the termination of such embargoes within one year if the Congress approves the embargo and sooner if not. These procedures and requirements of H.R. 3654 cover embargoes that affect existing export contracts for agricultural commodities and plant nutrient materials but not all exports to a country. In addition, H.R. 3654 would amend the Arms Export Control Act to exempt certain Department of Agriculture export program from sanctions imposed by the President.

CBO estimates that the exemption to certain agriculture programs from sanctions would increase outlays from direct spending by $24 million in fiscal year 1999 and $216 million over the 1999–2003 period. Because the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 3654 contains no intergovernmental or private-sector mandates as defined in the Unfunded

Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Description of the bill's major provisions.—Section 2 would require the President to report to the Congress on covered embargoes. It also would establish procedures by which the Congress could approve or disapprove the embargo. Other than specified exceptions, H.R. 3654 would require that the embargo be terminated within a year if the Congress approved the embargo and within 100 days if the Congress disapproved the embargo. Section 3 would add plant nutrient materials to contract sanctity provisions that are already in effect for agricultural commodities. Section 4 would exempt from sanctions imposed by the President any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or agricultural commodities.

Estimated cost to the Federal Government.—If new embargoes were imposed, sections 2 and 3 could affect direct spending because programs to guarantee loans would resume earlier than under current law. However, CBO has no basis for estimating the potential budgetary impact of these sections because we cannot predict the likelihood or extent of future embargoes.

Assuming enactment near the beginning of fiscal year 1999, CBO estimates that section 4 would increase spending by $24 million in fiscal year 1999 and larger amounts in subsequent years. The costs of section 4 are attributable to Pakistan's recent testing of nuclear weapons, which triggered sanctions under the Arms Export Control Act. CBO estimates that the imposition of sanctions will prevent previously anticipated sales of agricultural products to Pakistan under the export credit guarantee know as General Sales Manager-102 (GSM). Exempting agricultural export programs from the sanctions would allow those sales to go forward and would increase federal spending by the amount of the credit subsidy for the sales. The estimated effects are shown in the following table. The cost of this legislation fall within budget function 350 (agriculture).

	By fiscal year, in millions of dollars					
	1998	1999	2000	2001	2002	2003
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	35	43	48	50	51
Estimated Outlays	0	24	43	48	50	51

Basis of estimate.—CBO's estimate of the effects of section 4 reflects the increase in GSM costs that would result from providing export credit guarantees for sales to Pakistan, partially offset for the first several years by the effect of higher exports of wheat, and the resulting increase in wheat prices, on domestic marketing assistance loans.

In estimating the budgetary effects of legislative proposal, CBO takes into account not only any changes in law since its last baseline projections but also significant discrete events that alter the applications of law when failure to do so would result in a clearly erroneous estimate. For instance, when the level of an upcoming statutory cost-of-living adjustment (COLA) for a federal benefit program is announced subsequent to publication of a baseline, CBO

uses the announced level in estimating the cost of proposed legislation that would alter the COLA.

This approach was taken in estimates of proposals that would have affected COLAs for veterans compensation in 1991 and for Food Stamps in 1992. Similarly, when a final court decision issued subsequent to completion of the baseline affects estimated spending or revenues, CBO takes the decision into account in estimating the effects of legislation that would overturn the decision. CBO applied this methodology earlier this month in estimating the impact of legislation to overturn a Supreme Court decision that limits eligibility for membership in credit unions. In the case of section 4 of H.R. 3654, its enactment would clearly increase spending compared to current law because of the imposition of sanctions on Pakistan on May 30.

Pay-as-you-go considerations.—Section 252 of the Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	24	43	48	50	51	51	51	51	51	51
Changes in receipts	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Not applicable.

Intergovernmental and private-sector impact.—H.R. 3654 contains no intergovernmental or private-sector mandates as defined in the UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Craig Jagger.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the Government of the United States or in any department or office thereof.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight as provided for in clause 2(l)(3)(D) of Rule XI, and under clause 4(c)(2) of Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 3654.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(l)(3)(A) of Rule XI, and clause 2(b)(1) of Rule X of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

COMMITTEE COST ESTIMATE

Pursuant to clause 7(a) of Rule XIII of the Rules of the House of Representative, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 403 and 424 of the Congressional Budget Act of 1974.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE ACT OF 1978

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TITLE VI—REPORTS

* * * * * * *

SEC. 602. EXPORT REPORTING AND CONTRACT SANCTITY.

(a) * * *

* * * * * * *

(c) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity *(including plant nutrient materials)* under an export sales contract—

(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity *(including plant nutrient materials)* during a period for which the President has declared a national emergency or for which the Congress has declared war.

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SEC. 604. REPORTING ON SELECTIVE EMBARGOES.

(a) REPORT.—If the President takes any action, pursuant to statutory authority, to embargo the export under an export sales contract (as defined in subsection (e)) of an agricultural commodity to a country that is not part of an embargo on all exports to the country, not later than 5 days after imposing the embargo, the President shall submit a report to Congress that sets forth in detail the reasons for the embargo and specifies the proposed period during which the embargo will be effective.

(b) APPROVAL OF EMBARGO.—If a joint resolution approving the embargo becomes law during the 100-day period beginning on the date of receipt of the report provided for in subsection (a), the embargo shall terminate on the earlier of—

(1) a date determined by the President; or

(2) the date that is 1 year after the date of enactment of the joint resolution approving the embargo.

(c) DISAPPROVAL OF EMBARGO.—If a joint resolution disapproving the embargo becomes law during the 100-day period referred to in subsection (b), the embargo shall terminate on the expiration of the 100-day period.

(d) EXCEPTION.—Notwithstanding any other provision of this section, an embargo may take effect and continue in effect during any period in which the United States is in a state of war declared by Congress or national emergency, requiring such action, declared by the President.

(e) DEFINITIONS.—As used in this section—

(1) the term "agricultural commodity" includes plant nutrient materials;

(2) the term "under an export sales contract" means under an export sales contract entered into before the President has transmitted to Congress notice of the proposed embargo; and

(3) the term "embargo" includes any prohibition or curtailment.

* * * * * * *

SECTION 102 OF THE ARMS EXPORT CONTROL ACT

SEC. 102. NUCLEAR REPROCESSING TRANSFERS, ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES, TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES, AND NUCLEAR DETONATIONS.

(a) * * *

(b) PROHIBITIONS ON ASSISTANCE TO COUNTRIES INVOLVED IN TRANSFER OR USE OF NUCLEAR EXPLOSIVE DEVICES; EXCEPTIONS; PROCEDURES APPLICABLE.—(1) * * *

(2) The sanctions referred to in paragraph (1) are as follows:

(A) * * *

* * * * * * *

(D) The United States Government shall deny to that country any credit, credit guarantees, or other financial assistance by any department, agency, or instrumentality of the United States Government, except that the sanction of this subparagraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (relating to congressional oversight of intelligence activities), **[**or**]**

(ii) to humanitarian assistance**[**.**]**, *or*

(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.

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