

**H.R. 361, THE OMNIBUS EXPORT  
ADMINISTRATION ACT OF 1995: MARKUP  
BEFORE THE COMMITTEE ON INTERNATIONAL  
RELATIONS, HOUSE OF REPRESENTATIVES,  
ONE HUNDRED FOURTH CONGRESS, SECOND  
SESSION, MARCH 29, 1996**

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# **VARIOUS**

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ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

MARCH 29, 1996

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## MARKUP OF H.R. 361, THE OMNIBUS EXPORT ADMINISTRATION ACT OF 1995

FRIDAY, MARCH 29, 1996

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC*

The committee met, pursuant to notice, at 10 a.m. in room 2172, Rayburn House Office Building, Washington, DC, the Honorable Benjamin A. Gilman, chairman, presiding.

Chairman GILMAN. The committee will come to order.

The Committee on International Relations meets today in open session pursuant to notice to mark up the Omnibus Export Administration Act, H.R. 361.

I am pleased that we are able to hold this meeting today during which our committee will consider long overdue reform in the Export Administration Act. And today we will also re-establish the U.S.'s statute on dual-use export and reassert the jurisdiction of this committee over this important body of law.

And while H.R. 361 provides greater transparency on U.S. export control laws and greatly reduces the number of days needed for issuing export licenses, it mandates tighter restrictions of exports and re-exports to terrorist nations. And, most importantly, it adds controls on countries not supporting multi-lateral efforts to counter the proliferation of weapons of mass destruction.

This measure also contains several provisions which will ensure that the Department of Commerce has the policy, tools, and statutory authority to deny or suspend licenses to questionable end users and to increase its enforcement efforts in key markets, such as China, where there is a growing need to ensure that our high-tech exports are not improperly diverted to military application.

In short, this is a well-balanced bill addressing regional and global proliferation threats while streamlining and modernizing antiquated export control procedures in the cold war era.

I ask my colleagues to support an en bloc amendment that will be offered later on in this markup, which will help to ensure greater scrutiny in the end-use monitoring of sensitive dual-use technology that will be going to China and will ensure that an export control attache be assigned specific responsibilities of performing pre-license checks and post-shipment verifications in that country.

As we begin, I want to pay special tribute to the gentleman from Wisconsin, Toby Roth, chairman of the Subcommittee on International Economic Policy and Trade, who will be offering the bill today.

I would also like to commend the ranking Democrat on the committee, the gentleman from Connecticut, Mr. Gejdenson, for his long-standing efforts with regard to this issue.

I am now going to ask Mr. Gejdenson if he has any opening remarks.

Mr. GEJDENSON. Thank you, Mr. Chairman.

Again, I would like to say how much I will miss Mr. Roth. I said in an earlier markup in the subcommittee that our relationship over the years has been positive and cooperative and continues to be as it has been when he was in the minority and now that I am in the minority. It confused a lot of people. But we have always had a good working relationship, and he has made a positive contribution in this committee for many years. I will miss him.

And I want to particularly again commend Ed, his chief of staff, for the great work he has done.

Chairman Roth has had a difficult situation, without any question. He has made an extraordinary effort toward cooperation to produce a bill that is acceptable to the Administration and to the National Security Committee. Sometimes it seems to me he went a little too far in accommodation.

As much as I respect Mr. Roth and as much as I like him, I am unable to endorse this bill. It will not really result in any changes in the cumbersome bureaucracy of export control apparatus in the executive branch.

We will still have interminable delays in licensing, knee-jerk imposition of unilateral controls, and no effective way for exporters to petition the government to redress the issues of unfair impact on U.S. export controls.

As a result, the business community is not lining up in support of this bill, and we will continue to have the same problems we have had in the past.

In fairness, the bill does some important things. It transforms the law into one that addresses the threat of non-proliferation. This is an important change and one that is required to more accurately deal with the security threats in today's world.

The bill does include a prohibition on dual-use exports to terrorist countries. This goes along with language in my legislation, H.R. 3109. This provision would prevent militarily sensitive dual-use items from being exported to terrorist countries.

There is no excuse for sending to terrorist countries goods or technologies which could increase their ability to wreak havoc and terrorism on the world.

However, there are some serious concerns I have with this bill.

First of all, the timeframe. The timeframe in this bill, to be generous, is as much as 180 days, 3 to 6 months. Now, if you remember the GM strike and what happens in a world of just-on-time production, in about 7 days, GM had to start shutting down its plants.

So an American manufacturer selling parts around the world who is entering a licensing process that really has no end in sight but runs from 3 months to 6 months, easily is a process that does not work in the modern world.

It is further complicated by the organization that replaced CoCom, the Wassenaar Arrangement. Because what you have there