

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN THAT WAS DECLARED IN EXECUTIVE
ORDER 13067 OF NOVEMBER 3, 1997, PURSUANT TO 50 U.S.C.
1641(c) AND 50 U.S.C. 1703(c)



MAY 6, 2003.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

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 am providing herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 2, 2003.*

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
SUDAN

This report to the Congress covers developments over the course of the past 6 months concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997. 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).

On October 21, 2002, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated seven entities as Specially Designated Nationals of Sudan.

As of February 28, 2003, OFAC had issued 36 licenses during the current reporting period. Fifteen of the licenses were issued authorizing commercial sales and exportation to Sudan of bulk agricultural commodities, agricultural products, and medicine. Twelve licenses were issued releasing blocked funds after it was determined that there was no Sudanese Government property interest in the funds. Two licenses were issued authorizing the receipt of legal fees, two licenses were issued releasing blocked funds in support of certain diplomatic activities, three licenses were issued authorizing certain administrative transactions, one license was issued authorizing the transfer of a Sudanese trademark, and one license was issued authorizing the provision of certain humanitarian assistance to Sudan. Twenty-three license applications were denied, the overwhelming majority involving blocked funds that, after review, were determined to involve a Sudanese Government property interest.

As of February 27, 2003, OFAC had blocked 26 transactions totaling more than \$500,000 during this reporting period. Under the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (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 this reporting period, 195 such transactions were rejected by U.S. banks resulting in a disruption of at least \$28.1 million in business for Sudan. In addition, as of February 27, 2003, OFAC had authorized an additional 19 non-governmental organizations ("NGOs") to conduct humanitarian relief operations in Sudan, bringing the total number of NGOs licensed to 154.

Since the last report, OFAC has collected 10 civil monetary penalties or settlements totaling nearly \$117,000 for violations, or allegations thereof, of IEEPA and the Regulations. The payments originated from five U.S. companies, four U.S. financial institutions, and one individual. One defaulted assessed penalty totaling \$5,500 from one U.S. company has been referred to the Financial Management Division for debt collection or installment payment plan ar-

rangement. An additional 41 cases are undergoing penalty action for violations of the Regulations and IEEPA.

The expenses incurred by the Federal Government in the 6-month period from November 3, 2002, through May 2, 2003, 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 \$310,000, 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, and the Department of Commerce.

The situation in Sudan continues to present an unusual and extraordinary 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 U.S. Government's opposition to the actions and policies of the Government of Sudan, particularly its support of certain terrorist organizations, including Hamas and Palestinian Islamic Jihad, and its failure to respect basic human rights, including its restrictions on religious freedom. 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 this unusual and extraordinary threat and will continue to report periodically to the Congress on significant developments as required by law.