

CONTINUATION OF EMERGENCY REGARDING  
WEAPONS OF MASS DESTRUCTION

COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

NOTIFICATION THAT THE NATIONAL EMERGENCY WITH RESPECT  
TO THE PROLIFERATION OF NUCLEAR, BIOLOGICAL, AND CHEM-  
ICAL WEAPONS (WEAPONS OF MASS DESTRUCTION) AND THE  
MEANS OF DELIVERING SUCH WEAPONS IS TO CONTINUE IN  
EFFECT BEYOND NOVEMBER 14, 2000, PURSUANT TO 50 U.S.C.  
1622(d).



NOVEMBER 14, 2000.—Referred to the Committee on International  
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WASHINGTON : 2000



THE WHITE HOUSE,  
*Washington, November 9, 2000.*

Hon. J. DENNIS HASTERT,  
*Speaker of the House of Representatives,  
Washington, DC.*

DEAR MR. SPEAKER: On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons ("weapons of mass destruction"—WMD) and of the means of delivering such weapons, I issued Executive Order 12938, declaring a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*). Under section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the national emergency terminates on the anniversary date of its declaration unless, within the 90-day period prior to each anniversary date, I publish in the *Federal Register* and transmit to the Congress a notice stating that such emergency is to continue in effect. The proliferation of weapons of mass destruction and their means of delivery continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I am, therefore, advising the Congress that the national emergency declared on November 14, 1994, and extended on November 14, 1995; November 12, 1996; November 13, 1997; November 12, 1998; and November 10, 1999, must continue in effect beyond November 14, 2000. Accordingly, I have extended the national emergency declared in Executive Order 12938, as amended.

The following report is made pursuant to section 204(c) of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)). It reports actions taken and expenditures incurred pursuant to the emergency declaration during the period May 2000 through October 2000. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the most recent annual Report on the Proliferation of Missiles and Essential Components of Nuclear, Biological and Chemical Weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190), also known as the "Nonproliferation Report," and the most recent annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102-182), also known as the "CBW Report."

On July 28, 1998, in Executive Order 13094, I amended section 4 of Executive Order 12938 so that the United States Government could more effectively respond to the worldwide threat of weapons of mass destruction proliferation activities. The amendment of section 4 strengthens Executive Order 12938 in several significant ways. The amendment broadens the type of proliferation activity

that can subject entities to potential penalties under the Executive Order. The original Executive Order provided for penalties for contributions to the efforts of any foreign country, project or entity to use, acquire, design, produce or stockpile chemical or biological weapons; the amended Executive Order also covers contributions to foreign programs for nuclear weapons and for missiles capable of delivering weapons of mass destruction. Moreover, the amendment expands the original Executive Order to include attempts to contribute to foreign proliferation activities, as well as actual contributions, and broadens the range of potential penalties to include expressly the prohibition of United States Government assistance to foreign persons, and the prohibition of imports into the United States and United States Government procurement. In sum, the amendment gives the United States Government greater flexibility in deciding how and to what extent to impose measures against foreign persons that assist proliferation programs.

#### NUCLEAR WEAPONS

In May 1998, India and Pakistan each conducted a series of nuclear tests that brought their nuclear weapon programs out in the open, in defiance of decades of international efforts to prevent the spread of nuclear weapons. Since that time, they have continued production of fissile material for nuclear weapons and have flight-tested ballistic nuclear-capable missiles. World reaction to these developments included nearly universal condemnation across a broad range of international fora. The United States and a number of other countries respectively imposed sanctions and other unilateral measures. The G-8 agreed to new restrictions on lending by international financial institutions.

Since the mandatory imposition of U.S. statutory sanctions, we have worked unilaterally, with other P-5 and G-8 members, with the South Asia Task Force, and through the United Nations to urge India and Pakistan to move toward the international non-proliferation mainstream.

We have supported calls by the P-5, G-8, and U.N. Security Council on India and Pakistan to take a broad range of concrete actions designed to prevent a costly and destabilizing nuclear arms and missile race, with possible implications beyond the region. The United States has focused most intensely on several objectives that can be met over the short and medium term: an end to nuclear testing and prompt, unconditional adherence by India and Pakistan to the Comprehensive Nuclear Test-Ban Treaty (CTBT); constructive engagement in negotiations on a Fissile Material Cutoff Treaty (FMCT) and, pending its conclusion, a moratorium on production of fissile material for nuclear weapons and other nuclear explosive devices; restraint in the development of nuclear-capable missiles, as well as their nondeployment; and adoption of controls meeting international standards on exports of sensitive materials and technology.

Against a backdrop of international pressure on India and Pakistan, intensive high-level U.S. dialogues with Indian and Pakistani officials have yielded only modest progress, principally on export controls. In September 1998, Indian and Pakistani leaders, noting that their countries had already declared testing moratoria, ex-

pressed to the U.N. General Assembly a willingness to sign the CTBT by September 1999 under certain conditions. Subsequent developments including the Indian election, the Kargil conflict, the October coup in Pakistan, and the U.S. Senate's vote against providing its advice and consent to CTBT ratification further complicated the issue during 1999, although neither country renounced its commitment. Indian Prime Minister Vajpayee announced during his visit to Washington in September 2000 that India would maintain its moratorium until CTBT entered into force. Both governments have said they would work to build domestic consensus for CTBT signature, without which they could not sign. Such consensus has not been achieved and, consequently, neither country has signed the CTBT thus far.

India and Pakistan both withdrew their opposition to negotiations on an FMCT in Geneva at the end of the 1998 Conference on Disarmament session, and negotiations got underway for a brief time. However, these negotiations were unable to resume in 1999 or 2000 due to a deadlock over the negotiating mandate.

Some progress was achieved in bringing Indian and Pakistani export controls into closer conformity with international standards. India recently instituted new, more specific regulations on many categories of sensitive nonnuclear equipment and technology and has said that nuclear-related regulations will be forthcoming. Pakistan has publicly announced regulations restricting nuclear exports and has indicated that further measures are being prepared. However, both countries' steps still fall well short of international standards. We have begun with India a program of technical co-operation designed to improve the effectiveness of its already extensive export controls, and encourage further steps to bring India's controls in line with international standards. Similar assistance to Pakistan is prohibited by coup-related sanctions.

The summer 1999 Kargil conflict and the October 1999 military takeover in Pakistan resulted in the suspension of the Indo-Pakistani bilateral dialogue begun at Lahore. Tensions remain high, particularly over insurgent attacks in Kashmir, and there are no encouraging signs that talks will resume soon.

We have agreed to continue regular discussions with India at the senior and expert levels, and will also remain engaged with Pakistan, as appropriate. Our diplomatic efforts, in concert with the P-5, G-8, and in international fora, will also continue.

I discussed these issues with the Governments of India and Pakistan during my trip there in March 2000 and with Prime Minister Vajpayee when he came to Washington this September. With India, we have stressed that our relationship will not be able to reach its full potential without progress on our nonproliferation and regional security concerns. With Pakistan, we also emphasized the importance of progress on regional security and nonproliferation, among other pressing issues.

In October 1994, the United States and the Democratic People's Republic of Korea (DPRK or North Korea) signed an Agreed Framework which, if fully implemented, will ultimately result in the complete cessation of the DPRK's nuclear weapon-related program and its full compliance with the Nuclear Non-Proliferation Treaty (NPT). As a first step, North Korea froze construction and

operations at its Yongbyon and Taechon nuclear facilities. The freeze remains in place, and to monitor the freeze, the International Atomic Energy Agency (IAEA) has maintained a continuous presence at the Yongbyon site since 1994. The U.S. spent fuel team completed canning of the accessible spent fuel rods and rod fragments from the North's 5-megawatt nuclear reactor in April 2000. The IAEA has confirmed that the remaining few rod fragments that are currently inaccessible do not represent a proliferation concern, and the Agency continues to monitor the canned fuel. The U.S. spent-fuel team returned to the DPRK in October 2000 to continue clean-up and canning at Yongbyon, and to begin looking at long-term maintenance.

Serious U.S. suspicions about an underground facility at Kumchang-ni led the United States to raise its concerns directly with Pyongyang and to negotiate access to the site as long as U.S. concerns remain. In May 1999, a Department of State-led team of experts visited the site and judged it, as then configured, not suited to house plutonium production reactors or reprocessing operations. Based on the data gathered by the U.S. team and the subsequent technical review, the United States concluded that the activities were not a violation of the Agreed Framework. A second Department of State-led team conducted a visit in May 2000 and found no evidence to contradict the 1999 assessment. In light of a final review of these results, the joint communique issued following the visit of DPRK Special Envoy Jo Myong Rok to Washington stated that "U.S. concerns" about the underground site at Kumchang-ni had been "removed."

While the Kumchang-ni visit addressed some of our nonproliferation concerns, future negotiations with the North will seek to discuss ways to allay all of them—in the context of assuring full implementation of the Agreed Framework and improving overall relations. In May and July 2000, the United States and DPRK held rounds of talks concerning Agreed Framework implementation and the DPRK's missile program, respectively. Another round of talks, which included discussion on terrorism issues, was held in New York from September 27 to October 2 of this year. During the talks, the DPRK informed us that DPRK Special Envoy Marshal Jo Myong Rok would visit Washington from October 9 to 12, 2000. The joint communique released at the end of that historic visit noted that both countries "are prepared to undertake a new direction in their relations." Toward that end, the two stated that "neither government would have hostile intent toward the other." Both sides pledged to "redouble their commitment and their efforts to fulfill their respective obligations in their entirety under the Agreed Framework." The DPRK also reaffirmed its ballistic missile flight test moratorium, and agreed that "there are a variety of available means, including the Four Party talks, to reduce tension on the Korean Peninsula and formally end the Korean war by replacing the 1953 Armistice Agreement with permanent peace arrangements."

The NPT is the cornerstone of the global nuclear nonproliferation regime. In May 2000, NPT Parties met in New York for the 2000 NPT Review Conference (REVCN). Despite predictions to the contrary, the 158 participating nations adopted by consensus a Final

Document that reviews NPT implementation over the past 5 years and establishes a program of action for the future. This is the first NPT Review Conference to achieve such a Final Document since 1985. The Conference met or exceeded all U.S. objectives. It provided an important boost to the NPT and to nuclear nonproliferation goals in general.

The IAEA verifies states' compliance with their NPT obligations by means of its safeguards system. The discovery at the time of the Gulf War of Iraq's extensive covert nuclear activities led to an international consensus in favor of strengthening the IAEA safeguards system's ability to detect undeclared nuclear material and activities. The United States and a large number of like-minded states negotiated in the mid-1990's substantial safeguards strengthening measures, including the use of environmental sampling techniques, expansion of the classes of nuclear activities states are required to declare, and expansion of IAEA access rights. Measures requiring additional legal authority are embodied in a Model Additional Protocol approved in 1997. This Protocol has now been signed by 54 states and has entered into force for 14. Provided the IAEA is given the resources and political support it needs to implement its new safeguards measures effectively, proliferators will now find it much harder to evade the system.

The United States signed the Comprehensive Nuclear-Test Ban Treaty on September 24, 1996. As of early October 2000, 160 countries have signed and 65 have ratified the CTBT, including 30 of the 44 countries required by the Treaty for its entry into force. During 2000, CTBT signatories conducted numerous meetings of the Preparatory Commission (PrepCom) and its subsidiary bodies in Vienna, seeking to promote rapid completion of the International Monitoring System (MS) established by the Treaty.

On September 22, 1997, I transmitted the CTBT to the Senate, requesting prompt advice and consent to ratification. I deeply regret the Senate's decision on October 13, 1999, to refuse to provide its advice and consent to ratify the CTBT. The CTBT will serve several United States national security interests by prohibiting all nuclear explosions. It will constrain the development and qualitative improvement of nuclear weapons; make the development of advanced new types of weapons much more difficult; contribute to the prevention of nuclear proliferation and the process of nuclear disarmament; and strengthen international peace and security. The CTBT marks a historic milestone in our drive to reduce the nuclear threat and to build a safer world. For these reasons, we hope that at an appropriate time, the Senate will reconsider this treaty.

The purpose of the 35-nation Nuclear Non-Proliferation Treaty Exporters (Zangger) Committee is to harmonize implementation of the Non-Proliferation Treaty's requirement to apply International Atomic Energy Agency safeguards to nuclear exports. Article III.2 of the Treaty requires parties to ensure that IAEA safeguards are applied to exports to nonnuclear weapon states of (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material. The Committee maintains and updates a list (the "Trigger List") of equipment that may only be exported if safeguards are applied to the recipient facility. The relative informality

of the Zangger Committee has enabled it to take the lead on certain nonproliferation issues that would be more difficult to resolve in the Nuclear Suppliers Group.

At its March 2000 meeting, the Committee approved the Chairman's report of Committee activities to the 2000 NPT REVCON. The Committee also agreed to continue consideration of possible future adoption of the full-scope safeguards (FSS) policy. The Committee also agreed to an informal meeting with IAEA staff to discuss procedures for keeping the Agency informed on Trigger List changes and the rationale for such changes, since the Agency uses the Zangger Trigger list as a reference document. A separate working group, chaired by Sweden, is considering the addition of plutonium enrichment equipment to the Trigger List.

During the past year, two new members have joined the Zangger Committee—Turkey in October 1999 and Slovenia in March 2000.

All of the nuclear weapon states, including China, are members of the Zangger Committee. However, unlike all of the other nuclear weapon states members of the Zangger Committee, China is not a member of the Nuclear Suppliers Group (NSG), which requires its members to adhere to a FSS policy of requiring nonnuclear weapon states to accept IAEA safeguards on all of its nuclear facilities as a condition of supply to those states. China has been reluctant to agree to this policy.

With 38 member states, the NSG is a widely accepted and effective export-control arrangement, which contributes to the nonproliferation of nuclear weapons through implementation of guidelines for control of nuclear and nuclear-related exports. Members pursue the aims of the NSG through adherence to the Guidelines, which are adopted by consensus, and through exchanges of information on developments of nuclear proliferation concern.

Turkey, Belarus, and Cyprus became the newest members of the NSG in May 19, 2000. Slovenia was invited to participate as an observer at the 2000 Paris Plenary and has applied for NSG membership this year. NSG members often agree to allow nonmember nations deemed eligible for NSG membership to participate in Plenary meetings as observers. While not an NSG member, China has taken a major step toward harmonization of its export control system with the NSG part 2 Guidelines by the implementation of controls over nuclear-related dual-use equipment, material, and related technology.

In May 2000, the NSG Troika (composed of the past, present, and future NSG Chairs—in this case Britain, Italy and France) met with representatives of the Iranian Government to discuss Iranian criticism of the NSG. The meeting of the Troika followed up earlier meetings by the Italian Chair in Tehran and on the margins of the 1999 NSG Transparency Seminar in New York. The Troika urged Iran to sign the additional protocol with the IAEA that strengthens safeguards. Iranian officials offered to provide additional confidence building measures to facilitate nuclear exports from NSG members. The United States, as the future plenary chair, intends to be an active participant in all NSG Troika activities in the coming years, though any involvement in Troika contracts with Iran will need to be evaluated on a case-by-case basis prior to the meetings. The United States does not believe that the

ongoing discussions with Iran can or should soften supplier attitudes.

During the Plenary meetings in Paris in June 2000, the Czech Republic presented information on its new legislation intended to halt all tangible and intangible supply to the Bushehr Nuclear Power Plant in Iran. The Czech delegation stated that the new legislation covers direct transfers to Bushehr, as well as indirect support through a third party. The Italian NSG Chair presented a report of NSG activities at the 2000 NPT Review Conference.

#### CHEMICAL AND BIOLOGICAL WEAPONS

The export control regulations issued under the Expanded Proliferation Control Initiative (EPCI) remain fully in force and continue to be administrated by the Department of Commerce, in consultation with other agencies, in order to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

Chemical weapons (CW) continue to pose a very serious threat to our security and that of our allies. On April 29, 1997, the convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (the Chemical Weapons Convention or CWC) entered into force with 87 of the CWC's 165 States Signatories as original States Parties, including the United States, which ratified on April 25, 1997. Russia ratified the CWC on November 5, 1997, and became a State Party on December 8, 1997. As of October 30, 2000, 140 countries will have become States Parties.

The implementing body for the CWC—the Organization for the Prohibition of Chemical Weapons (OPCW)—was established on April 29, 1997. The OPCW, located in The Hague is comprised of States parties and international civil servants that are responsible for implementing the CWC. It consists of the Conference of the States Parties, the Executive Council, and the Technical Secretariat (TS). The TS carries out the verification provisions of the CWC, and presently has a staff of approximately 500, including about 200 inspectors trained and equipped to inspect military and industrial facilities throughout the world. As of October 30, 2000, the OPCW has conducted over 790 routine inspections in some 37 countries. No challenge inspections have yet taken place. The OPCW maintains a permanent inspector presence at operational U.S. CW destruction facilities in Utah, on Johnston Island, and elsewhere. Accordingly, approximately 70 percent of the inspection days currently have been at U.S. declared facilities.

The United States is determined to seek full implementation of the concrete measures in the CWC designed to raise the costs and risks for states or other entities attempting to engage in chemical weapons-related activities. Receiving accurate and complete declarations from all States Parties will improve our knowledge of possible chemical weapons-related activities. Its inspection provisions provide for access by international inspectors to declared and potentially undeclared facilities and locations, thus making clandestine chemical weapons production and stockpiling more difficult, more risky, and more expensive.

The Chemical Weapons Convention Implementation Act of 1998 was enacted into U.S. law on October 21, 1998, as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999 (Public Law 105-277). I issued Executive Order 13128 on June 25, 1999, to facilitate implementation of the Act and the Convention, and published regulations on December 30, 1999, regarding declarations and inspections of industrial facilities. The United States commenced its submission of industry declarations at the end of April 2000, and hosted its first industry inspection on May 8, 2000. Industry inspections are proceeding well. Our submission of the industry declarations to the OPCW and commencement of inspections, has strengthened U.S. leadership in the organization as well as our ability to encourage other States Parties to make complete, accurate, and timely declarations.

Countries that refuse to join the CWC have been isolated politically and denied access by the CWC to certain key chemicals from States Parties. The relevant treaty provisions are specifically designed to penalize countries that refuse to join the rest of the world in eliminating the threat of chemical weapons.

The United States also continues to play an active role in the international effort to reduce the threat from biological weapons (BW). We participate in the Ad Hoc Group (AHG) of States Parties of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (the Biological Weapons Convention or BWC). The AHG is striving to complete a legally binding protocol to strengthen the 1972 Convention to promote compliance and enhance transparency. This Ad Hoc Group was mandated by the September 1994 BWC Special Conference. The Fourth BWC Review Conference (November/December 1996) urged the AHG to complete the protocol as soon as possible before the next BWC Review Conference in 2001. Work is progressing on a draft text through discussion of national views and clarification of existing text. Differences in national views persist concerning such substantive areas as on-site activities, export controls, declarations, and technical assistance provisions. The United States remains strongly committed to the objective agreed to in the 1996 Review Conference, but will only accept a protocol that enhances U.S. security and strengthens national and international efforts to address the BW threat.

I announced in my 1998 State of the Union Address that the United States would take a leading role in the effort to erect stronger international barriers against the proliferation and use of BW by strengthening the BWC with a new international means to detect and deter cheating. We are working closely with industry representatives to obtain technical input relevant to the development of U.S. negotiating positions and then to reach international agreement on protocol provisions.

The United States continues to be a leading participant in the 32-member Australia Group (AG) chemical and biological weapons nonproliferation regime. The United States attended the most recent annual AG Plenary Session from October 2-5, 2000, during which the Group reaffirmed the members' continued collective belief in the AG's viability, importance, and compatibility with the

CWC and BWC. Members continue to agree that full adherence to the CWC and BWC by all governments will be the only way to achieve a permanent global ban on chemical and biological weapons, and that all states adhering to these Conventions must take steps to ensure that their national activities support these goals. At the 2000 Plenary, the Group welcomed its newest members, Cyprus and Turkey. At this year's plenary, the regime continued to focus on strengthening and refining AG export controls and sharing information to address the CBW threat, especially from terrorism. The AG also reaffirmed its commitment to continue its active outreach program of briefings for non-AG countries, and to promote regional consultations on export controls and nonproliferation to further awareness and understanding of national policies in these areas. The AG discussed ways to be more proactive in stemming attacks on the AG in the CWC and BWC contexts.

During the last 6 months, we continued to examine intelligence and other information of trade in CBW-related material and technology that might be relevant to sanctions provisions under the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991. No new sanctions determinations were reached during this reporting period. The United States also continues to cooperate with its AG partners and other countries in stopping shipments of proliferation concern.

#### MISSILES FOR DELIVERY OF WEAPONS OF MASS DESTRUCTION

The United States continues carefully to control exports that could contribute to unmanned delivery systems for weapons of mass destruction, and closely to monitor activities of potential missile proliferation concern. We also continue to implement U.S. missile sanctions laws. In April 2000, we imposed sanctions against a North Korean entity and four Iranian entities for missile proliferation activities. These sanctions followed March 1999 missile sanctions against three Middle Eastern entities.

During this reporting period, the 32 Missile Technology Control Regime (MTCR) Partners (members) continued to share information about proliferation problems with each other and with other potential supplier, consumer, and transshipment states. Partners also emphasized the need for implementing effective export control systems. This cooperation has resulted in the interdiction of missile-related materials intended for use in missile programs of concern.

In March and September 2000, the United States participated in two MTCR Reinforced Point of Contact Meetings (RPOC). At the RPOCs, MTCR Partners continued their discussions on new ways to better address the global missile proliferation threat. They also undertook to develop a new multilateral mechanism on missile nonproliferation. This mechanism is intended to complement the important work of the MTCR and eventually to include the participation of both MTCR and non-MTCR countries.

The MTCR Partners held their annual plenary meeting in Helsinki, on October 9–13, 2000. The Partners took decisions concerning the substance of a new multilateral mechanism on missile nonproliferation and ways to take it forward. They also discussed cooperation on halting shipments of missile proliferation concern

and exchanged information about activities of missile proliferation concern worldwide, including in South Asia, Northeast Asia, and the Middle East.

During this reporting period, the United States continued to work unilaterally and in coordination with its MTCR Partners to combat missile proliferation and to encourage nonmembers to export responsibly and to adhere to the MTCR Guidelines. Since my last report, we continued our missile nonproliferation dialogues with China, India, the Republic of Korea, and North Korea, and have raised this issue with Pakistan at senior levels. Although regular discussions with Pakistan at the expert level have not proceeded since the fall 1999 coup, we remain engaged at the diplomatic level, and I addressed our nonproliferation concerns during my visit to Pakistan in March of this year. In the course of normal diplomatic relations we also have pursued such discussions with other countries in Central Europe, South Asia, and the Middle East.

In July 2000, the United States and the DPRK held a fifth round of missile talks in Kuala Lumpur. This was the first round of talks after a 16-month hiatus. It provided a useful opportunity to assess developments since the March 1999 talks in Pyongyang, including the DPRK's June 2000 reaffirmation of its moratorium on flight tests of long-range missiles of any kind. The United States discussed its continuing concerns about North Korea's missile activities and again pressed for tight constraints on DPRK missile development, testing, and exports. Both sides agreed to hold another round of talks as soon as possible, and a sixth round occurred September 28-29 in New York. The United States continued to urge the DPRK to take steps to address U.S. and international concerns about the DPRK's indigenous missile programs and its missile-related activities. The United States also discussed Chairman Kim Jong-Il's idea, suggested to Russian President Putin in mid-July, of trading missile restraints for launches of DPRK satellites on foreign launchers. During the October visit to Washington of DPRK Special Envoy Jo Myong Rok, the United States and DPRK agreed that "resolution of the missile issue would make an essential contribution to a fundamentally improved relationship between them and to peace and security in the Asia-Pacific region." The DPRK also reaffirmed its ballistic missile flight test moratorium "while talks on the missile issue continue."

Secretary Albright met with Chairman Kim Jong-Il in Pyongyang October 23-24. They had serious, constructive, and in-depth discussions on the full range of U.S. concerns on missiles, including both the DPRK's indigenous missile programs and exports. They also explored Chairman Kim's idea of restraining DPRK missile capabilities in exchange for launches of DPRK satellites on foreign boosters. U.S. and DPRK missile experts are scheduled to continue discussions in early November.

In response to reports of continuing Iranian efforts to acquire sensitive items from Russian entities for use in Iran's missile and nuclear development programs, the United States is pursuing a high-level dialogue with Russia aimed at finding ways to work together to cut off the flow of sensitive goods to Iran's ballistic missile development program and its nuclear weapon program. Rus-

sia's government has created institutional foundations to implement a newly enacted nonproliferation policy and passed laws to punish wrongdoers. It also has passed new export control legislation to tighten government control over sensitive technologies and continued working with the United States to strengthen export control practices at Russian aerospace firms. However, despite the Russian government's nonproliferation and export control efforts, some Russian entities continued to cooperate with Iran's ballistic missile program and to engage in nuclear cooperation with Iran beyond the Bushehr Unit 1 nuclear power reactor project, which could further Iran's nuclear weapon aspirations.

Consistent with the Russian government's April 2000 announcement of administrative action against the Rector of the Baltic State Technical University (BSTU) for his involvement in training Iranian specialists at BSTU, and following our own assessment, the United States announced on April 24, 2000, plans to impose trade and administrative penalties on the Rector for his involvement with the Iranian missile program. At the same time, the United States also announced its intention to remove restrictions imposed in July 1998 on two Russian entities—INOR and Polyus—which have ceased the proliferation behavior that led to the imposition of penalties. However, penalties imposed in July 1998 against five other Russian entities and in January 1999 against three additional entities remain in effect.

#### VALUE OF NONPROLIFERATION EXPORT CONTROLS

The U.S. national export controls—both those implemented pursuant to multilateral nonproliferation regimes and those implemented unilaterally—play an important part in impeding the proliferation of WMD and missiles. (as used here, “export controls” refer to requirements for case-by-case review of certain exports, or limitations on exports of particular items of proliferation concern to certain destinations, rather than broad embargoes or economic sanctions that also affect trade.) As noted in this report, however, export controls are only one of a number of tools the United States uses to achieve its nonproliferation objectives. Global nonproliferation treaties and norms, Multilateral nonproliferation regimes, interdictions of shipments of proliferation concern, sanctions, export control assistance, redirection and elimination efforts, and robust U.S. military, intelligence, and diplomatic capabilities all work in conjunction with export controls as part of our overall nonproliferation strategy.

Export controls are a critical part of nonproliferation because every emerging WMD/missile program seeks equipment and technology from other countries. Proliferators look to other sources because needed items are unavailable within their country, because indigenously produced items are of substandard quality or insufficient quantity, and/or because imported items can be obtained more quickly and cheaply than domestically produced ones. It is important to note that proliferators seek for their WMD and missile programs both items on multilateral lists (like gyroscopes controlled on the MTCR Annex and nerve gas precursors on the Australia Group list) and unlisted items (like lower-level machine tools and very basic chemicals). In addition, many of the items of interest to

proliferators are inherently dual-use. For example, key precursors and technologies used in the production of fertilizers or pesticides also can be used to make chemical weapons; bio-production technology can be used to produce biological weapons.

The most obvious value of export controls is in impeding or denying proliferators access to key pieces of equipment or technology for use in their WMD/missile programs. In large part, U.S. national export controls—and similar controls of our partners in the Australia Group, Missile Technology Control Regime, and Nuclear Suppliers Group—have denied proliferators access to the largest sources of the best equipment and technology. Proliferators have mostly been forced to seek less capable items from nonregime suppliers. Moreover, in many instances, U.S. and regime controls and associated efforts have forced proliferators to engage in complex clandestine procurements even from nonmember suppliers, taking time and money away from WMD/missile programs.

The U.S. national export controls and those of our regime partners also have played an important role, increasing over time the critical mass of countries applying nonproliferation export controls. For example: the 7-member MTCR of 1987 has grown to 32 member countries; the NSG adopted full-scope safeguards as a condition of supply and extended new controls to nuclear-related dual-use items; several nonmember countries have committed unilaterally to apply export controls consistent with one or more of the regimes; and most of the members of the nonproliferation regimes have applied national “catch-all” controls similar to those under the U.S. Enhanced Proliferation Control Initiative. (Export controls normally are tied to a specific list of items, such as the MTCR Annex. “Catch-all” controls provide a legal basis to control exports of items not on a list, when those items are destined for WMD/missile programs.) The United States maintains a global program, funded by the Nonproliferation, Anti-terrorism, Demining and Related Activities account, to assist other countries’ efforts to strengthen their export control systems. A principal focus of this important effort is Russia and the Newly Independent States (NIS), where we also employ funds provided under the Freedom Support Act.

The U.S. export controls, especially “catch-all” controls, also make important political and moral contributions to the nonproliferation effort. They uphold the broad legal obligations the United States has undertaken in the Nuclear Nonproliferation Treaty (Article I), Biological Weapons Convention (Article III), and Chemical Weapons Convention (Article I) not to assist anyone in proscribed WMD activities. They endeavor to assure there are no U.S. “fingerprints” on WMD and missiles that threaten U.S. citizens and territory and our friends and interests overseas. They place the United States squarely and unambiguously against WMD/missile proliferation, even against the prospect of inadvertent proliferation from the United States itself.

Finally, export controls play an important role in enabling and enhancing legitimate trade. They provide a means to permit dual-use exports to proceed under circumstances where, without export control scrutiny, the only prudent course would be to prohibit them. They help build confidence between countries applying similar controls that, in turn, results in increased trade. Each of the

WMD nonproliferation regime, for example, has a “no undercut” policy committing each member not to make an export that another has denied for nonproliferation reasons and notified to the rest—unless it first consults with the original denying country. Not only does this policy make it more difficult for proliferators to get items from regime members, it establishes a “level playing field” for exporters.

#### THREAT REDUCTION

The potential for proliferation of WMD and delivery system expertise has increased in part as a consequence of the economic crisis in Russia and other Newly Independent States (NIS). My Administration gives high priority to controlling the human dimension of proliferation through programs that support the transition of former Soviet weapons scientists to civilian research and technology development activities. I have proposed an additional \$4.5 billion for programs embodied in the Expanded Threat Reduction Initiative (ETRI) that would support activities in four areas over FYs 2000–2004: nuclear security; nonnuclear WMD; science and technology nonproliferation; and military relocation, stabilization and other security cooperation programs. Of the \$1 billion Congressional ETRI request for FY 2000, an estimated \$888 million is available: State (\$182 million), Energy (\$293 million), and Defense (\$467 million). We are seeking \$974 million in FY 2001.

#### EXPENSES

Pursuant to section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I report that there were no specific expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order 12938, as amended, during the period from May 16, 2000, through November 12, 2000.

Sincerely,

WILLIAM J. CLINTON.



## NOTICE

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### CONTINUATION OF EMERGENCY REGARDING WEAPONS OF MASS DESTRUCTION

On November 14, 1994, by Executive Order 12938, I declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons (weapons of mass destruction) and the means of delivering such weapons. Because the proliferation of weapons of mass destruction and the means of delivering them continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the national emergency first declared on November 14, 1994, and extended on November 14, 1995, November 12, 1996, November 13, 1997, November 12, 1998, and November 10, 1999, must continue in effect beyond November 14, 2000. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency declared in Executive Order 12938.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

WILLIAM J. CLINTON.

THE WHITE HOUSE, November 9, 2000.

