

CONTINUATION OF EXPORT CONTROL
REGULATIONS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTIFICATION THAT HE HAS EXERCISED THE AUTHORITY GRANTED TO HIM TO CONTINUE THE SYSTEM OF CONTROLS CONTAINED IN 15 C.F.R. PARTS 730-774 AND ISSUED AN EXECUTIVE ORDER TO CONTINUE EXPORT CONTROL REGULATIONS, PURSUANT TO 50 U.S.C. 1703(b)



SEPTEMBER 5, 2001.—Referred to the Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

89-011

WASHINGTON : 2001

THE WHITE HOUSE,
Washington, August 17, 2001.

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

DEAR MR. SPEAKER: 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 today exercised the authority granted by this Act to continue in effect the system of controls contained in 15 C.F.R. Parts 730–774, including restrictions on participation by U.S. persons in certain foreign boycott activities, that heretofore has been maintained under the authority of the Export Administration Act of 1979 (EAA), as amended, 50 U.S.C. App. 2401 *et seq.* In addition, I have made provision for the administration of section 38(e) of the Arms Export Control Act, 22 U.S.C. 2778(e).

The exercise of this authority is necessitated by the expiration of the EAA on August 20, 2001, and the lapse in the system of controls maintained under that Act that would result from such expiration.

In the absence of controls, foreign parties would have unrestricted access to U.S. commercial products, technology, and assistance, posing an unusual and extraordinary threat to national security, foreign policy, and economic objectives critical to the United States. In addition, U.S. persons would not be prohibited from complying with certain foreign boycott requests. This would seriously harm our foreign policy interests, particularly in the Middle East.

Controls established in 15 C.F.R. Parts 730–774, and continued by this action, include the following:

- National security export controls restricting the export of goods and technologies that would make a significant contribution to the military potential of certain other countries and that would prove detrimental to the national security of the United States.
- Foreign policy controls that further the foreign policy objectives of the United States or fulfill its declared international obligations in such widely recognized areas as human rights, antiterrorism, regional stability, missile technology nonproliferation, and chemical and biological weapons nonproliferation.
- Nuclear nonproliferation controls that are maintained for both national security and foreign policy reasons and that support the objectives of the Nuclear Nonproliferation Act.
- Short supply controls that protect domestic supplies, and antiboycott regulations that prohibit compliance with foreign boycotts aimed at countries friendly to the United States.

Consequently, I have issued an Executive Order (a copy of which is attached) to continue in effect all rules and regulations issued or continued in effect by the Secretary of Commerce under the author-

ity of the EAA, and all orders, regulations, licenses, and other forms of administrative actions under the Act, except to the extent they are inconsistent with sections 203(b) and 206 of the International Emergency Economic Powers Act.

The Congress and the Executive have not permitted export controls to lapse since they were enacted under the Export Control Act of 1949. Any termination of controls could permit transactions to occur that would be seriously detrimental to the national interests we have heretofore sought to protect through export controls and restrictions on compliance by U.S. persons with certain foreign boycotts. I believe that even a temporary lapse in this system of controls would seriously damage our national security, foreign policy, and economic interests and undermine our credibility in meeting our international obligations.

The countries affected by this action vary depending on the objectives sought to be achieved by the system of controls instituted under the EAA. Potential adversaries may seek to acquire sensitive U.S. goods and technologies. Other countries serve as conduits for the diversion of such items. Still other countries have policies that are contrary to U.S. foreign policy or nonproliferation objectives, or foster boycotts against friendly countries. For some goods or technologies, controls could apply even to our closest allies in order to safeguard against diversion to potential adversaries.

It is my intention to terminate the Executive Order upon enactment into law of new authorizing legislation for the U.S. export control regime. Such legislation is long overdue. The EAA is a Cold War statute that does not reflect and is ill-suited to deal with current economic and political realities. There is a strong need for a new statute to facilitate an effective modern export control regime—one that safeguards our national security and furthers our foreign policy objectives, while recognizing the current realities of today's fast-paced and dynamic business environment. I look forward to signing into law such legislation in the near future.

Sincerely,

GEORGE W. BUSH.

EXECUTIVE ORDER

CONTINUATION OF EXPORT CONTROL REGULATIONS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including but not limited to section 203 of the International Emergency Economic Powers Act ("Act") (50 U.S.C. 1702), I, GEORGE W. BUSH, President of the United States of America, find that the unrestricted access of foreign parties to U.S. good and technology and the existence of certain boycott practices of foreign nations, in light of the expiration of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*), constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and hereby declare a national emergency with respect to that threat.

Accordingly, in order (a) to exercise the necessary vigilance over exports and activities affecting the national security of the United States; (b) to further significantly the foreign policy of the United States, including its policy with respect to cooperation by U.S. persons with certain foreign boycott activities, and to fulfill its international responsibilities; and (c) to protect the domestic economy from the excessive drain of scarce materials and reduce the serious economic impact of foreign demand, it is hereby ordered as follows:

Section 1. To the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, and the provisions for administration of the Export Administration Act of 1979, as amended, shall be carried out under this order so as to continue in full force and effect and amend, as necessary, the export control system heretofore maintained by the Export Administration Regulations issued under the Export Administration Act of 1979, as amended. The delegations of authority set forth in Executive Order 12002 of July 7, 1977, as amended by Executive Order 12755 of March 12, 1991, and Executive Order 13026 of November 15, 1996; Executive Order 12214 of May 2, 1980; Executive Order 12735 of November 16, 1990; and Executive Order 12851 of June 11, 1993, shall be incorporated in this order and shall apply to the exercise of authorities under this order. All actions under this order shall be in accordance with Presidential directives relating to the export control system heretofore issued and not revoked.

Sec. 2. All rules and regulations issued or continued in effect by the Secretary of Commerce under the authority of the Export Administration Act of 1979, as amended, including those published in Title 15, Subtitle B, Chapter VII, Subchapter C, of the Code of Federal Regulations, Parts 730 through 774, and all orders, regulations, licenses, and other forms of administrative action issued, taken, or continued in effect pursuant thereto, shall, until amended

or revoked by the Secretary of Commerce, remain in full force and effect as if issued or taken pursuant to this order, except that the provisions of sections 203(b)(2) and 206 of the Act (50 U.S.C. 1702(b)(2) and 1705) shall control over any inconsistent provisions in the regulations. Nothing in this section shall affect the continued applicability of administrative sanctions provided for by the regulations described above.

Sec. 3. Provisions for administration of section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) may be made and shall continue in full force and effect until amended or revoked under the authority of section 203 of the Act (50 U.S.C. 1702). To the extent permitted by law, this order also shall constitute authority for the issuance and continuation in full force and effect of all rules and regulations by the President or his delegate, and all orders, licenses, and other forms of administrative actions issued, taken, or continued in effect pursuant thereto, relating to the administration of section 38(e).

Sec. 4. This order shall be effective as of midnight between August 20, 2001, and August 21, 2001, eastern daylight time

GEORGE W. BUSH.

The White House, *August 17, 2001.*

