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NATIONAL EMERGENCY REGARDING RUSSIAN FEDERATION NUCLEAR WEAPONS

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MESSAGE

from

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT BLOCKING PROPERTY OF THE GOVERNMENT OF THE RUSSIAN FEDERATION  
RELATING TO THE DISPOSITION OF HIGHLY ENRICHED URANIUM EXTRACTED FROM  
NUCLEAR WEAPONS, PURSUANT TO 50 U.S.C. 1703(b) 50 U.S.C. 1601

June 22, 2000.--Message and accompanying papers referred to the  
Committee on International Relations and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE  
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To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(b) and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have exercised my authority to declare a national emergency to deal with the threat posed to the United States by the risk of nuclear proliferation created by the accumulation in the Russian Federation of a large volume of weapons-usable fissile material. The United States and the Russian Federation have entered into a series of agreements that provide for the conversion of highly enriched uranium (HEU) extracted from Russian nuclear weapons into low enriched uranium (LEU) for use in commercial nuclear reactors. The Russian Federation recently suspended its performance under these agreements because of concerns that payments due to it under these agreements may be subject to attachment, garnishment, or other judicial process, in the United States. Accordingly, I have issued an Executive Order to address the unusual and extraordinary risk of nuclear proliferation created by this situation.

A major national security goal of the United States is to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses, subject to

transparency measures, and protected from diversion to activities of proliferation concern. The United States and the Russian Federation entered into an international agreement in February 1993 to deal with these issues as they relate to the disposition of HEU extracted from Russian nuclear weapons (the ``HEU Agreement``). Under the HEU Agreement, 500 metric tons of HEU will be converted to LEU over a 20-year period. This is the equivalent of 20,000 nuclear warheads.

Additional agreements were put in place to effectuate the HEU Agreement, including agreements and contracts on transparency, on the appointment of executive agents to assist in implementing the agreements, and on the disposition of LEU delivered to the United States (collectively, the ``HEU Agreements``). Under the HEU Agreements, the Russian Federation extracts HEU metal from nuclear weapons. That HEU is oxidized and blended down to LEU in the Russian Federation. The resulting LEU is shipped to the United States for fabrication into fuel for commercial reactors. The United States monitors this conversion process through the Department of Energy's Warhead and Fissile Material Transparency Program.

The HEU Agreements provide for the Russian Federation to receive money and uranium hexafluoride in payment for each shipment of LEU converted from the Russian nuclear weapons. The money and uranium hexafluoride are transferred to the Russian Federation executive agent in the United States.

The Russian Federation recently suspended its performance under the HEU Agreements because of concerns over possible attachment, garnishment, or other judicial process with respect to the payments due to it as a result of litigation currently pending against the Russian Federation. In response to this concern, the Minister of Atomic Energy of the Russian Federation, Minister Adamov, notified Secretary Richardson on May 5, 2000, of the decision of the Russian Federation to halt shipment of LEU pending resolution of this problem. This suspension presents an unusual and extraordinary threat to U.S. national security goals due to the risk of nuclear proliferation caused by the accumulation of weapons-usable fissile material in the Russian Federation.

The executive branch and the Congress have previously recognized and continue to recognize the threat posed to the United States national security from the risk of nuclear proliferation created by the accumulation of weapons-usable fissile material in the Russian Federation. This threat is the basis for significant programs aimed at Cooperative Threat Reduction and at controlling excess fissile material. The HEU Agreements are essential tools to accomplish these overall national security goals. Congress demonstrated support for these agreements when it authorized the purchase of Russian uranium in 1998, Public Law 105-277, and also enacted legislation to enable Russian uranium to be sold in this country pursuant to the USEC Privatization Act, 42 U.S.C. 2297h-10.

Payments made to the Russian Federation pursuant to the HEU Agreements are integral to the operation of this key national security program. Uncertainty surrounding litigation involving these payments could lead to a long-term suspension of the HEU Agreements, which creates the risk of nuclear proliferation. This is an unacceptable threat to the national security and foreign policy of the United States.

Accordingly, I have concluded that all property and interests in property of the government of the Russian Federation directly related to the implementation of the HEU Agreements should be protected from the threat of attachment, garnishment, or other judicial process. I have, therefore, exercised my authority and issued an Executive Order that provides:

<bullet> except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to the order, all property and interests in property of the Government of the Russian Federation directly related to the implementation of the HEU Agreements that are in the United States, that hereafter come within the United States, or hereafter come within the possession or control of United States person, including their overseas branches, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in;

<bullet> unless licensed or authorized pursuant to the order, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property or interest in property blocked pursuant to the order; and

<bullet> that all heads of departments and agencies of the United States Government shall continue to take all appropriate measures within their authority to further the full implementation of the HEU Agreements.

The effect of this Executive Order is limited to property that is directly related to the implementation of the HEU Agreements. Such property will be clearly defined by the regulations, orders, directives, or licenses that will be issued pursuant to this Executive Order.

I am enclosing a copy of the Executive Order I have issued. The order is effective at 12:01 a.m. eastern daylight time on June 22, 2000.

William J. Clinton.

The White House, June 21, 2000.

Executive Order

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Blocking Property of the Government of the Russian Federation Relating  
to the Disposition of Highly Enriched Uranium Extracted From Nuclear  
Weapons

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code.

I, WILLIAM J. CLINTON, President of the United States of America, in view of the policies underlying Executive Order 12938 of November 14, 1994, and Executive Order 13085 of May 26, 1998, find that the risk of nuclear proliferation created

by the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation constitutes an unusual and Extraordinary threat to the national security and foreign policy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. A major national security goal of the United States is to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses, subject to transparency measures, and protected from diversion to activities of proliferation concern. As reflected in executive Order 13085, the full implementation of the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993, and related contracts and agreements (collectively, the ``HEU Agreements'') is essential to the attainment of this goal. The HEU Agreements provide for the conversion of approximately 500 metric tons of highly enriched uranium contained in Russian nuclear weapons into low-enriched uranium for use as fuel in commercial nuclear reactors. In furtherance of our national security goals, all heads of departments and agencies of the United States Government shall continue to take all appropriate measures within their authority to further the full implementation of the HEU Agreements.

Sec. 2. Government of the Russian Federation assets directly related to the implementation of the HEU Agreements currently may be subject to attachment, judgment, decree, lien, execution, garnishment, or other judicial process, thereby jeopardizing the full implementation of the HEU Agreements to the detriment of U.S. foreign policy. In order to ensure the preservation and proper and complete transfer to the Government of the Russian Federation of all payments due to it under the HEU Agreements, and except to the extent provided in regulations, orders, directives, or licenses that may hereafter be issued pursuant to this order, all property and interests in property of the Government of the Russian Federation directly related to the implementation of the HEU Agreements that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas, branches, are hereby blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in. Unless licensed or authorized pursuant to this order, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property or interest in property blocked pursuant to this order.

Sec. 3. For the purposes of this order: (a) The term ``person'' means an individual or entity;

(b) The term ``entity'' means a partnership, association, trust, joint venture, corporation, or other organization;

(c) The term ``United States person'' means any United States Citizen; permanent resident alien; juridical person organized under the laws of the United States or any jurisdiction within the United States, including foreign

branches; or any person in the United States; and

(d) The term ``Government of the Russian Federation'' means the Government of the Russian Federation, any political subdivision, agency, or instrumentality thereof, and any person owned or controlled by, or acting for or on behalf of, the Government of the Russian Federation.

Sec. 4. (a) The Secretary of the Treasury, in consultation with the Secretary of State, the Secretary of Energy, and, as appropriate, other agencies, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers to me by IEEPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their statutory authority to carry out the provisions of this order.

(b) Nothing contained in this order shall relieve a person from any requirement to obtain a license or other authorization from any department or agency of the United States Government in compliance with applicable laws and regulations subject to the jurisdiction of the department or agency.

Sec. 5. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m. eastern daylight time on June 22, 2000.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

William J. Clinton.

The White House, June 21, 2000.