

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO THE TALIBAN IN AFGHANISTAN

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SIX-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO THE TALIBAN THAT WAS DECLARED IN EX-
ECUTIVE ORDER 13129 OF JULY 4, 1999, PURSUANT TO 50 U.S.C.
1641(c) AND 50 U.S.C. 1703(c)



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THE WHITE HOUSE,
Washington, January 3, 2002.

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 that was declared in Executive Order 13129 of July 4, 1999.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
THE TALIBAN IN AFGHANISTAN

I hereby report to the Congress on developments over the course of the past six months 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, based upon information provided by relevant sources, 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, 50 U.S.C. 1703(c), ("IEEPA").

1. During the past six months, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued three licenses to authorize certain payments in connection with over flights of Taliban-controlled territory, to unblock funds in which there was determined to be no interest of the Taliban, and to import agricultural products produced in an area of Afghanistan not controlled by the Taliban.

OFAC continues 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. As of November 2, 2001, 26 transactions totaling approximately \$26.6 million were blocked during this period. The total value of assets blocked under the program, as of December 11, 2001, total approximately \$258 million. Under the Taliban (Afghanistan) Sanctions Regulations, 31 CFR Part 545, (the "Regulations"), transactions in violation of the sanctions where there is no blockable interest of the Taliban must be returned to remitters (i.e., "rejected"). During the reporting period, 16 transactions were rejected by U.S. banks causing a disruption of nearly \$270,000 in financial dealings involving the territory of Afghanistan controlled by the Taliban.

Various other enforcement actions and investigations are being aggressively pursued. Reports of new violations are being scrutinized. Since the last report, OFAC has collected one civil penalty settlement in the amount of \$8,000 for violations of the sanctions. Two additional cases are undergoing penalty action for violations of the Regulations and IEEPA.

2. The expenses incurred by the Federal Government in the six-month period from July 4, 2001, through January 3, 2002, 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 \$775,000. 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 Serv-

ice), the Department of State, and components of the Department of Justice.

3. The military and political situation in Afghanistan remains fluid and unresolved, and to the extent the Taliban remains active, it continues to pose a significant threat to the national security and foreign policy of the United States. By the same token, shifting alliances and the uncertain loyalties of many parties to the conflict make it impossible to predict with certainty the ability of the region to remain completely free of Taliban control. The Taliban openly supports terrorism and is unremittingly hostile to the United States, the United Nations and the peace and security of the civilized world.

Since my last report, the United Nations Security Council adopted Resolution 1363 on July 30, 2001, confirming that the “situation in Afghanistan constitutes a threat to the international peace and security in the region” and directing the establishment of a mechanism to monitor implementation of sanctions measures imposed on the Taliban, Usama bin Laden, the al-Qaida organization, and their associates by resolutions 1267 (1999) and 1333 (2000). In addition, following the terrorist attacks of September 11, 2001, the United Nations Security Council in Resolution 1368 of September 12, 2001, called on all States to work together urgently to bring to justice the perpetrators, organizers and sponsors of those attacks, stressing that those responsible for aiding, supporting or harboring the perpetrators, organizers and sponsors will be held accountable. In its Resolution 1373 of September 28, the Council reaffirmed the need for all States to combat terrorism by all means, in accordance with the UN Charter, and required Member States to impose additional measures, *inter alia*, to prevent and suppress financing of terrorist acts, to deny safe haven to anyone who finances, plans, supports, or commits terrorist acts or provides safe havens, and to bring any such persons to justice under domestic laws and regulations.

Despite its current military and political weakness, the Taliban continues to exist in certain areas in Afghanistan. Given its ability to harbor terrorists, including members of the al-Qaida organization and their associates and to engage in active hostility against the United States, the Taliban continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. The maintenance of sanctions measures targeting the Taliban thus demonstrates the resolve of the United States Government to maintain and indeed intensify its struggle to put an end to the Taliban’s support for terrorism.