

105th Congress, 2d Session - - - - - House Document 105-247

DEVELOPMENTS CONCERNING NATIONAL
EMERGENCY WITH RESPECT TO SUDAN

MESSAGE

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 MAT-
TERS RELATING TO THE MEASURES IN THAT ORDER, PURSUANT
TO 50 U.S.C. 1641(c)



MAY 5, 1998.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

59-011

WASHINGTON : 1998

To the Congress of the United States:

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 (IEEPA), 50 U.S.C. 1703(c), 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. Copies of the Order were provided to the Congress by message dated November 3, 1997.

The Order blocks 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 United States persons, including their overseas branches. The Order also prohibits (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 United States person of the exportation or reexportation of goods, technology, or services to or from Sudan; (4) the performance by any United States 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 United States person to the Government of Sudan; and (6) transactions relating to the transportation of cargo. The Order also provided a 30-day delayed effective date for the completion of certain trade transactions.

2. Executive Order 13067 became effective at 12:01 a.m., eastern standard time on November 4, 1997. On December 2, 1997, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) issued General Notice No. 1, interpreting the delayed effective date for pre-November 4, 1997, trade contracts involving Sudan if the preexisting trade contract was for (a) the exportation of goods, services, or technology from the United States or a third country that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997, or (b) the reexportation of goods or technology that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997. Such exports

or reexports were authorized until 12:01 a.m. eastern standard time, December 4, 1997, and nonfinancing activity by United States persons incidental to the performance of the pre-existing trade contract (such as the provision of transportation or insurance) was authorized through 12:01 a.m. eastern standard time, February 2, 1998. If the preexisting trade contract was for the importation of goods or services of Sudanese origin or other trade transactions relating to goods or services of Sudanese origin or owned or controlled by the Government of Sudan, importations under the pre-existing trade contract were authorized until 12:01 a.m. eastern standard time, December 4, 1997.

3. Since the issuance 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 March 12, 1998, OFAC has issued 55 authorizations to nongovernmental organizations engaged in the delivery of humanitarian aid and 77 licenses to others. 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 licenses issued permitted the unblocking of financial transactions for individual remitters who routed their funds through blocked Sudanese banks. Other licenses authorized the completion of diplomatic transfers, preeffective date trade transactions, and the performance of certain legal services.

4. 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. On November 5, 1997, OFAC disseminated details of this program to the financial, securities, and international trade communities by both electronic and conventional media. This information included the names of 62 entities owned or controlled by the Government of Sudan. The list includes 12 financial institutions and 50 other enterprises.

5. OFAC, in cooperation with the U.S. Customs Service, is closely monitoring potential violations of the import prohibitions of the Order by businesses and individuals. Various reports of violations are being aggressively pursued.

6. The expenses incurred by the Federal Government in the 6-month period from November 3, 1997, through May 2, 1998, that are directly attributable to the exercise of power and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$425,000, 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).

7. 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 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 antiterrorism 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.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 5, 1998.*

