

NATIONAL EMERGENCY WITH RESPECT TO SUDAN

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN THAT WAS DECLARED IN EXECUTIVE ORDER 13067 OF NOVEMBER 3, 1997, AND MATTERS RELATING TO THE MEASURES IN THAT ORDER, PURSUANT TO 50 U.S.C. 1641(c)



DECEMBER 4, 2000.—Referred to the Committee on International Relations and ordered to be printed

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THE WHITE HOUSE,
Washington, November 17, 2000.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

Sincerely,

WILLIAM J. CLINTON.

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH
RESPECT TO SUDAN

I hereby report to the Congress on developments concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, and matters relating to the measures in that order. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c). This report discusses only matters concerning the national emergency with respect to Sudan that was declared in Executive Order 13067.

1. On November 3, 1997, I issued Executive Order 13067 (62 Fed. Reg. 59989, November 5, 1997—the "Order") to declare a national emergency with respect to Sudan pursuant to IEEPA. A copy of the Order was provided to the Speaker of the House and the President of the Senate by letter dated November 3, 1997.

2. Executive Order 13067 became effective at 12:01 a.m., eastern standard time on November 4, 1997. On July 1, 1998, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued the Sudanese Sanctions Regulations (the "SSR" or the "Regulations" (63 Fed. Reg. 35809, July 1, 1998)). The Regulations block all property and interests in property of the Government of Sudan, its agencies, instrumentalities, and controlled entities, including the Central Bank of Sudan, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of U.S. persons, including their overseas branches. The SSR also prohibit (1) the importation into the United States of any goods or services of Sudanese origin except for information or informational materials; (2) the exportation or reexportation of goods, technology, or services to Sudan or the Government of Sudan except for information or informational materials and donations of humanitarian aid; (3) the facilitation by a U.S. person of the exportation or reexportation of goods, technology, or services to or from Sudan; (4) the performance by any U.S. person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Sudan; (5) the grant or extension of credits or loans by any U.S. person to the Government of Sudan; and (6) transactions relating to the transportation of cargo.

3. On April 28, 1999, I announced that existing unilateral economic sanctions programs would be amended to modify licensing policies to permit case-by-case review of specific proposals for the commercial sale of agricultural commodities and products, as well as medicine and medical equipment, where the United States Government has the discretion to do so. I further announced that the Administration was developing country-specific licensing criteria to

guide the case-by-case review process so that governments subject to sanctions do not gain unwarranted benefits from such sales.

On July 27, 1999, the Regulations were amended to add statements of licensing policy with respect to commercial sales of agricultural commodities and products, medicine and medical equipment (64 Fed. Reg. 41784, August 2, 1999). These provisions were amended on October 27, 1999 (64 Fed. Reg. 58789, November 1, 1999) to remove language that had prohibited the issuance of specific licenses authorizing financing by entities of the governments of Sudan, Libya, and Iran. In addition, technical revisions were made to the Regulations pertaining to license requirements of other federal agencies.

On February 16, 2000, OFAC announced the addition of two entities determined to be owned or controlled by, or to act for or on behalf of, the Government of Sudan to the List of Specially Designated and Blocked Persons. The property of these entities is blocked and U.S. persons are generally prohibited from dealing with them.

4. Since the issuing of Executive Order 13067, OFAC has made numerous decisions with respect to applications for authorizations to engage in transactions under the Sudanese sanctions. As of September 8, 2000, OFAC had issued 76 authorizations to non-governmental organizations engaged in the delivery of humanitarian aid and 442 licenses to others, including 76 during the current reporting period. OFAC has denied many requests for licenses. The majority of denials were in response to requests to authorize commercial exports to Sudan—particularly of machinery and equipment for various industries—and the importation of Sudanese-origin goods. The majority of issued licenses permit the unblocking of financial transactions for individual remitters who inadvertently routed their funds through blocked Sudanese banks. Twenty-five licenses were issued to authorize commercial sales and exportation to Sudan of bulk agricultural commodities, food and agricultural products, medicine and medical equipment. Other licenses authorized certain diplomatic transactions, pre-effective date trade transactions, divestiture of property in which the Government of Sudan had an interest, intellectual property protection, the performance of certain legal services, and transactions relating to air and sea safety policy.

5. At the time of signing Executive Order 13067, I directed the Secretary of the Treasury to block all property and interests in property of persons determined, in consultation with the Secretary of State, to be owned or controlled by, or to act for or on behalf of, the Government of Sudan. OFAC has disseminated details of this program to the financial, securities, and international trade communities by both electronic and conventional media. This information includes the names of 126 entities owned or controlled by the Government of Sudan, including 12 financial institutions. As of September 7, 2000, 70 transactions totaling more than \$1.4 million had been blocked during this reporting period. Under the Regulations, transactions in violation of the sanctions where there is no blockable interest of the Government of Sudan must be returned to remitters (“rejected”). During the reporting period, 359 transactions

were rejected by U.S. banks causing a disruption of more than \$16.5 million in business for Sudan.

6. Since my last report, OFAC has collected 11 civil monetary penalties totaling nearly \$45,000 for violations of IEEPA and the Regulations from ten U.S. banks and one U.S. company. An additional 36 cases are undergoing penalty action for violations of the Regulations and IEEPA. OFAC, in cooperation with the U.S. Customs Service, is closely monitoring potential violations of the prohibitions of the Regulations by businesses and individuals. Various reports of violations are being aggressively pursued.

7. The expenses incurred by the federal government in the six-month period from May 3 through November 2, 2000 that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$170,000, most of which represent wage and salary costs for federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureaus of Economic and Business Affairs, African Affairs, Near Eastern Affairs, Consular Affairs, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

8. The situation in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the United States Government's opposition to the actions and policies of the Government of Sudan, particularly its support of international terrorism and its failure to respect basic human rights, including freedom of religion. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the anti-terrorism and human rights policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.