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RESPONSE TO THREAT OF WEAPONS
OF MASS DESTRUCTION

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS REPORT ON EXERCISING STATUTORY AUTHORITY TO ISSUE
AN EXECUTIVE ORDER TO AMEND EXECUTIVE ORDER 12938 IN
ORDER TO MORE EFFECTIVELY RESPOND TO THE WORLDWIDE
THREAT OF WEAPONS OF MASS DESTRUCTION PROLIFERATION
ACTIVITIES



JULY 29, 1998.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed July 29, 1998

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To the Congress of the United States:

On November 14, 1994, in light of the danger of the proliferation of nuclear, biological, and chemical weapons (weapons of mass destruction) and of the means of delivering such weapons, using my authority under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), I declared a national emergency and issued Executive Order 12938. Because the proliferation of weapons of mass destruction continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, I have renewed the national emergency declared in Executive Order 12938 annually, most recently on November 14, 1997. Pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)), I hereby report to the Congress that I have exercised my statutory authority to issue an Executive Order to amend Executive Order 12938 in order to more effectively to respond to the worldwide threat of weapons of mass destruction proliferation activities.

The amendment of section 4 of Executive Order 12938 strengthens the original Executive order in several significant ways.

First, the amendment broadens the type of proliferation activity that is subject to potential penalties. Executive Order 12938 covers contributions to the efforts of any foreign country, project, or entity to use, acquire, design, produce, or stockpile chemical or biological weapons (CBW). This amendment adds potential penalties for contributions to foreign programs for nuclear weapons and missiles capable of delivering weapons of mass destruction. For example, the new amendment authorizes the imposition of measures against foreign entities that materially assist Iran's missile program.

Second, the amendment lowers the requirements for imposing penalties. Executive Order 12938 required a finding that a foreign person "knowingly and materially" contributed to a foreign CBW program. The amendment removes the "knowing" requirement as a basis for determining potential penalties. Therefore, the Secretary of State need only determine that the foreign person made a "material" contribution to a weapons of mass destruction or missile program to apply the specified sanctions. At the same time, the Secretary of State will have discretion regarding the scope of sanctions so that a truly unwitting party will not be unfairly punished.

Third, the amendment expands the original Executive order to include "attempts" to contribute to foreign proliferation activities, as well as actual contributions. This will allow imposition of penalties even in cases where foreign persons make an unsuccessful effort to contribute to weapons of mass destruction and missile programs or where authorities block a transaction before it is consummated.

Fourth, the amendment expressly expands the range of potential penalties to include the prohibition of United States Government

assistance to the foreign person, as well as United States Government assistance to the foreign person, as well as United States Government procurement and imports into the United States, which were specified by the original Executive order. Moreover, section 4(b) broadens the scope of the United States Government procurement limitations to include a bar on the procurement of technology, as well as goods or services from any foreign person described in section 4(a). Section 4(d) broadens the scope of import limitation to include a bar on imports of any technology or services produced or provided by any foreign person described in section 4(a).

Finally, this amendment gives the United States Government greater flexibility and discretion in deciding how and to what extent to impose penalties against foreign persons that assist proliferation programs. This provision authorizes the Secretary of State, who will act in consultation with the heads of other interested agencies, to determine the extent to which these measures should be imposed against entities contributing to foreign weapons of mass destruction or missile programs. The Secretary of State will act to further the national security and foreign policy interests of the United States, including principally our nonproliferation objectives. Prior to imposing measures pursuant to this provision, the Secretary of State will take into account the likely effectiveness of such measures in furthering the interests of the United States and the costs and benefits of such measures. This approach provides the necessary flexibility to tailor our responses to specific situations.

I have authorized these actions in view of the danger posed to the national security and foreign policy of the United States by the continuing proliferation of weapons of mass destruction and their means of delivery. I am enclosing a copy of the Executive order that I have issued exercising these authorities.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 28, 1998.*

EXECUTIVE ORDER

PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), the Arms Export Control Act (22 U.S.C. 2751 *et seq.*) (AECA), and section 301 of title 3, United States Code,

I, William J. Clinton, President of the United States of America, in order to take additional steps with respect to the proliferation of weapons of mass destruction and means of delivering them and the national emergency described and declared in Executive Order 12938 of November 14, 1994, hereby order:

Section 1. Amendment of Executive Order 12938

(a) Section 4 of Executive Order 12938 of November 14, 1994, is revised to read as follows:

“Sec. 4. Measures Against Foreign Persons.

(a) *Determination by Secretary of State; Imposition of Measures.*—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), where applicable, if the Secretary of State determines that a foreign person, on or after November 16, 1990, the effective date of Executive Order 12735, the predecessor order to Executive Order 12938, has materially contributed or attempted to contribute materially to the efforts of any foreign country, project, or entity of proliferation concern to use, acquire, design, develop, produce, or stockpile weapons of mass destruction or missiles capable of delivering such weapons, the measures set forth in subsections (b), (c), and (d) of this section shall be imposed on that foreign person to the extent determined by the Secretary of State in consultation with the implementing agency and other relevant agencies. Nothing in this section is intended to preclude the imposition on that foreign person of other measures or sanctions available under this order or under other authorities.

(b) *Procurement Ban.*—No department or agency of the United States Government may procure, or enter into any contract for the procurement of, any goods, technology, or services from any foreign person described in subsection (a) of this section.

(c) *Assistance Ban.*—No department or agency of the United States Government may provide any assistance to any foreign person described in subsection (a) of this section, and no such foreign person shall be eligible to participate in any assistance program of the United States Government.

(d) *Import Ban.*—The Secretary of the Treasury shall prohibit the importation into the United States of goods, technology, or services produced or provided by any foreign person described in subsection (a) of this section, other than information or informational materials within the meaning of section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(e) *Termination.*—Measures pursuant to this section may be terminated against a foreign person if the Secretary of State determines that there is reliable evidence that such foreign person has ceased all activities referred to in subsection (a) of this section.

(f) *Exceptions.*—Departments and agencies of the United States Government, acting in consultation with the Secretary of State, may, by license, regulation, order, directive, exception, or otherwise, provide for:

(i) Procurement contracts necessary to meet U.S. operational military requirements or requirements under defense production agreements; intelligence requirements; sole source suppliers, spare parts, components, routine servicing and maintenance of products for the United States Government; and medical and humanitarian items; and

(ii) Performance pursuant to contracts in force on the effective date of this order under appropriate circumstances.”

(b) Section 6 of Executive Order 12938 of November 14, 1994, is amended by deleting “4(c)” and inserting “4(e)” in lieu thereof.

Sec. 2. Preservation of Authorities.—Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under the authority of IEEPA, AECA, the Nuclear Non-Proliferation Act of 1978, the Nuclear Proliferation Prevention Act of 1994, the Atomic Energy Act, the Export Administration Act (50 U.S.C. App. 2401 *et seq.*), Executive Order 12730 of September 30, 1990, Executive Order 12735 of November 16, 1990, Executive Order 12924 of August 18, 1994, Executive Order 12930 of September 29, 1994, or Executive Order 12938 of November 14, 1994.

Sec. 3. Judicial Review.—Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 4. Effective Date.

(a) This order is effective at 12:01 a.m. eastern daylight time on July 29, 1998.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 28, 1998.*