PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE RUSSIAN FEDERATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE RISK OF NUCLEAR PROLIFERATION CREATED BY THE ACCUMULATION OF WEAPONS-USABLE FISSILE MATERIAL IN THE TERRITORY OF THE RUSSIAN FEDERATION THAT WAS DECLARED IN EXECUTIVE ORDER 13159 OF JUNE 21, 2000, PURSUANT TO 50 U.S.C. 1641(c) AND 50 U.S.C. 1703(c)



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WASHINGTON: 2003

THE WHITE HOUSE, Washington, December 17, 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, 50 U.S.C. 1703(c), I am transmitting a 6-month periodic report prepared by my Administration on the national emergency with respect to the risk of nuclear proliferation created by the accumulation of weapons-usable fissile material in the territory of the Russian Federation that was declared in Executive Order 13159 of June 21, 2000.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE RISK OF NUCLEAR PROLIFERATION CREATED BY THE ACCUMU-LATION OF WEAPONS-USABLE FISSILE MATERIAL IN THE TERRI-TORY OF THE RUSSIAN FEDERATION

I hereby report to the Congress on developments over the course of the past 6 months concerning the national emergency with respect to the risk of nuclear proliferation created by the accumulation of weapons-usable fissile material ("Highly Enriched Uranium", "HEŪ") in the territory of the Russian Federation that was declared in Executive Order 13159 of June 21, 2000 (the "Order"). This report is submitted 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).

1. There have been no amendments to the HEU Agreement Assets Control Regulations, 31 C.F.R. Part 540 (the "Regulations").

2. The Department of the Treasury's Office of Foreign Assets Control has issued, as of April 24, 2002, 14 licenses during the current reporting period in furtherance of the Order's goals of protecting the blocked assets and ensuring full implementation of the Regulations. These licenses authorize the importation of and payment for low enriched uranium, as well as the sale and exportation of and payment for natural uranium.

3. The expenses incurred by the Federal Government in the 6month period from June 21, 2002, through December 20, 2002, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to the risk of nuclear proliferation created by the accumulation of weapons-usable fissile material in the territory of the Russian Federation are estimated at approximately \$10,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State, and the Department of Energy.

4. The Order provides an effective tool for protecting from attachment, judgment, decree, lien, execution, garnishment, or other judicial process the property and interests in property of the Government of the Russian Federation that are directly related to the implementation of the HEU Agreements and subject to U.S. jurisdiction. I shall exercise the powers at my disposal to deal with this unusual and extraordinary threat and will continue to report periodically to the Congress on significant developments as required by law.