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DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO THE LAPSE OF THE EXPORT ADMINISTRATION ACT OF 1979

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY DECLARED BY EXECUTIVE ORDER 12924 OF AUGUST 19, 1994, TO DEAL WITH THE THREAT TO THE NATIONAL SECURITY, FOREIGN POLICY, AND ECONOMY OF THE UNITED STATES CAUSED BY THE LAPSE OF THE EXPORT ADMINISTRATION ACT OF 1979, PURSUANT TO 50 U.S.C. 1641(c)

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THE WHITE HOUSE,
Washington, April 6, 1998.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: As required by section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month periodic report on the national emergency declared by Executive Order 12924 on August 19, 1994, to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979.

Sincerely,

WILLIAM J. CLINTON.

President's Periodic Report on the National Emergency Caused by the Lapse of the Export Administration Act of 1979

1. On August 19, 1994, in Executive Order No. 12924, I declared a national emergency under the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.) to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 et seq.) and the system of controls maintained under that Act. In that order, I continued in effect, to the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, the Export Administration Regulations (15 C.F.R. 730 et seq.), and the delegations of authority set forth in Executive Order No. 12002 of July 7, 1977 (as amended by Executive Order No. 12755 of March 12, 1991), Executive Order No. 12214 of May 2, 1980, Executive Order No. 12735 of November 16, 1990 (subsequently revoked by Executive Order No. 12938 of November 14, 1994), and Executive Order No. 12851 of June 11, 1993. As required by the National Emergencies Act (50 U.S.C. 1622(d)), I issued notices on August 15, 1995, August 14, 1996, and August 13, 1997 continuing the emergency declared in Executive Order 12924.

2. In 1996, I issued two Executive Orders in order to take additional steps with respect to the national emergency described and declared in Executive Order 12924. On October 12, 1996, I issued Executive Order 13020 in order to provide for appropriate controls on the export of commercial communication satellites and hot-section technologies for the development, production, and overhaul of commercial aircraft engines transferred from the United States Munitions List to the Commerce Control List. On November 15, 1996, I issued Executive Order 13026 in order to provide for appropriate controls on the export and foreign dissemination of encryption products.

3. I issued Executive Order No. 12924 pursuant to the authority vested in me as President by the Constitution and laws of the United States, including, but not limited to, IEEPA. At that time, I also submitted a report to the Congress pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). Section 204 of IEEPA requires follow-up reports, with respect to actions or changes, to be submitted every six months. Additionally, section 401(c)of the National Emergencies Act (50 U.S.C. 1641(c)) requires that the President, within 90 days after the end of each six-month period following a declaration of a national emergency, report to the Congress on the total expenditures directly attributable to that declaration. To comply with these requirements, I have submitted combined activities and expenditures reports for the six-month periods ending February 19, 1995, August 19, 1995, February 19, 1996, August 19, 1996, February 19, 1997, and August 19, 1997. The following report covers the six-month period from August 19, 1997 to February 19, 1998. Detailed information on export control activities is contained in the most recent Export Administration Annual Report and the 1998 Report on Foreign Policy Export Controls, required by section 14 and section 6(f) of the Export Administration Act, respectively, which the Department of Commerce continues to submit to the Congress under a policy of conforming actions under the Executive Order to the provisions of the Export Administration Act, insofar as appropriate.

4. Since the issuance of Executive Order No. 12924, the Department of Commerce has continued to administer and enforce the system of export controls, including antiboycott provisions, contained in the Export Administration Regulations (EAR). In administering these controls, the Department has acted under a policy of conforming actions under Executive Orders No. 12924, 13020 and 13026 to the provisions of the Export Administration Act, insofar as appropriate.

5. Since my last report to the Congress, there have been several significant developments in the area of export controls:

A. Multilateral Developments

Wassenaar Arrangement. The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies is a multilateral regime currently consisting of 33 member countries. Its purpose is to contribute to regional and international security and stability by promoting transparency and greater responsibility in international transfers of conventional arms and dual-use goods and technologies.

On January 15, 1998, BXA published a rule to implement the Wassenaar Arrangement, including a revised Commerce Control List and new reporting requirements.

In September 1997, the BXA participated in the second semiannual submission of transfer data among regime members. During October 1997, the BXA participated in a series of bilateral consultations with Germany, France, Switzerland, and the Netherlands to discuss U.S. dual-use transparency proposals for machine tools, semiconductor manufacturing equipment, and optical sensor materials, followed by an Experts Meeting later that month. In November 1997, Wassenaar members gathered for a General Working Group Meeting. At the annual plenary meeting in December 1997, members undertook to review procedures for making list changes, outreach to new members, encryption, and specific arms and dual-use reporting mechanisms. Other highlights for the year were:

- The Participating States discussed global arms flows. In 1995 and 1996 non-Wassenaar States imported annually around $15 billion worth of military equipment.

- The Participating States reaffirmed their commitment to contribute to regional and international security and stability by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, to prevent destabilizing accumulations.

- They acknowledged the usefulness of sharing information and on the basis of information exchanged on international arms transfers, they noted potentially destabilizing acquisitions of armaments in certain regions.

- Participating States agreed to establish a voluntary process for notifications that go beyond the current seven categories of arms.

- The Arrangement agreed to amendments to its Lists to take into account technological developments since the establishment of the Arrangement in 1996. It was further agreed to develop criteria for the selection of sensitive dual-use goods and technologies. A List Review will begin in April 1998.

- Participants exchanged views on means to promote worldwide adherence to responsible policies regarding transfers of conventional arms and dual-use goods and technologies through outreach contacts with non-members.

Australia Group. The Australia Group (AG), an informal multilateral forum, cooperates in curbing the proliferation of chemical and biological weapons through the harmonization of export controls, the exchange of information and other diplomatic means. The group currently has 30 member countries.

In accordance with the AG agreed control list, the Department of Commerce maintains export licensing requirements for precursor chemicals, microorganisms and toxins, equipment, whole plants and technology that may be used in the production of chemical or biological weapons.

The AG held its annual plenary session on October 6-7, 1997, in Paris, France. All AG members welcomed the entry into force of the Chemical Weapons Convention (CWC) as an important achievement in the abolishment of chemical weapons. They also welcomed efforts to strengthen the Biological and Toxin Weapons Convention (BWC) with internationally agreed procedures. Experts from participating countries discussed national export licensing systems to ensure that they are administered effectively so as not to inhibit legitimate trade for peaceful purposes.

Missile Technology Control Regime (MTCR). The MTCR is an informal group that was founded in 1987 by the U.S. and its six G-7 trading partners. The MTCR now has 29 member countries which coordinate their national export controls to help prevent missile proliferation. Each member, under its own national laws and practices, has agreed to adhere to the licensing policies described in the MTCR Guidelines for items listed on the MTCR Equipment and Technology Annex. The United States continued to maintain the MTCR controls during the reporting period.

During the past six months, the MTCR held its annual plenary on November 4-7, 1997, in Tokyo, with two of the main agenda items being transparency and outreach, and regional proliferation concerns. The MTCR Partners agreed to continue the transparency and outreach program by publicly releasing a paper on the regime's purpose, membership, and licensing practices, and by agreeing to hold two expert-level workshops on export control issues in the spring of 1998. The workshops, which will be open to both interested MTCR

Partners and selected non-MTCR countries, will focus on catch-all controls, including brokering, and risk assessments in export licensing. The MTCR continued its internal dialogue on regional nonproliferation, including individual and collective steps to prevent missile proliferation, with a follow-up Re-enforced Point-of-Contact meeting set for May 1998. The MTCR appealed to all countries to support the nonproliferation aims of the regime and to help prevent sensitive missile-related transfers.

During this reporting period, the MTCR also held two Technical Experts Meetings in Tokyo on November 2-4, 1997, and in Berlin on February 10-11, 1998. At the Tokyo technical meeting the MTCR adopted several changes, including modifying controls on apogee kick motors for satellites, and production equipment for propellants, navigation, and flight instrumentation systems. The MTCR agreed in principle, with a few reserves on software, to reformat the MTCR Equipment and Technology Annex to comport better with the Commerce Control List and the European Union dual use. At the February meeting, discussions continued on the remaining software provisions with a deadline set to reach consensus for implementation of the new reformatted Annex prior to the next annual plenary. Commerce staff played a lead role in developing the U.S. position on a reformatted MTCR Annex, and continued to help resolve the remaining software issues. A reformatted Annex will benefit U.S. exporters by increasing the transparency of multilateral missile technology controls on high technology items.

Nuclear Suppliers Group. The Nuclear Suppliers Group (NSG), currently composed of 35 member countries, maintains a control list of nuclear related dual-use items and establishes guidelines for their control.

For the period under review, the Department of Commerce continued to issue license denials for NSG controlled items as part of the "no undercut" provision of the NSG. Under this provision, a denial notification received from an NSG member country precludes other member countries from approving similar transactions, thereby assuring that the earlier denial is not "undercut." There are procedures for member countries to consult on specific denials if they wish to disagree with the original denial decision.

The Department of Commerce also notified the NSG of denials for non-NSG controlled items that have been denied an export license under the Enhanced Proliferation Control Initiative (EPCI) due to concerns about the end user. Other NSG members also notify the NSG of denials under their "catch all"controls for items that are not on the NSG Dual-Use List.

The Department of Commerce has been participating as a member of U.S. delegations in cooperative arrangements with various countries to stop the proliferation of nuclear related dual-use items and technology. Recently, some of these discussions have focused on the People's Republic of China in the hope that the United States will be able to conclude an agreement with that country on the use of export controls to stop the spread of nuclear dual-use items and technology to countries of concern and to unsafeguarded nuclear activities.

B. Bilateral Cooperation/Technical Assistance

As part of the Administration's continuing effort to encourage other countries to strengthen their export control systems, the Department of Commerce and other agencies conducted a wide range of discussions with a number of foreign countries.

Hong Kong. The 1992 Hong Kong Policy Act sets out current U.S. policy toward Hong Kong. The United States has closely monitored the effectiveness of the 'one country, two systems' policy established by the People's Republic of China (PRC) since Hong Kong's return to PRC sovereignty on July 1, 1997, particularly as it pertains to export controls.

Representatives of the United States and Hong Kong met in Hong Kong on October 6, 1997, and reached an agreement for further cooperation. Hong Kong restated its commitment that Hong Kong can continue to maintain a separate and autonomous export control system, and the United States reaffirmed that there has been no change in U.S. export control policy toward Hong Kong. Both parties agreed that the amount of high level of attention given to recent enforcement and licensing issues affecting Hong Kong reinforced the need for a formal mechanism for regular discussions between the parties.

The United States agreed to share with Hong Kong information that involves the cooperation of Hong Kong officials in both licensing and enforcement matters. Both sides agreed to the importance of cooperative enforcement mechanisms, including end-use checks, and agreed to work together to maintain them in Hong Kong. Finally, the parties agreed to hold semi-annual meetings on export control issues, including licensing, enforcement and information exchange.

In order for Hong Kong to maintain an effective export control system, the United States has agreed to share any publicly-releasable list or procedure changes adopted by the nonproliferation regimes (Australia Group, Nuclear Suppliers Group, Missile Technology Control Regime, as well as by the Wassenaar Arrangement) In return, Hong Kong agreed to implement all appropriate regime changes made known to it.

China. In October 1997, U.S. and Chinese representatives met in Beijing for the eleventh annual meeting of the Joint Commission on Commerce and Trade. The two countries agreed to begin holding bilateral export control seminars, with the first to take place in April 1998. These seminars will provide opportunities to discuss issues of concern, promote mutual understanding of the respective export control systems, and enhance future cooperation.

Nonproliferation Export Control Cooperation (NEC). During the reporting period, BXA, in conjunction with representatives from the Department of State, Defense, Energy, and U.S. Custom Service, hosted or coordinated export control cooperation programs with Belarus, Russia, Ukraine, Kazakhstan, other states in the Central Asian and Caucasian regions, and the Baltic and Central European states. The exchange programs focus on five major areas needed for

an effective export control system to assist these states in developing their own export control systems, to reduce the proliferation threat from and through these states. The five areas are: development of a legal basis and framework; licensing procedures and practices; export control system automation; enforcement practices; and government-industry relations. Programs conducted during this reporting period are highlighted below.

Legal and regulatory development programs were presented for delegations from Armenia and the Ukraine. Under this program, legal experts focus on the legal foundation needed for a comprehensive and effective export control system.

Licensing procedures and practices symposia were held for representatives from Russia and Belarus, focusing on standards, practices, and procedures in export licensing for officials responsible for interpreting and implementing export control laws and decrees.

BXA demonstrated to several visiting delegations its automated export licensing system and its use in the interagency license application review process. BXA participated in outreach visits to Belarus, Estonia, Hungary and Romania to discuss the use of TRACKER software. This software will assist in the automation of licensing administration functions.

BXA hosted enforcement workshops for officials from Armenia, Georgia, Kyrgystan and Uzbekistan. Pre-license checks, post-shipment verifications, and the use of criminal and administrative sanctions to deter illegal exports were discussed. The workshops also included visits to Dulles Airport for demonstrations of enforcement techniques by the U.S. Customs Service.

The cooperative roles of government and industry in achieving effective export controls were discussed with Ukrainian business representatives and government officials during a workshop held in Kiev. Workshop topics addressed the need for export control laws and the mechanisms that promote industry participation such as voluntary compliance and industry internal control programs.

Special activities during the reporting period included a Export Control Cooperation Executive Exchange with Kazakhstan. The high-level seven-person delegation responsible for export controls in Kazakhstan were familiarized with the U.S. export control laws system. The forum focused on interagency coordination, legal elements, export control administration, licensing process, enforcement, and industry-government relations.

C. Regulatory Actions: Published and Pending

Implementation of the Wassenaar Arrangement. BXA published a rule to implement the Wassenaar Arrangement, including a revised Commerce Control List and new reporting requirements, on January 15, 1998.

Implementation of the High Performance Computer Provision of the National Defense Authorization Act of FY98 (NDAA). On February 3, 1998, BXA published a rule requiring advance notification of exports and reexports of high performance computers to Tier 3 countries and post-shipment reports on such exports in accordance with the NDAA.

D. Licensing of Items Transferred from the International Trade in Arms Regulations.

Commercial Communications Satellites and Hot Section Technology for the Development, Production, or Overhaul of Commercial Aircraft.

The Commerce Department accepted export control jurisdiction for commercial communications satellites and hot section technology, formerly on the U.S. Munitions List administered by the Department of State, in 1996. In transferring these items to the Commerce Control List, Commerce imposed enhanced national security and foreign policy controls. These items are also controlled by the Wassenaar Arrangement, whose members include most of the other producers of these commodities.

On September 29, 1997, Commerce published a regulation to amend the 1996 transfer of licensing jurisdiction to Commerce to include satellite fuel, ground support equipment, test equipment, payload adapter/interface hardware and replacement parts for the preceding items when they are included with a specific commercial communications satellite. This transfer allows exporters to obtain a single license for satellite launches. The State Department's corresponding regulation, which will make effective this amendment, will be published in March 1998. The Department of State continues to control satellite launch technology.

Encryption Items Transferred from the U.S. Munitions List to the Commerce Control List.

On December 30, 1996, the Bureau of Export Administration (BXA) published in the *Federal Register* (61 FR 68572) an interim rule that exercises jurisdiction over, and imposes new combined national security and foreign policy controls on, certain encryption items, including recoverable encryption "software," that were on the United States Munitions List (USML), consistent with Executive Order 13026 and pursuant to the Presidential Memorandum of that date, both issued by President Clinton on November 15, 1996. The Presidential Memorandum and Executive Order 13026 directed that all encryption items controlled on the USML, with the exception of those specifically designed, developed, configured, adapted, or modified for military applications (including command, control and intelligence applications), be transferred to the Commerce Control List (CCL). The latter items remain on the USML, and continue to be controlled by the Department of State, Office of Defense Trade Controls. In the CCL the acronym "EI" (Encryption Items) designates foreign policy controls on these items.

From August 1997 through February 1998, BXA received over one thousand license applications for exports valued at over 3 billion dollars. Eighteen companies submitted commitment plans which explain how they will build and market key recovery products, and other companies have plans in preparation. These companies include some of the largest software and hardware

manufacturers in the country. BXA has approved 16 plans, and expects to approve more very shortly. BXA has not rejected any plans. Seven companies have submitted requests for a one-time review of key recovery encryption items which will facilitate the establishment of a key management infrastructure (KMI). BXA approved five of these products for eligibility under License Exception KMI, allowing their export to certain destinations without a license if specified conditions are met.

In general, the United States requires a license for all destinations, except Canada, for exports and reexports of commercial encryption items. However, certain exceptions to the licensing requirements may apply. Export license applications for commercial encryption items are reviewed on a case-by-case basis, to determine whether the export or reexport is consistent with U.S. national security and foreign policy interests.

Exporters of 56-bit DES or equivalent encryption products are required to make commitments to develop and market products that support key recovery. The Administration believes that the worldwide use of key recovery encryption products will promote secure international networks for electronic commerce, while protecting national security and public safety.

E. Export License Information

During the reporting period, BXA continued to receive many requests for export licensing information in enforcement proceedings and under the Freedom of Information Act. BXA continues to withhold from public disclosure information obtained for the purpose of consideration of, or concerning, export license applications, unless the release of such information is determined by the Under Secretary to be in the national interest, pursuant to Executive Order No. 12924's directive to carry out the provisions of the Export Administration Act, to the extent permitted by law.

F. Export Enforcement

Export Enforcement continued, through its three constituent offices, its programs of prevention of diversions, investigation /enforcement of the export control provisions of the Export Administration Regulations, and enforcement of the antiboycott provisions of the Export Administration Regulations.

Prevention Activities. Export Enforcement's prevention activities included selecting transactions for pre-license checks and post-shipment verifications by representatives of U.S. diplomatic posts, and "safeguards" visits, in which Export Enforcement personnel traveled to other countries to verify the details of sensitive export transactions and to advise the host governments on export control issues. Finally, EE's prevention activities included outreach visits to domestic firms and programs to foster enforcement cooperation with other governments (see section B. above).

The statistics on EE's prevention activities during the reporting period are as follows.

Pre-license checks initiated	101
Pre-license checks completed	88
Post-shipment verifications initiated	100
Post-shipment verifications completed	109
Export license applications reviewed	3090
Outreach visits by Office of Export Enforcement agents	513

Investigations. The Office of Export Enforcement opened 571 and closed 641 investigations during the reporting period.

Under its Shipper's Export Declaration Program, the Office of Enforcement Support (OES) reviews copies of shipper's export declarations (SEDs) filed by exporters and, using a computerized index of data fields, produces a list of SEDs targeted for closer review, focusing particularly on licensed shipments, shipments bound for destinations of concern, shipments of strategic commodities of proliferation concern, and other criteria. Through this review, OES identifies SEDs that may indicate violations of the Export Administration Regulations and refers them to the Office of Export Enforcement. OES made 69 such referrals during the reporting period.

Office of Antiboycott Compliance Activities. The Office of Antiboycott Compliance continued to supply the State Department with information on boycott requests received by U.S. persons. The State Department uses this information in its discussions with boycotting countries concerning ending the Arab League boycott of Israel. Quarterly summary data and analysis were supplied in October 1997 and February 1998. The Office of Antiboycott Compliance opened 10 and closed 18 investigations during the reporting period. The number of total closed investigations include settlements, warning letters, and close-outs (investigations closed without a penalty).

Summary of Major Cases. The following paragraphs summarize the results of the major cases closed by the Office of Export Enforcement and the Office of Antiboycott Compliance during the reporting period.

Export Enforcement Cases:

Aerospace Firm Fined $3 million in Export Control Case: BE Aerospace, Inc., of Wellington, Florida, pled guilty to violating the Export Administration Act and was fined $2.5 million and given three years' probation in United States District Court in New Haven, Connecticut. In a related administrative action, the Department ordered a division of BE Aerospace, PTC Aerospace, to pay a civil penalty of $500,000 to settle allegations stemming from the same transactions. The transactions involved the export of aircraft parts, mainly seats, from PTC Aerospace to France for installation in Iran Air aircraft without obtaining the required validated export licenses from the Department of Commerce. The Assistant Secretary for Export Enforcement also denied PTC Aerospace's export privileges for three years, but suspended the denial conditioned on PTC Aerospace not committing another violation during that period. The case was the result of an investigation by BXA's Office of Export Enforcement and the U.S. Customs Service.

Allergan, Inc. Ordered to Pay a Civil Penalty of $824,000: The Department ordered Allergan, Inc., a pharmaceutical company in Irvine, California, to pay an $824,000 civil penalty to settle allegations that it violated the Export Administration Regulations by shipping BOTOX, a botulinum toxin pharmaceutical product, from the United States to various countries without the required export licenses. The export controls on biological agents are part of U.S. obligations to the 30-nation Australia Group, whose members are committed to curbing the proliferation of chemical and biological weapons. All member countries require licenses to export biological agents with both legitimate civilian uses and possible uses in biological weapons. Biotoxins are considered among the most dangerous items controlled by Australia Group members.

Jack Baugher was ordered to pay a $130,000 criminal fine, and sentenced to five years probation with four months of home detention and 100 hours of community service after pleading guilty to exporting pepper spray and stun guns to the Philippines and Mexico without the required export licenses.

NF&M International Inc. was ordered to pay an $82,500 civil penalty to settle allegations that it exported titanium alloy products to consignees in Australia, Austria, England, Germany and Israel without obtaining the required export licenses.

Lockheed Martin Corporation was ordered to pay a $45,000 civil penalty to settle allegations that it exported graphite/epoxy prepreg material from the United States to South Korea without obtaining the required export licenses.

Carlos Fernandez, Kenneth Broder, and Francisco Ferreiro-Parga: A judge imposed a $30,000 fine on Broder and a $250 special assessment fee on Fernandez and Broder, five months' imprisonment and two years' probation for Fernandez and Broder for violating U.S. trade restrictions with Cuba. Ferriero-Parga received 18 months imprisonment and two years probation.

Coherent Inc. was ordered to pay a $20,000 civil penalty to settle allegations that it exported U.S. origin plasma tubes for use in argon ion lasers to the Department of Atomic Energy in India without the required validated export licenses.

Lansing Technologies Corporation was ordered to pay a $10,000 criminal fine and a $400 special assessment fee for exporting a computer vector processor and a data acquisition controller system to the Peoples' Republic of China without obtaining the required Department of Commerce export licenses. The company exported the data acquisition control system after the Department of Commerce denied its export license application.

Ben H. Attia of Miami, doing business as General Polyphase, Inc. of Tunis, Tunisia, was denied export privileges for 15 years for exporting ballistic shields to Tunisia without the required export license.

William F. McNeil of Massachusetts was denied export privileges for five years for illegally exporting riot shields to Romania without the required export license.

Antiboycott Cases

Merrill Lynch, Pierce, Fenner & Smith; Merrill Lynch Asset Management: The Department imposed penalties totaling $10,000 to settle allegations that Merrill Lynch, Pierce, Fenner & Smith (MLPF&S) and Merrill Lynch Asset Management (MLAM) each agreed to refuse to do business with companies on the Arab League countries' boycott lists and that MLAM furnished information about its proposed business relationships with companies on the Arab League countries' boycott lists. Additionally, each of the Merrill Lynch & Co. subsidiaries failed to report promptly its receipt of a boycott request.

Grove Europe Limited: The Department imposed a $298,000 civil penalty on Grove Europe Limited (Grove Europe), a U.K. manufacturer of industrial cranes, to settle allegations that Grove Europe agreed to comply with the Arab boycott of Israel and furnished information about business relationships with Israel and with blacklisted companies.

6. The expenses incurred by the Federal Government in the six-month period from August 19, 1997 to February 19, 1998, that are directly attributable to the exercise of authorities conferred by the declaration of a national emergency with respect to export controls were largely centered in the Department of Commerce, Bureau of Export Administration. Expenditures by the Department of Commerce are anticipated to be $18,588,000, most of which represents program operating costs, wage and salary costs for Federal personnel, and overhead expenses.

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