SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO YUGOSLAVIA (SERBIA AND MONTENEGRO) AND KOSOVO

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A COMBINED SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCIES DECLARED WITH RESPECT TO THE FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO) DECLAIMED IN EXECUTIVE ORDER 12808 ON MAY 30, 1992 AND KOSOVO IN EXECUTIVE ORDER 13088 ON JUNE 9, 1998, PURSUANT TO 50 U.S.C. 1641(c) AND 50 U.S.C. 1703(c)

June 3, 2003.—Referred to the Committee on International Relations and ordered to be printed

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19-011 WASHINGTON : 2003
THE WHITE HOUSE,

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, 50 U.S.C. 1703(c), I am providing a combined 6-month report prepared by my Administration on the national emergencies declared with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) in Executive Order 12808 on May 30, 1992, and Kosovo in Executive Order 13088 on June 9, 1998.

Sincerely,

GEORGE W. BUSH.
PERIODIC REPORT ON THE NATIONAL EMERGENCIES WITH RESPECT TO THE FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)

This report to the Congress addresses developments over the course of the past 6 months concerning the national emergency with respect to the Federal Republic of Yugoslavia (now officially Serbia and Montenegro from February 4, 2003) (the "FRY (SaM)"") that was declared in Executive Order 12808 on May 30, 1992, and was expanded in Executive Order 12934, issued on October 25, 1994, with respect to the Bosnian Serbs. This report also covers developments over the course of the past 6 months concerning the national emergency with respect to the FRY (SaM) and Kosovo that was declared in Executive Order 13088 on June 9, 1998, as supplemented by Executive Order 13121, issued on April 30, 1999, and as amended in Executive Order 13192 of January 17, 2001. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

The Department of the Treasury effected a partial unblocking of assets on February 25, 2002. This unblocking was pursuant to the new general licenses issued by the Department of the Treasury's Office of Foreign Assets Control ("OFAC") in the "Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations," 31 CFR Part 585 (the "Bosnia and Herzegovina Regulations") and the "Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations," 31 CFR Part 586 (the "Kosovo Regulations") on December 27, 2002, (67 Fed. Reg. 78973). The general licenses unblocked all remaining property and interests in property blocked under the Bosnia and Herzegovina Regulations and the Kosovo Regulations 60 days from December 27, 2002, with certain exceptions. Those exceptions kept blocked any property or interests in property of (1) diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia, (2) those persons who are presently subject to sanctions under the "Federal Republic of Yugoslavia (Serbia and Montenegro) Milosevic Regulations," 31 CFR Part 587 (the "Milosevic Regulations") or the "Western Balkans Stabilization Regulations," 31 CFR Part 588, or (3) the central bank of the former Socialist Federal Republic of Yugoslavia (the National Bank of Yugoslavia). A copy of these regulatory amendments is attached.

There were no amendments to the Milosevic Regulations during this reporting period.

During this reporting period, OFAC issued no specific licenses under the Kosovo Regulations or the Milosevic Regulations. Letters were issued notifying applicants for specific licenses that property blocked under both the Bosnia and Herzegovina Regulations and
the Kosovo Regulations would be unblocked, subject to certain exceptions, under the general licenses described in Paragraph 1, without further action on their part.

In April 2003, the United States Government took steps, through a series of directive licenses, to transfer the assets of the National Bank of Yugoslavia that were blocked pursuant to the 1992 national emergency to the successor states of the former Socialist Federal Republic of Yugoslavia. In any cases where such assets have yet to be transferred, the assets remain blocked.

Since my last report, OFAC has collected four civil monetary penalties totaling more than $43,000 for violations of the sanctions by two U.S. financial institutions and two U.S. companies. These violations involved payments either to the Government of the FRY (SaM), persons in the FRY (SaM), or to blocked entities owned or controlled by the Government of the FRY (SaM), or the importation of goods from the territory of the FRY during the effective period of the trade sanctions. An additional case is undergoing penalty action for violation of the Bosnia and Herzegovina Regulations and an additional 104 cases are undergoing penalty action for violation of the Kosovo Regulations.

The expenses incurred by the Federal Government in the 6-month period from December 1, 2002, through May 29, 2003, that are directly attributable to the declaration of the national emergencies made in 1992 and 1998 are estimated at approximately $235,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC, the Chief Counsel's Office, and the U.S. Customs Service), the Departments of State and Commerce, and the National Security Council.

It is in the United States' foreign policy interest to support Serbia and Montenegro's freely elected government as it works toward building a stable, democratic, and economically vibrant society. Following Secretary of State Powell's May 2002 meeting with FRY Foreign Minister Svilanovic and then Serbian Prime Minister Djindjic, Secretary Powell formally certified to the Congress that the FRY was cooperating with the International Criminal Tribunal for the former Yugoslavia ("ICTY"). Subsequently, Secretary Powell requested that the Department of the Treasury take steps to begin the process of unblocking all previously frozen assets—except those linked to Slobodan Milosevic, his close associates and supporters and persons under indictment for war crimes by the ICTY.

The Departments of State and Treasury worked closely on a plan to unblock certain assets and to transfer others. Certain steps remain with respect to a small category of property that continues to be blocked. The funds transferred took on added importance for Serbia and Montenegro as it began to deal with the financial repercussions relating to the tragic assassination of Serbian Prime Minister Djindjic. The plan to unblock certain assets and transfer others also underscores the United States' continuing commitment to fully normalizing economic relations with Serbia and Montenegro.
PART 556—TOLERANCES FOR RESIDUES OF NEW ANIMAL DRUGS IN FOOD

3. The authority citation for 21 CFR part 556 continues to read as follows:


Section 556.189 is added to read as follows:

§ 556.189 Danofloxacin.

(a) Acceptable daily intake (ADI). The ADI for total residues of danofloxacin is 2.4 micrograms per kilograms of body weight per day.

(b) Tolerance—(1) Cattle—Liver: The tolerance for parent danofloxacin (the marker residue) is 0.5 part per million (ppm).

(2) Sheep—Muscle: The tolerance for parent danofloxacin (the marker residue) is 0.2 ppm.

(3) [Reserved.]

DEPARTMENT OF THE TREASURY
Office of Foreign Assets Control

21 CFR Parts 556 and 586

Unblocking of Assets: Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnia Sanctions Regulations; Federal Republic of Yugoslavia (Serbia & Montenegro) Kosovo Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury is issuing general licenses to be effective February 25, 2003, unblocking certain property and interests in property previously blocked pursuant to the Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnia Sanctions Regulations set forth in 31 CFR part 556 and the Federal Republic of Yugoslavia (Serbia & Montenegro) Kosovo Sanctions Regulations set forth in 31 CFR part 586. The general licenses effecting the unblocking under both of the above sets of regulations will not apply to property or interests in property of Sanctions list persons who are presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) or the Western Balkans sanctions regulations set forth in 31 CFR part 587 or the Western Balkans Transactions Regulations set forth in 31 CFR part 580 or, who are otherwise subject to sanctions under either of these parts of 21 CFR chapter V. In addition, the general licenses effecting the unblocking under 31 CFR part 556 will not apply to property or interests in property of diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia or to the blocked property or interests in property of the National Bank of Yugoslavia subject to part 556. In order to allow for claims and encumbrances associated with the property and interests in property being unblocked to be addressed, OFAC is also issuing general licenses, effective December 27, 2002, authorizing any person or government to seek judicial or other legal protection of any rights they may have with respect to the property and interests in property being unblocked.

DATES: Effective Date: December 27, 2002.


SUPPLEMENTARY INFORMATION

Electronic Availability

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Background

Pursuant to Presidential Determination No. 96-7 of December 27, 1995 (31 FR 20877, January 20, 1990), and Executive Order 12595 of January 17, 2001 (66 FR 7391, Jan. 23, 2001), most Treasury-administered sanctions imposed upon the Federal Republic of Yugoslavia (Serbia & Montenegro) (the "FRY(SM)") in response to the actions of the FRYSKM in Bosnia and Herzegovina from 1992 through 1995 and with respect to Kosovo from 1999 through 2000 have been suspended or lifted. Nevertheless, most property and interests in property blocked under either the Bosnian-related sanctions regulations (31 CFR part 556) or the Kosovo-related sanctions regulations (31 CFR part 586) have remained blocked, primarily to provide for the addition of claims and encumbrances that may be associated with each property or interest in property, including potential claims of the successor states of the former Socialist Federal Republic of Yugoslavia.

As part of the U.S. Government’s effort to assist the FRYSKM in recovering from the effects of the Milosevic regime, the U.S. Government is taking steps to unblock much of the remaining property and interests in property blocked under either 31 CFR part 556 or 31 CFR part 586. On October 3, 2001 (66 FR 50500), OFAC issued an interim final rule amending 31 CFR part 586, which included an exception for the unblocking of certain Yugoslav debt and authorizations for the release of certain blocked financial transfers. At present, OFAC is issuing general licenses, effective February 25, 2003, authorizing the unblocking of all remaining blocked property and interests in property, except (i) property or interests in property of diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia.
Republic of Yugoslavia, (ii) property or interests in property of those persons who are presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Millennium Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under other parts of 31 CFR chapter V, and (iii) the property or interests in property of the central bank of the former Socialist Federal Republic of Yugoslavia, i.e., the National Bank of Yugoslavia, that have been blocked pursuant to 31 CFR part 585. Property and interests in property of the National Bank of Yugoslavia blocked pursuant to 31 CFR part 586 will be unblocked pursuant to the general license being issued at §586.520.

In order to allow for claims and recoumbsions associated with the property and interests in property being unblocked to be addressed in a manner consistent with Presidential Determination No. 96–7 and Executive Order 13192, OFAC is also issuing general licenses, effective December 27, 2003, authorizing any person or government to seek judicial or other legal process with respect to property or interests in property being unblocked. These general licenses are intended to help persons and governments, including the successor states to the former Socialist Federal Republic of Yugoslavia, to protect any rights they may have with respect to such property or interests in property. These general licenses are not a determination that any particular property or interests in property subject to the unblocking authorization would not be subject to any claim or recoummbment against any judicial or legal process, including claims of immunity.

Because the amendment of 31 CFR parts 585 and 586 involves a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) (the "APA") requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective data, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Paperwork Reduction Act
The collections of information related to 31 CFR parts 585 and 586 are contained in 31 CFR part 510 ("Reporting and Procedures Regulations"). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1506-0161. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects
31 CFR Part 585
Administrative practice and procedure, Banks and banking, Blocking of assets, Bosnia and Herzegovina, Federal Republic of Yugoslavia (Serbia & Montenegro), Montenegro, Reporting and recoummbing requirements, Serbia.

31 CFR Part 586
Administrative practice and procedure, Banks, Banking, Blocking of assets, Federal Republic of Yugoslavia (Serbia & Montenegro), Kosovo, Montenegro, Reporting and recoummbing requirements, Serbia.

For the reasons set forth in the preamble, 31 CFR parts 585 and 586 are amended as follows:

PART 585—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA & MONTENEGRO) AND BOSNIAN SERB-CONTROLLED AREAS OF THE REPUBLIC OF BOSNIA AND HERZEGOVINA SANCTIONS REGULATIONS

1. The authority citation for part 585 continues to read as follows:


Subpart E—Licenses, Authorizations, and Statements of Licensing Policy
Section 585.529 is added to subpart E to read as follows:

§585.529 Unblocking of previously blocked property.
(a) Except for such property and interests in property described in paragraph (a)(9) of this section, as of February 25, 2003, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 12938 of May 9, 1992, Executive Order 12851 of June 6, 1993, Executive Order 12864 of April 25, 1993, or Executive Order 12904 of October 25, 1994, that has remained blocked pursuant to Presidential Determination No. 90–7 of December 27, 1990, are authorized.

(b) The authorization in paragraph (a)(1) does not apply to:
(i) Property or interests in property of diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia,

(ii) Property or interests in property blocked pursuant to this part of these persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Millennium Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter, or

(iii) Property or interests in property of the National Bank of Yugoslavia blocked pursuant to this part.

(b) As of December 27, 2003, any person or government is authorized to seek an attachment, judgment, decree, lien, or other judicial or legal process against any property or interests in property subject to the unblocking authorization set forth in paragraph (a)(1) of this section. This section does not authorize any execution against, final settlement with respect to, garnishment of, or other action affecting the transfer of any property or interests in property subject to the unblocking authorization set forth in paragraph (a)(1) of this section prior to February 25, 2003.

(c) Note to paragraph (b)(3) of §585.529. Any person or government seeking judicial or other legal process under the authority of this paragraph must comply with the reporting requirements set forth at 31 CFR part 510 pertaining to litigation, arbitration, and dispute resolution proceedings.

PART 586—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA & MONTENEGRO) KOSOVO SANCTIONS REGULATIONS

3. The authority citation for part 586 continues to read as follows:


Subpart E—Licenses, Authorizations, and Statements of Licensing Policy
Section 586.520 is added to subpart E to read as follows:

§586.520 Unblocking of previously blocked property.
(a) Except for such property and interests in property described in paragraph (a)(9) of this section, as of February 25, 2003, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 12938 of May 9, 1992, Executive Order 12851 of June 6, 1993, Executive Order 12864 of April 25, 1993, or Executive Order 12904 of October 25, 1994, that has remained blocked pursuant to Presidential Determination No. 90–7 of December 27, 1990, are authorized.

(b) The authorization in paragraph (a)(1) does not apply to:
(i) Property or interests in property of diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia,

(ii) Property or interests in property blocked pursuant to this part of these persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Millennium Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter, or

(iii) Property or interests in property of the National Bank of Yugoslavia blocked pursuant to this part.
§536.528 Unblocking of previously blocked property.

(a) Except for such property and interests in property set forth in paragraph (d) of this section, on or after February 25, 2005, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 13186 of June 9, 1998, or Executive Order 13121 of April 30, 1999, that has remained blocked pursuant to Executive Order 13192 of January 17, 2003, are authorized.

(b) The authorization in paragraph (a) applies to property or interests in property blocked pursuant to this part of those persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Magnitsky Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter.

(c)(1) As of December 27, 2003, any person or government is authorized to seek an attachment, judgment, decree, lien, or other judicial or legal process against or with respect to any property or interests in property subject to the unblocking of a property interest or interests in property subject to the unblocking of a property interest set forth in paragraph (a) of this section prior to February 25, 2005.

Note to paragraph (c): Any person or government seeking judicial or other legal process under the authority of this paragraph must comply with the reporting requirements set forth under 31 CFR 306.505 pertaining to litigation, arbitration and dispute resolution proceedings.

Date: December 12, 2002.

Richard N. Grossman, Director, Office of Foreign Assets Control.

Approved: December 17, 2002.

Kenneth E. Lawrenz, Assistant Secretary for Enforcement, Department of the Treasury.

FR Doc. 02-2767 Filed 12-24-02; 4:14 pm

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

(Docket No. 02-29-204)

RIN 2115-AE67

Drawbridge Operation Regulation;
Mississippi River, Dubuque, IA

AGENCY: Coast Guard, DOT.

ACTION: Temporary rule.

SUMMARY: The Commander, Eighth Coast Guard District is temporarily changing the regulations governing the Illinois Central Railroad Drawbridge, Mile 78.9, Upper Mississippi River. From December 21, 2002, until 7 a.m. on March 1, 2003, the drawbridge shall open on signal if at least 24 advance hours notice is given. This temporary rule is issued to facilitate annual maintenance and repair on the bridge.

DATES: This temporary rule is effective December 21, 2002, until 7 a.m. on March 1, 2003.

ADDRESS: Documents referred to in this rule are available for inspection or copying at 7 a.m. to 10 a.m. and 1 p.m. to 4 p.m. on weekdays (except Federal holidays) in the following locations:

1. Commander, Eighth Coast Guard District, 1152 Green Street, St. Louis, MO 63103-3002, between 7 a.m. and 4 p.m. on weekdays, except Federal holidays.

The telephone number is 314-538-2001, extension 2378.

For further information contact: Mr. Roger K. Wietzbach, Bridge Administrator, (314) 539-3900, extension 2378.

SUPPLEMENTARY INFORMATION:

Good Cause for Not Publishing an NPRM

We did not publish a notice of proposed rulemaking (NPRM) for this regulation. Under 5 U.S.C. 553(d)(3)(B), the Coast Guard finds that good cause exists for not publishing an NPRM. This rule is being promulgated without an NPRM as a matter of public safety. Annual maintenance on the Illinois Central Railroad Drawbridge in Dubuque, Iowa is performed by a railroad maintenance crew whose schedule is difficult to forecast. In order to keep up with maintenance of all drawbridges in the area, the maintenance crew must move quickly from one maintenance job to the next. Publishing an NPRM and allowing for the requisite comment period would severely reduce the repair time and prevent the maintenance crew from completing annual maintenance to the drawbridge. Therefore, the Coast Guard finds the public safety is better served by not publishing an NPRM.

Good Cause for Making Rule Effective in Less Than 30 Days

Under 5 U.S.C. 553(d)(3)(B), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the Federal Register. For the same reason that an NPRM was not published, the Coast Guard finds that public safety is better served by making this rule effective less than 30 days after its publication.

Background and Purpose

On November 15, 2002, the Canadian National/Illinois Central Railroad Company requested a temporary change to the operation of the Illinois Central Railroad Drawbridge across the Upper Mississippi River, Mile 78.9 at Dubuque, Iowa. Canadian National/Illinois Central Railroad Company requested that 24 hours advance notice be required to open the bridge during the maintenance period. The maintenance is necessary to ensure the continued safe operation of the drawbridge. Advance notice may be given by calling the Canadian National/Illinois Central Dispatchers office at (309) 711-3477 at any time or Mr. Mike McNamara, office (316) 296-9238 or cell phone (913) 309-3162.

The Illinois Central Railroad Drawbridge navigation span has a vertical clearance of 18.5 feet above normal pool in the closed to navigation position. Navigation on the waterway consist primarily of commercial tows and recreational watercraft. Frequent opening of the drawbridge can cause delays in navigation.

Canadian National/Illinois Central Railroad Company requested the drawbridge be permitted to remain closed to navigation during the following period to allow for annual maintenance:

From 7 a.m. March 1, 2003 until 7 a.m. March 13, 2003.

The Illinois Central Railroad Drawbridge, Mile 78.9, Upper Mississippi River, is located upstream from Lock 17, Lock 24, and Lock 25 on the Mississippi River. Lock 17, a 118 foot lift lock, is located at Mile 128.8 on the Mississippi River. Lock 24, a 125 foot lift lock, is located at Mile 133.9 on the Mississippi River. Lock 25, a 118 foot lift lock, is located at Mile 139.5 on the Mississippi River.