

Message to the Congress Reporting on the National Emergency With Respect to Export Controls March 31, 1992

To the Congress of the United States:

1. On September 30, 1990, in Executive Order No. 12730, 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 and foreign policy 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. 768, *et seq.* (1991)), and the delegations of authority set forth in Executive Order No. 12002 of July 7, 1977, Executive Order No. 12214 of May 2, 1980, and Executive Order No. 12131 of May 4, 1979, as amended by Executive Order No. 12551 of February 21, 1986.

2. I issued Executive Order No. 12730 pursuant to the authority vested in me as President by the Constitution and laws of the United States, including IEEPA, the National Emergencies Act (“NEA”) (50 U.S.C. 1601, *et seq.*), and section 301 of title 3 of the United States Code. 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 6 months. Additionally, section 401(c) of the NEA requires that the President, within 90 days after the end of each 6-month period following a declaration of a national emergency, report to the Congress on the total expenditures directly attributable to that declaration. This report, covering the 6-month period from October 1, 1991, to March 31, 1992, is submitted in compliance with these requirements.

3. Since the issuance of Executive Order No. 12730, the Department of Commerce has continued to administer the system of export controls, including antiboycott provi-

sions, contained in the Export Administration Regulations. In administering these controls, the Department has acted under a policy of conforming actions under Executive Order No. 12730 to those required under the Export Administration Act, insofar as appropriate.

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

—In light of the ongoing changes occurring in Eastern Europe and the former Soviet Union, the Department of Commerce has been working with officials of Bulgaria, Czechoslovakia, Hungary, Poland, and republics of the former Soviet Union to implement and strengthen their export control systems, including pre-license inspections and post-shipment verifications. We are also engaged in activities with these countries to assist in the prevention of proliferation of weapons of mass destruction and corresponding technology. These developments will allow for enhanced and much-needed trade in high technology items and other commodities in the region, while helping to prevent unauthorized shipments or uses of such items.

—In my last report I noted that, following negotiations with our Coordinating Committee (COCOM) partners that produced a streamlined Core List of truly strategic items subject to multilateral national security controls, the Department of Commerce implemented a new Commerce Control List (CCL), effective September 1, 1991 (56 F.R. 42824, August 29, 1991). During the current reporting period, the Department issued a conforming regulation, effective January 7, 1992, to bring the CCL into line with special country- and commodity-based controls. In this action, foreign policy provisions in the Export Administration Regulations (EAR) were revised to adjust and expand controls on Iran and Syria. Controls affecting countries designated by the Secretary of State as supporting international terrorism were also revised, with Iraq added

and Yemen deleted from the list. Additionally, the transfer from the Department of State to the Department of Commerce of licensing jurisdiction over certain civil aircraft inertial navigation equipment was implemented (57 F.R. 4553, February 6, 1992).

—Our efforts to address the threat to the national security and foreign policy interests of the United States posed by the spread of weapons of mass destruction and missile delivery systems remain ongoing. In this vein, we continue to work with our major trading partners to strengthen export controls over goods, technology, and other forms of assistance that can contribute to the spread of nuclear, chemical, and biological weapons and missile systems:

- The United States has been working with its partners in the 22-nation Australia Group (AG) to harmonize export controls related to the proliferation of chemical and biological weapons (CBW). At the December 1991 meeting, the participants agreed to control the export of certain biological organisms and CBW-related equipment. The list considered for possible adoption by the AG in this effort is nearly identical to the draft submitted by the United States.
- Additionally, the 27-nation Nuclear Suppliers Group, in which the United States participates, is expected formally to establish a multilateral regime to control nuclear-related, dual-use items along the lines of the nuclear referral list currently administered by the Department of Commerce.
- In the area of supercomputers, we have agreed on a supercomputer safeguard regime with Japan and will be negotiating with our European trading partners to expand this regime. Supercomputer exports involve sensitive national security and foreign policy interests such as cryptology, strategic defense, and submarine warfare; the multilateral safeguard regime is therefore intended to establish uniform and effective international policies and procedures to protect supercomputers from unauthorized end-uses and end-users.

- Developments in the Missile Technology Control Regime (MTCR) include revision of the MTCR control list or “Annex,” and the inclusion of missiles capable of delivering all weapons of mass destruction within the scope of the MTCR, not just those capable of delivering nuclear weapons, which were originally designated as the focus of the regime.

—In response to commitments made by the People’s Republic of China (PRC) to adhere to the MTCR nonproliferation guidelines, on February 21, 1992, the Department of State announced my decision to remove special missile sanctions imposed upon the PRC for the activities of Chinese entities involved in missile technology proliferation. As a result, certain sanctions, including restrictions on the export of high-performance computers, are being removed. Other controls affecting the PRC, such as those implemented following Tiananmen Square, remain in place.

—Finally, our enforcement efforts have continued unabated:

- During this 6-month reporting period, record civil penalties, totalling in excess of \$3.5 million, were assessed in export control enforcement cases. The companies against which the penalties were imposed include the Digital Equipment Corporation; Ecosphere International; Everex Systems, Inc., and its subsidiary Everex Systems (Far East); and Kobe Argentina, the Argentine subsidiary of a U.S. company that was involved in the first case in which both export control and antiboycott violations were alleged.
- On December 19, 1991, special agents from the Department of Commerce’s Bureau of Export Administration arrested a French businessman in New York on charges of diverting two shipments of aviation oil valued at over \$2 million to Cuba. A German company and two of its executives were also indicted in connection with the diversion scheme. In addition, an American company and two of its executives were indicted and charged with falsifying

Mar. 31 / Administration of George Bush, 1992

shipping documents, having knowledge of the diversion, and failing to report the diversion to authorities.

- On February 18, 1992, the Department of Commerce charged L.A. Gear, Inc., an athletic footwear manufacturer, with 46 violations of the antiboycott provisions of the Export Administration Act and Regulations. The Department alleged that, in July 1987 and January 1990, the company complied with boycott requests from a Middle Eastern customer, resulting in antiboycott violations including knowingly agreeing to refuse to do business with other persons in response to a boycott-based requirement, furnishing prohibited boycott-related information, and failure to report receipt of boycott-related requests.

5. The expenses incurred by the Federal Government in the 6-month period from October 1, 1991, to March 31, 1992, 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 \$20,254,000, most of which represents wage and salary costs for Federal personnel.

6. The unrestricted access of foreign parties to U.S. goods, technology, and technical data, and the existence of certain boycott practices of foreign nations, in light of the expiration of the Export Administration Act of 1979, continue to constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I shall continue to exercise the powers at my disposal to retain the export control system, including the antiboycott provisions, and will continue to report periodically to the Congress.

GEORGE BUSH

The White House,
March 31, 1992.

Message to the Congress Transmitting Occupational Safety and Health Reports

March 31, 1992

To the Congress of the United States:

In accordance with section 26 of the Occupational Safety and Health Act of 1970 (Public Law 91-596; 29 U.S.C. 675), I transmit herewith the 1989 annual reports on activities of the Department of Labor, the Department of Health and Human

Services, and the Occupational Safety and Health Review Commission.

GEORGE BUSH

The White House,
March 31, 1992.

Nomination of Thomas C. Richards To Be Federal Aviation Administrator

March 31, 1992

The President today announced his intention to nominate Thomas C. Richards, of Texas, to be Administrator of the Federal Aviation Administration. He would succeed James B. Busey IV.

Since retiring from the Air Force in 1990, General Richards has served as a corporate consultant in Bryan, TX. In June 1990, General Richards was appointed by President Bush to serve as a member of the Commis-