

Sept. 22 / Administration of George W. Bush, 2001

Statement on Signing the Air Transportation Safety and System Stabilization Act

September 22, 2001

Today I signed the Airline Transportation and Systems Stabilization Act, which will provide urgently needed tools to assure the safety and immediate stability of our Nation's commercial airline system. This important legislation also establishes a process for compensating victims of the terrorist attacks.

The terrorists who attacked our country on September 11th will not shut down our vital businesses or thwart our way of life.

I commend the Congress for their cooperation and quick action in passing responsible legislation that will improve passenger safety, help the victims and their loved ones, and keep America's airplanes flying while the airlines develop long-term viability plans.

NOTE: H.R. 2926, approved September 22, was assigned Public Law No. 107-42.

Message to the Congress on United States Financial Sanctions Against Terrorists and Their Supporters

September 23, 2001

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) (IEEPA), and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have exercised my statutory authority to declare a national emergency in response to the unusual and extraordinary threat posed to the national security, foreign policy, and economy of the United States by grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the September 11, 2001, terrorist attacks at the World Trade Center, New York, at the Pentagon, and in Pennsylvania. I have also issued an Executive Order to help deal with this threat by giving the United States more powerful tools to reach the means by which terrorists and terrorist networks finance themselves and to encourage greater cooperation by foreign financial institutions and other entities that may have access to foreign property belonging to terrorists or terrorist organizations.

The attacks of September 11, 2001, highlighted in the most tragic way the threat posed to the security and national interests of the United States by terrorists who have abandoned any regard for humanity, decency, morality, or honor. Terrorists and terrorist networks operate across international borders and derive their financing from sources in many nations. Often, terrorist property and financial assets lie outside the jurisdiction of the United States. Our effort to combat and destroy the financial underpinnings of global terrorism must therefore be broad, and not only provide powerful sanctions against the U.S. property of terrorists and their supporters, but also encourage multilateral cooperation in identifying and freezing property and assets located elsewhere.

This Executive Order is part of our national commitment to lead the international effort to bring a halt to the evil of terrorist

activity. In general terms, it provides additional means by which to disrupt the financial support network for terrorist organizations by blocking the U.S. assets not only of foreign persons or entities who commit or pose a significant risk of committing acts of terrorism, but also by blocking the assets of their subsidiaries, front organizations, agents, and associates, and any other entities that provide services or assistance to them. Although the blocking powers enumerated in the order are broad, my Administration is committed to exercising them responsibly, with due regard for the culpability of the persons and entities potentially covered by the order, and in consultation with other countries.

The specific terms of the Executive Order provide for the blocking of the property and interests in property, including bank deposits, of foreign persons designated in the order or pursuant thereto, when such property is within the United States or in the possession or control of United States persons. In addition, the Executive Order prohibits any transaction or dealing by United States persons in such property or interests in property, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such designated persons.

I have identified in an Annex to this order eleven terrorist organizations, twelve individual terrorist leaders, three charitable or humanitarian organizations that operate as fronts for terrorist financing and support, and one business entity that operates as a front for terrorist financing and support. I have determined that each of these organizations and individuals have committed, supported, or threatened acts of terrorism that imperil the security of U.S. nationals or the national security, foreign policy, or economy of the United States. I have also authorized the Secretary of State to determine and designate additional foreign persons who have committed or pose a significant risk of committing acts of terrorism that threaten the security of U.S. nationals

or the national security, foreign policy, or economy of the United States. Such designations are to be made in consultation with the Secretary of the Treasury and the Attorney General.

The Executive Order further authorizes the Secretary of the Treasury to identify, in consultation with the Secretary of State and the Attorney General, additional persons or entities that:

- Are owned or controlled by, or that act for or on behalf of, those persons designated in or pursuant to the order;
- Assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of acts of terrorism or those persons designated in or pursuant to the order; or
- Are otherwise associated with those persons designated in or pursuant to the order.

Prior to designating persons that fall within the latter two categories, the Secretary of the Treasury is authorized to consult with any foreign authorities the Secretary of State deems appropriate, in consultation with the Secretary of the Treasury and the Attorney General. Such consultation is intended to avoid the need for additional designations by securing bilateral or multilateral cooperation from foreign governments and foreign financial and other institutions. Such consultation may include requests to foreign governments to seek, in accordance with international law and their domestic laws, information from financial institutions regarding terrorist property and to take action to deny terrorists the use of such property. The order also provides broad authority, with respect to the latter two categories, for the Secretary of the Treasury, in his discretion, and in consultation with the Secretary of State and the Attorney General, to take lesser action than the complete blocking of property or interests in property if such lesser action

is deemed consistent with the national interests of the United States. Some of the factors that may be considered in deciding whether a lesser action against a foreign person is consistent with the national interests of the United States include:

- The impact of blocking on the U.S. or international financial system;
- The extent to which the foreign person has cooperated with U.S. authorities;
- The degree of knowledge the foreign person had of the terrorist-related activities of the designated person;
- The extent of the relationship between the foreign person and the designated person; and
- The impact of blocking or other measures on the foreign person.

The Executive Order also directs the Secretary of State, the Secretary of the Treasury, and other agencies to make all relevant efforts to cooperate and coordinate with other countries, including through existing and future multilateral and bilateral agreements and arrangements, to achieve the objectives of this order, including the prevention and suppression of acts of terrorism, the denial of the financing of and financial services to terrorists and terrorist organizations, and the sharing of intelligence about funding activities in support of terrorism.

In the Executive Order, I also have made determinations to suspend otherwise applicable exemptions for certain humanitarian, medical, or agricultural transfers or donations. Regrettably, international terrorist networks make frequent use of charitable or humanitarian organizations to obtain clandestine financial and other support for their activities. If these exemptions were not suspended, the provision of humanitarian materials could be used as a loophole through which support could be provided to individuals or groups involved with terrorism and whose activities endanger the safety of United States nationals, both here and abroad.

The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is authorized to issue regulations in exercise of my authorities under IEEPA to implement the prohibitions set forth in the Executive Order. All Federal agencies are also directed to take actions within their authority to carry out the provisions of the order, and, where applicable, to advise the Secretary of the Treasury in a timely manner of the measures taken.

The measures taken here will immediately demonstrate our resolve to bring new strength to bear in our multifaceted struggle to eradicate international terrorism. It is my hope that they will point the way for other civilized nations to adopt similar measures to attack the financial roots of global terrorist networks.

In that regard, this Executive Order is an integral part of our larger effort to form a coalition in the global war against terrorism. We have already worked with nations around the globe and groups such as the G-8, the European Union, and the Rio Group, all of which have issued strong statements of their intention to take measures to limit the ability of terrorist groups to operate. In the next several weeks the 33rd Session of the International Civil Aviation Organization (ICAO) General Assembly and other fora will focus on terrorism worldwide. It is our intention to work with in the G-7/G-8, the ICAO, and other fora to reach agreement on strong concrete steps that will limit the ability of terrorists to operate. In the G-7/G-8, the United States will work with its partners, drawing on the G-8 Lyon Group on Transnational Crime, the G-8 Group on Counter-terrorism, the G-7 Financial Action Task Force, and the existing G-8 commitments to build momentum and practical cooperation in the fight to stop the flow of resources to support terrorism. In addition, both the Convention for the Suppression of the Financing of Terrorism and the Convention for the Suppression of Terrorist

Bombings have been forwarded to the Senate, and I will be forwarding shortly to the Congress implementing legislation for both Conventions.

I am enclosing a copy of the Executive Order I have issued. This order is effective at 12:01 a.m. eastern daylight time on September 24, 2001.

GEORGE W. BUSH

The White House,
September 23, 2001.

NOTE: This message was released by the Office of the Press Secretary on September 24. The Executive order of September 23 blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism is listed in Appendix D at the end of this volume.

Remarks on United States Financial Sanctions Against Terrorists and Their Supporters and an Exchange With Reporters *September 24, 2001*

The President. Good morning. At 12:01 this morning, a major thrust of our war on terrorism began with the stroke of a pen. Today we have launched a strike on the financial foundation of the global terror network.

Make no mistake about it, I've asked our military to be ready for a reason. But the American people must understand this war on terrorism will be fought on a variety of fronts, in different ways. The frontlines will look different from the wars of the past. So I told the American people we will direct every resource at our command to win the war against terrorists, every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence. We will starve the terrorists of funding, turn them against each other, rout them out of their safe hiding places, and bring them to justice.

I've signed an Executive order that immediately freezes United States financial assets of and prohibits United States transactions with 27 different entities. They include terrorist organizations, individual terrorist leaders, a corporation that serves as a front for terrorism, and several nonprofit organizations.

Just to show you how insidious these terrorists are, they oftentimes use nice-sounding nongovernmental organizations as fronts for their activities. We have targeted three such NGOs. We intend to deal with them just like we intend to deal with others who aid and abet terrorist organizations. This Executive order means that United States banks that have assets of these groups or individuals must freeze their accounts, and United States citizens or businesses are prohibited from doing business with them.

We know that many of these individuals and groups operate primarily overseas and they don't have much money in the United States, so we've developed a strategy to deal with that. We're putting banks and financial institutions around the world on notice. We will work with their governments, ask them to freeze or block terrorists' ability to access funds in foreign accounts. If they fail to help us by sharing information or freezing accounts, the Department of the Treasury now has the authority to freeze their banks' assets and transactions in the United States.

We have developed the international financial equivalent of law enforcement's "Most Wanted" list. And it puts the financial world on notice: If you do business with terrorists, if you support or sponsor