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6-MONTH PERIODIC REPORT WITH RESPECT TO THE TALIBAN

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE TALIBAN, PURSUANT TO 50 U.S.C. 1641(c)

JANUARY 27, 2000.—Referred to the Committee on International Relations and ordered to be printed

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THE WHITE HOUSE,
Washington, January 7, 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 the Taliban (Afghanistan) that was declared in Executive Order 13129 of July 4, 1999.

Sincerely,

WILLIAM J. CLINTON.

President's Periodic Report on the National Emergency
with respect to the Taliban in Afghanistan

I hereby report to the Congress on the developments concerning the national emergency with respect to the actions and policies of the Taliban in Afghanistan that was declared in Executive Order 13129 of July 4, 1999. This report is submitted pursuant to 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).

1. On July 4, 1999, I signed Executive Order 13129, "Blocking Property and Prohibiting Transactions With the Taliban" (the "Order") (64 *Fed. Reg.* 36759, July 7, 1999). The Order blocks all property subject to U.S. jurisdiction in which there is any interest of the Taliban. The Order also blocks the property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, (1) to be owned or controlled by or to act for or on behalf of the Taliban, or (2) to provide financial, material, or technological support for, or services in support of, any of the foregoing.

The Order further prohibits (1) any transaction or dealing by a U.S. person or within the United States in property or interests in property blocked by the Order, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of the Taliban or persons designated pursuant to the Order; (2) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a U.S. person, wherever located, to the territory of Afghanistan controlled by the Taliban or to the Taliban or persons designated pursuant to the Order of any goods, software, technology (including technical data), or services; and (3) the importation into the United States of any goods, software, technology, or services owned or controlled by the Taliban or persons designated pursuant to the Order or from the territory of Afghanistan controlled by the Taliban. The Order also prohibits any transaction by a U.S. person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions of the Order, and any conspiracy formed to violate the prohibitions of the Order.

The Order also directs the Secretary of the Treasury, in consultation with the Secretary of State, to authorize commercial sales of agricultural commodities and products,

medicine, and medical equipment for civilian end-use in the territory of Afghanistan controlled by the Taliban under appropriate safeguards to prevent diversion to military, paramilitary, or terrorist or political end-use.

The term "the Taliban" is defined in the Order to mean the political/military entity headquartered in Kandahar, Afghanistan, that exercises de facto control over the territory of Afghanistan described in Section 4(d) of the Order, its agencies and instrumentalities, and the Taliban leaders listed in the Annex to the Order or designated by the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General. The Annex to the Order lists one Taliban leader: Mohammed Omar (Amir al-Mumineen [Commander of the Faithful]). The Taliban is also known as the "Taleban," "Islamic Movement of Taliban," "the Taliban Islamic Movement," "Talibano Islami Tahrik," and "Tahrike Islami'a Taliban."

Section 4(d) of the Order defines the term "territory of Afghanistan controlled by the Taliban" to include 18 provinces of the country of Afghanistan: Kandahar, Farah, Helmund, Nimruz, Herat, Badghis, Ghowr, Oruzghon, Zabol, Paktiha, Ghazni, Nangarhar, Lowgar, Vardan, Faryab, Jowlan, Balkh, and Paktika. The Secretary of State, in consultation with the Secretary of

the Treasury, has since added the City of Kabul to the list of territory of Afghanistan controlled by the Taliban (64 *Fed. Reg.* 58879, November 1, 1999). A copy of the notice is attached to this report. The territory of Afghanistan controlled by the Taliban is also known as the Islamic Emirate of Afghanistan.

2. The Department of the Treasury's Office of Foreign Assets Control ("OFAC"), in consultation with the Departments of State and Justice, has added three entities to the list of those whose assets are blocked pursuant to Executive Order 13129. On August 8, 1999, OFAC added Ariana Afghan Airlines (a.k.a. Bakhtar Afghan Airlines). On October 22, 1999, OFAC added Bank Millie Afghan (a.k.a. Afghan National Bank; a.k.a. Banke E. Millie Afghan), and Da Afghanistan Bank (a.k.a. Bank of Afghanistan; a.k.a. Central Bank of Afghanistan; a.k.a. The Afghan State Bank). These entities have been found to be controlled by, or to be acting for or on behalf of, the Taliban, and to be entities in which the Taliban has an interest.

Additional designations may be made by the Secretary of the Treasury, in consultation with Secretary of State and the Attorney General. Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Secretary of the Treasury or the Director of the Office of

Foreign Assets Control acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

On October 15, 1999, the United Nations Security Council issued Resolution 1267 that, *inter alia*, directs member States to freeze funds and other financial resources of the Taliban, and to prohibit landings and take-offs by Taliban-associated flights, effective November 14, 1999.

3. During the reporting period, OFAC has authorized, pursuant to Executive Order 13129, 20 non-governmental organizations to continue their humanitarian relief operations in the territory of Afghanistan controlled by the Taliban. In addition, OFAC issued three licenses to authorize completion of certain financial transactions initiated prior to issuance of the Order, completion of certain imports predating the national emergency, and certain administrative transactions.

At the inception of the program, OFAC immediately disseminated on the Internet, computer bulletin boards, and fax-on-demand services copies of the Executive Order and an information brochure to advise about the sanctions. Since July 4, 1999, OFAC has continued to emphasize to the

international banking community in the United States the importance of identifying and blocking payments made by or on behalf of the Taliban and has worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the current six-month period, OFAC blocked more than $248 million in balances on Taliban accounts held at U.S. financial institutions. In addition, 15 funds transfers in which the Taliban has an interest were blocked totaling more than $1.6 million.

Various enforcement actions and investigations are being aggressively pursued. Reports of new violations are being scrutinized.

4. The expenses incurred by the Federal Government in the six-month period from July 4, 1999, through January 3, 2000, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to the Taliban in Afghanistan are estimated at approximately $110,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and components of the Department of Justice.

5. The Taliban continues to provide Usama bin Ladin and his organization, Al-Qaida, with safe haven and security allowing him the necessary freedom to operate, despite repeated efforts by the United States to persuade the Taliban to expel bin Ladin to a third country where he can be brought to justice. The Taliban also allows Usama bin Ladin to make repeated public threats against the United States, to operate a network of terrorist training camps, and to use Afghanistan as a base from which to sponsor terrorist acts abroad. Taliban actions pose an unusual threat to international security.

Our information confirms that bin Ladin's organization, working with other terrorist groups, continues actively to plan attacks on Americans and others. We also have reliable evidence that the bin Ladin network seeks to acquire weapons of mass destruction, including chemical weapons.

The international community recognized the need to take action against the Taliban for their harboring of Usama bin Ladin in their unanimous adoption of UN Security Council Resolution 1267 which freezes funds and other financial resources of the Taliban and prohibits Taliban-associated flights.

I shall continue to exercise the powers at my disposal to apply economic sanctions against the Taliban in Afghanistan as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).