

Original FOIA Number: 1998-0099-F

2nd FOIA Number:

3rd FOIA Number:

4th FOIA Number:

5th FOIA Number:

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group: Bush Presidential Records
Office: Records Management, White House Office of (WHORM)
Series: Subject File - General
Scanned/Unscanned: Scanned

WHORM Category Code: SP291-71
WHORM Category Name: Semiannual Report to Congress on the National Emergency with Iraq, 7/26/91

Document Number: 257530SS **Entire Category Processed**
Alpha File Name:

THE PRESIDENT HAS SEEN

7/26/91

5330

257530SS

91 JUL 26 AM 10:07

SP291-71

THE WHITE HOUSE

WASHINGTON

July 26, 1991

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK *dfp*

FROM: BRENT SCOWCROFT *B*

SUBJECT: Semiannual Report to Congress on Iraq

Purpose

To provide the semiannual report on the Iraqi emergency as required by the Congress.

Background

The law requires that you submit a report to Congress every six months on the Iraqi emergency, which was declared on August 2, 1990. Both of these remain in force because of the current state of U.S./Iraqi relations. Your last report on this subject was submitted on February 11, 1991 (Tab C).

Treasury Secretary Brady, supported by State, has prepared the current report (Tabs A and B), which is due to the Congress on August 2, 1991. It covers events under the Iraqi emergency declaration during the period of February 2, 1991, through August 1, 1991, and satisfies the reporting requirements imposed by the laws under which the emergency was declared.

RECOMMENDATION

That you sign the report to Congress at Tab A.

Attachments

Tab A Report to Congress
Tab B Letter from Treasury Secretary
Tab C Copy of February 1991 Report

cc: Vice President
Chief of Staff

*Noted:
9/10/91-6.*

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq

To the Senate: 7-26-91 (4:45p)
To the Clerk of the House: 7-26-91 (4:50p)

declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

Finally, on July 25, 1991, I issued Executive Order No. 12771 completely terminating the Kuwaiti sanctions.

The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq -- "SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report.

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for

and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations

of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

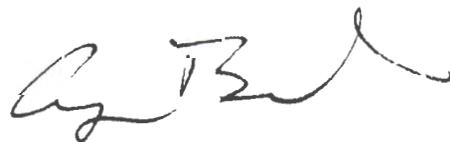
The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the

Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).



THE WHITE HOUSE,

July 26, 1991.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 26, 1991

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention

more

(OVER)

to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

Finally, on July 25, 1991, I issued Executive Order No. 12771 completely terminating the Kuwaiti sanctions.

The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq -- "SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report.

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for items such as personal property looted or destroyed in Kuwait, loans or other obligations on which Iraq has defaulted, and lost future business or concession rights. Inasmuch as these claims have not been submitted to a formal claims resolution body, much less adjudicated, their actual aggregate value is not known. The process by which U.S. claims will be addressed will be determined when the details of the UN reparations plan are finalized.

3. FAC has issued 189 specific licenses (31 since my last report) to Kuwaiti entities administering assets or direct investments in the United States. These licenses permitted the

more

continued operation and preservation of Kuwaiti Government assets in the United States, as well as certain expenditures by or on behalf of the Government of Kuwait. In addition, 148 specific licenses (80 since my last report) were issued regarding transactions pertaining to Iraq or Iraqi assets. Specific licenses were issued for the settlement, consistent with the prohibition against transfer of assets to Iraq, of pre-embargo imports and exports, the conduct of procedural transactions such as the filing of lawsuits, and compensation for legal representation. Pursuant to United Nations Security Council Resolutions 661, 666, and 687, specific licenses were also issued to authorize the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

To ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed and are closely monitored. More than 1,400 compliance reports involving licenses issued pursuant to the Iraq emergency have been reviewed since my last report. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors on loan from other regulatory agencies. In addition, FAC compliance personnel have also worked closely with both State and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for

more

(OVER)

attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH

THE WHITE HOUSE,
July 26, 1991.

#



THE SECRETARY OF THE TREASURY
WASHINGTON

5330

July 12, 1991

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Under the International Emergency Economic Powers Act, you are required every six months to submit a report to the Congress concerning the Iraq emergency declared in Executive Order No. 12722 on August 2, 1990. In addition, under the National Emergencies Act, you are required to report to Congress during each six-month interval of a declared national emergency the total expenditures incurred during that interval by the United States Government which are directly attributable to the exercise of the powers and authorities conferred by the declaration of emergency.

Enclosed is a proposed report covering events under the Iraq emergency declaration during the period February 2, 1991, through August 1, 1991. The proposed report indicates in its initial paragraph that it is a combined report submitted pursuant to each of the foregoing statutes. The current report under the International Emergency Economic Powers Act is due to Congress on August 2, 1991.

Your last report to Congress on Iraq under the foregoing statutes, dated February 11, 1991, is also enclosed for your reference.

I recommend that you sign and transmit the proposed report to the Congress. The report has been reviewed and approved by the Department of State.

Sincerely,

Nicholas F. Brady

Enclosures

31 CFR Part 570

Kuwait Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule, amendments.

SUMMARY: This rule amends the Kuwait Assets Control Regulations, 31 CFR part 570 ("KACR"), published in the Federal Register on November 30, 1990 (55 FR 49356) to correct inadvertent errors and to clarify sections that may be ambiguous. The amendments delete inaccurate references, change two sections to clarify that a blocked account must be maintained in a U.S. financial institution, modify a reporting requirement, and expand the description of penalties that may apply to a violation of the KACR. The Office of Management and Budget approval for the information collections contained in the KACR is also added.

EFFECTIVE DATE: February 11, 1991.

FOR FURTHER INFORMATION: Contact William B. Hoffman, Chief Counsel, Tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. Section 570.205 includes a reference to other regulatory sections that license exportations from the United States to Kuwait. A reference to § 570.519 was mistakenly included and is deleted with this rule. Section 570.301 defines the term, "blocked account." This section is amended to clarify that the authorization for any transaction involving a blocked account must come from the Office of Foreign Assets Control. Section 570.408(a) is amended to insert the word "in" which was mistakenly left out. Section 570.504 requires that funds paid or delivered to

the Government of Kuwait be paid into a blocked account. This section is amended to clarify that the blocked account must be in a U.S. financial institution. Section 570.507 is amended to correct an inaccurate reference to Department of Commerce regulations. Section 570.512 is amended to modify the reporting requirement. Section 570.518(a) (2) (ii) is amended to remove an inaccurate reference to the appendix. Section 570.701 describes the penalties that apply to violations of the KACR. The United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) permits forfeiture of property to the U.S. Government for violations of the KACR. This information is added to the description of penalties contained in section 570.701. Section 570.801(b) is amended to eliminate references to an application form which has proved to be unnecessary. Finally, § 570.901 is being amended to insert notice of approval of information collection provisions by the Office of Management and Budget.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1991, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Iraq, Kuwait, Blocking of assets, Imports, Exports, Penalties, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart B—Prohibitions

§ 570.205 [Amended]

2. Section 570.205 is amended by removing the reference to § 570.519.

Subpart C—General Definitions**§ 570.301 [Amended]**

3. Section 570.301 is amended by adding the phrase, "from the Office of Foreign Assets Control," after the words, "pursuant to an authorization or license."

Subpart D—Interpretations**§ 570.408 [Amended]**

4. Section 507.408(a) is amended by adding the word "in" after the word "property."

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**§ 570.504 [Amended]**

5. Section 570.504 (a) (1) is amended by adding the phrase, "in a U.S. financial institution," after the words, "blocked account."

§ 570.507 [Amended]

6. Section 570.507(a) (1) is amended to correct two references, as follows:

"15 CFR 371.6" is corrected to read "15 CFR 771.6," and "15 CFR 371.13" is corrected to read "15 CFR 771.13."

§ 570.512 [Amended]

7. Section 570.512(b) (2) is revised to read as follows:

(b) * * *

(2) Transactions conducted pursuant to this section must be reported to the Office of Foreign Assets Control, Blocked Assets Section, in a report filed no later than 10 business days following the last business day of the month in which the transactions occurred.

§ 570.518 [Amended]

8. Section 570.518 (a) (2) (ii) is amended by removing the words, "'Not Controlled/Not Restricted' or."

Subpart G—Penalties**§ 570.701 [Amended]**

9. Section 570.701(c) is redesignated 570.701(d), Section 570.701(b) is redesignated 570.701(c), and Section 570.701(b) is added to read as follows:

(b) Section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides, in part, that any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in a violation, attempted violation, or evasion of any order, rule, or regulation issued by the President pursuant to Section 5(a) of the United Nations Participation Act of

1945, shall be forfeited to the United States.

Subpart H—Procedures**§ 570.801 [Amended]**

10. Section 570.801(b)(2) is amended by removing the words, "on an application form."

Section 570.801(b)(3) is amended by removing the words, "and/or forms."

Subpart I—Paperwork Reduction Act

11. The word "[Reserved]" is removed from Section 570.901 and this section is added to read as follows:

§ 570.901 Paperwork Reduction Act Notice.

The information collection requirements in §§ 570.202(d), 570.503, 570.509–570.512, 570.517, 570.518, 570.520, 570.521, 570.571, 570.602, 570.603, 570.703, and 570.801 have been approved by the Office of Management and Budget and assigned control number 1505–0127.

Dated: January 28, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: January 29, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91–3128 Filed 2–6–91; 9:15 am]

BILLING CODE 4810–25–M

The Gulf Bank, K.S.C.
The Industrial Bank of Kuwait (K.S.C.)
Kuwait Real Estate Bank (K.S.C.)

These banks' assets that are subject to U.S. jurisdiction were blocked pursuant to Executive Order 12723 of August 2, 1990, 55 FR 31805 (August 3, 1990), as property of entities determined by FAC to be owned or controlled by the Government of Kuwait. The specific licenses issued on February 25, authorize the banks to utilize their blocked assets to settle most obligations incurred prior to August 2, 1990, and to manage their blocked assets that are subject to U.S. jurisdiction. Excluded from the general settlement authorization are obligations that are denominated in Kuwaiti dinars and claims related to deposits (except interbank deposits) held in Kuwait or Iraq. In addition, pursuant to U.S. and U.N. sanctions against Iraq and occupied Kuwait, no property may be transferred to the Government of Iraq, its agencies, instrumentalities, or controlled entities, to a person in Iraq or entity operated from Iraq, or to a person in Kuwait or entity operated from Kuwait.

The Central Bank of Kuwait, working closely with the Office of Foreign Assets Control of the United States Department of the Treasury and cooperating governments worldwide, has established procedures to satisfy the obligations of these seven Kuwaiti banks (with the exceptions noted above). The banks, as well as other assets of the Government of Kuwait located in the United States, were blocked by the President at the request of the legitimate Government of Kuwait to protect them from looting by Iraq. Their blocked status prevents any transactions with U.S. persons, including creditors of the banks, absent Treasury authorization.

The specific licenses, issued on February 25, 1991, allow each bank to take all steps necessary to settle its obligations which arose prior to August 2, 1990 (with the exceptions noted above), including, among other things, obtaining information concerning claims, arranging credit facilities, and liquidating and transferring assets. The banks are authorized to commence payment of obligations on March 18, 1991. Authorization to satisfy obligations include authorization to pay interest on obligations. The Central Bank of Kuwait has notified FAC that it believes the seven banks are fully able to satisfy all valid obligations that they have been specifically licensed to settle, but has nonetheless added its guarantee of payment in satisfaction of such

obligations. The Central Bank of Kuwait has been separately licensed for FAC and is therefore able to utilize its blocked assets for this purpose, if the need should arise.

The licenses issued to the banks also authorize U.S. persons to engage in all transactions related to the settlement of the seven banks' obligations, or the management of their assets subject to U.S. jurisdiction. Claimants do not require further authorization from FAC to present their claims to the banks. Claimants may also engage in any appropriate dispute resolution proceedings, including arbitration or litigation, necessary to determining the existence of the banks' obligations without additional FAC authorization; however, the banks' assets (all of which constitute blocked property) may not be attached or be the subject of a setoff unless separately licensed.

U.S. persons may submit claims to settle outstanding obligations with the licensed Kuwaiti banks by notifying the appropriate bank official listed below:

Al Ahli Bank of Kuwait (K.S.C.): Al Ahli Bank of Kuwait, 3 Bishopsgate, London EC2N 3AB, England. Attn.: Mr. Hendrik J. Kwant, General Manager, Tel.: 011-44-71/283-1737, FAX: 011-44-71/929-4649.

The Bank of Kuwait & The Middle East (K.S.C.):

The Bank of Kuwait & The Middle East, Arab African Bank Bldg., 2nd Floor, 5 Midan El Saray El Kobra, Garden City—Cairo, Egypt, Attn.: Mr. Ali I. Shaker or Mr. M. Anis Sibli, Tel.: 011-20-2/355-1988 or 354-2390 or 354-2391, FAX: 011-20-2/354-2397.

Burgan Bank S.A.K.: Burgan Bank S.A.K., London Representative Office, 1 College Hill, London EC4R 2RA, England, Attn.: Mr. Christopher Wood, Tel.: 011-44-71/489-9843, FAX: 011-44-71/236-0409, Telex: 933045 BMBLDGN G.

Commercial Bank of Kuwait S.A.K.:

Commercial Bank of Kuwait, New York Branch, 350 Park Avenue, New York, New York 10022-6090. Attn.: Mr. Norbert M. Tiedemann, Sr., Vice, Pres. & Chief Mgr., or Mr. Mohamed F. Soliman, First Vice Pres. & Deputy Chief Mgr., Tel.: 212/207-2420, FAX: 212/935-6463.

The Gulf Bank, K.S.C.:

Money market claims: Attn.: Mr. Z.F. Sarawan, Tel.: 011-44-71/248-2843, FAX: 011-44-71/236-0314, Telex: 8811896 GULFBK G.

Travellers checks and credit cards: Attn.: Mr. J. Carrough.

Drafts, guarantees, letters of credit, and mail transfers: Attn.: Mr. H. Hafix.

Telex transfers: Attn.: Mr. A. Al Sumait.
The Gulf Bank, K.S.C., 1 College Hill, London EC4R 2RA, England, Tel.: 011-44-71/248-2843, FAX: 011-44-71/289-0404, Telex: 887688 GULFBK.

Office of Foreign Assets Control

Kuwaiti Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.
ACTION: Notice.

SUMMARY: On February 25, 1991, the Office of Foreign Assets Control ("FAC") issued licenses pursuant to the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49857 ("KACR"), to permit seven blocked Kuwaiti banks to settle obligations which arose prior to the Iraqi invasion of Kuwait on August 2, 1990.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel, tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION: On February 25, 1991, FAC issued licenses to the following Kuwaiti banks:
Al Ahli Bank of Kuwait (K.S.C.)
The Bank of Kuwait & The Middle East (K.S.C.)
Burgan Bank S.A.K.
Commercial Bank of Kuwait S.A.K.

The Industrial Bank of Kuwait
(K.S.C.):

c/o The United Bank of Kuwait P.L.C., 3
Lombard Street, London EC3V 9DT,
England, Attn.: Mr. Tareq Zuaiter, Tel.:
011-44-71/626-3422, FAX: 011-44-71/929-
3966, Telex: 888441, Swift Address: UBKL
CB 21.

Kuwait Real Estate Bank (K.S.C.):

National Bank of Kuwait, 299 Park Avenue,
New York, New York 10175, Attn.: Mr.
Norman Kelly, Tel.: 212/303-9800, FAX:
212/319-8269.

Dated: February 25, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: February 27, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91-5243 Filed 3-1-91; 11:10 am]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 570

Kuwait Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of The Treasury.

ACTION: Final Rule, amendments.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991) (the "KACR"), to authorize certain trade, transportation, travel, and transfer transactions with respect to Kuwait, in light of the liberation of Kuwait from Iraqi occupation.

EFFECTIVE DATE: March 8, 1991.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel, Tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. With the suspension of hostilities and the withdrawal of Iraqi forces from Kuwait, the United Nations Security Council ("UNSC") on March 2, 1991, adopted Resolution 666, in part requesting UN member states to "take all appropriate action to cooperate with the government and people of Kuwait in the reconstruction of their country," and recalling paragraph 8 of UNSC Resolution 661, which authorized assistance to the legitimate Government of Kuwait. The President of the Security Council has recognized "the importance of taking all actions possible to facilitate Kuwait's reconstruction and reintegration into the international economic system." In light of this UN action, and at the request of the Government of Kuwait, the Office of

Foreign Assets Control of the Treasury Department ("FAC") is amending the KACR to permit trade and commerce with, and travel to Kuwait.

The transactions authorized by this amendment are those prohibited pursuant to section 2 of Executive Order 12725, corresponding to UN sanctions adopted with respect to Iraq and occupied Kuwait in UNSC Resolution 661 of August 6, 1990. At this time, the assets of the Government of Kuwait, its agencies, instrumentalities, and controlled entities, including the Central Bank of Kuwait, blocked since August 2, 1990, pursuant to section 1 of Executive Orders 12723 and 12725 and section 570.201 of the KACR, are not being unblocked except as already authorized by existing FAC licenses. Further unblocking will be undertaken in cooperation with the Government of Kuwait.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Exports, Imports, Kuwait.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513,

104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.522 is added to Subpart E to read as follows:

§ 570.522 Authorization of certain new transactions with respect to Kuwait.

(a) Notwithstanding the provisions of subpart B of this part, transactions otherwise prohibited by §§ 570.204, 570.205, 570.206, 570.207, 570.208, and 570.209 are hereby authorized on or after March 8, 1991, provided that no such transaction results in a debit to a blocked account unless such debit is independently authorized by or pursuant to this part.

(b) Notwithstanding the provisions of §§ 570.201 and 570.210, commitments and transfers to the Government of Kuwait or a person in Kuwait otherwise prohibited by § 570.210 are hereby authorized to be made on or after March 8, 1991, provided that no such commitment or transfer results in a debit to a blocked account unless such debit is independently authorized by or pursuant to this part.

(c) The authorizations contained in this section do not eliminate the need to comply with regulatory requirements not administered by the Office of Foreign Assets Control, including export and reexport controls administered by other federal agencies.

Dated: March 7, 1991.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: March 7, 1991.

John P. Simpson,
Acting Assistant Secretary (Enforcement).
[FR Doc. 91-5918 Filed 3-8-91; 12:06 pm]

BILLING CODE 4810-25-M

located in the United States or is in the possession or control of a United States person.

At the request of the Government of Kuwait, the Office of Foreign Assets Control of the Treasury Department ("FAC") is amending the KACR to permit transactions which involve certain blocked Government of Kuwait property located in the United States or in the possession or control of a United States person. Through this authorization, the amendment will effectively unblock the affected property. The property unblocked by this license includes the assets of the Government of Kuwait, its agencies, instrumentalities, and controlled entities including the Central Bank of Kuwait, but excludes all property or interests in property of seven blocked Kuwaiti banks—Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank. The seven banks, though blocked, have been licensed to utilize their blocked assets beginning March 18, 1991, to settle obligations arising prior to August 2, 1990.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Banks, Banking, Blocking of assets, Finance, Kuwait.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1801 *et seq.*; 22 U.S.C. 257c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31605 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.523 is added to subpart E to read as follows:

§ 570.523 Authorization of certain new transactions with respect to blocked Government of Kuwait property.

(a) Notwithstanding the provisions of § 570.201, all transactions affecting property or interests in property of the Government of Kuwait are hereby authorized on or after March 25, 1991, except as limited by paragraph (b) of this section.

(b) The authorization contained in this section does not apply to property or interests in property of the following entities: Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank.

Dated: March 19, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: March 19, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91-7260 Filed 3-22-91; 5:15 pm]

BILLING CODE 4810-25-M

Office of Foreign Assets Control

31 CFR Part 570

Kuwaiti Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule, amendments.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991) and 56 FR 10356 (March 11, 1991) (the "KACR"), to authorize transactions involving certain property in which the Government of Kuwait has an interest.

EFFECTIVE DATE: March 25, 1991.

FOR FURTHER INFORMATION CONTACT:

William B. Hoffman, Chief Counsel, Tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-6449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. In Executive Order 12723 and section 1 of Executive Order 12725, the President blocked all property and interests in property of the Government of Kuwait as a protective measure requested by the Government of Kuwait. Consistent with this blocking, § 570.201 of the KACR prohibits all transactions involving blocked property which is

DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control****31 CFR Part 570****Kuwaiti Assets Control Regulations****AGENCY:** Office of Foreign Assets Control, Department of the Treasury.**ACTION:** Final rule.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991), 56 FR 10356 (March 11, 1991), and 56 FR 12450 (March 28, 1991) (the "KACR"), to authorize transactions involving property in which the seven blocked Kuwaiti banks have an interest. In addition a reporting requirement is eliminated. This action effectively unblocks their assets and authorizes all transactions between the banks and U.S. persons.**EFFECTIVE DATE:** June 4, 1991.**FOR FURTHER INFORMATION CONTACT:** William B. Hoffman, Chief Counsel (tel.: 202/535-6020), or Steven I. Pinter, Chief of Licensing (tel.: 202/535-9449), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.**SUPPLEMENTARY INFORMATION:** The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. In Executive Order 12723 and Section 1 of Executive Order 12725, the President blocked all property and interests in property of the Government of Kuwait as a protective measure requested by the Government of Kuwait. Consistent with this blocking, § 570.201 of the KACR prohibits all transactions

involving blocked property which is located in the United States or is in the possession or control of a United States person.

On March 25, 1991, at the request of the Government of Kuwait, the Office of Foreign Assets Control ("FAC") amended the KACR to permit transactions which involve property or interests in property of the Government of Kuwait located in the United States. The only property not effectively unblocked by the amendment was the property and interest in property of seven blocked Kuwait banks—Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank. The seven banks were at that time in the process of settling obligations which arose prior to August 2, 1990, under procedures authorized by FAC.

The KACR is being amended through this rule to authorize transactions involving property or property interests of the seven Kuwaiti banks. This action effectively unlocks their assets, and authorizes all transactions between the banks and U.S. persons.

In addition, a reporting requirement imposed on U.S. financial institutions is eliminated in light of the unblocking of Kuwaiti assets effective through this and earlier amendments.

Because the KACR involve a foreign affairs function, Executive Order 12291 and the provision of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rule making is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

List of Subjects in 31 CFR Part 570

Iraq, Kuwait, Banks, Banking, Finance, Blocking of assets, Imports, Exports, Loan programs, Penalties, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1801 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.523 is amended by revising paragraph (b) to read as follows:

§ 570.523 Authorization of certain new transactions with respect to blocked Government of Kuwait property.

(b) Notwithstanding the provisions of § 570.201, all transactions affecting property or interests in property of the following entities are authorized on or after June 4, 1991: Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank.

§ 570.603 [Removed]

3. Section 570.602 is removed.

Dated: May 31, 1991.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved June 3, 1991.

Peter K. Nunez,
Assistant Secretary (Enforcement).
[FR Doc. 91-13521 Filed 6-4-91; 1:36 pm]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY

31 CFR Part 575

Iraqi Sanctions Regulations; Census of Blocked Iraqi Government Assets and Claims Against Iraq and Iraqi Government Entities

AGENCY: Office of Foreign Assets Control.

ACTION: Final rule.

SUMMARY: The Office of Foreign Assets Control is amending the Iraqi Sanctions Regulations by the addition of §§ 575.604 and 575.605, providing, respectively, for a census of blocked assets of the Government of Iraq and a census of claims against the Government of Iraq. The amendments impose a requirement that reports, contained in the appendix to this rule, be filed (1) under § 575.604 with respect to blocked Iraqi assets held by any U.S. person on or after August 2, 1990, and (2) under § 575.605 with respect to claims held by U.S. nationals against the Government of Iraq as of 5 p.m., E.S.T., January 16, 1991. The amendments also add a definition of "United States national" as § 575.322 for use in determining who must report on claims pursuant to § 575.604, and make other technical corrections.

EFFECTIVE DATE: February 11, 1991.

FOR FURTHER INFORMATION CONTACT: Loren L. Dohm, Chief, Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, (202) 535-4026.

SUPPLEMENTARY INFORMATION: The Iraqi Sanctions Regulations, 31 CFR part 575 58 FR 2112, January 18, 1991 ("the Regulations"), were issued by the Treasury Department in implementation of Executive Order 12722 of August 2, 1990 (55 FR 3183, August 3, 1990) and Executive Order 12724 of August 9, 1990 (55 FR 33089, August 13, 1990), and United Nations Security Council ("UNSC") Resolution 661 (August 6, 1990) and subsequent relevant resolutions. In the appendix to these amendments, the Office of Foreign Assets Control has provided samples of forms TDF 90-22.40 and TDF 90-22.41, with instructions to be used in reporting information on blocked assets and claims. The reports are needed to obtain information, on a one-time basis, regarding blocked Iraqi assets and claims by U.S. nationals against the Government of Iraq, for planning and administrative purposes. This census responds, in part, to UNSC Resolution 674 (October 29, 1990), which invites UN member states to collect information on

claims against the Government of Iraq. Additional reports may be required at a future date. Persons required to report or otherwise interested in obtaining copies of the forms and instructions may do so by contacting the nearest regional Federal Reserve Bank or the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

The reports required to be filed by these sections must be completed in triplicate and two copies are to be returned in a set to the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, by March 1, 1991. Observance of the filing deadline is extremely important. Reporting under these sections is mandatory. However, information regarding property of private Iraqi citizens is not subject to the reporting requirement of section 575.604.

The submission of a TDF 90-22.41 report on a claim against the Government of Iraq does not constitute the filing with the United States Government of a formal claim for compensation. No formal claims adjudication program currently exists. However, failure to file a complete report with respect to claims in a timely fashion not only would constitute failure to comply with the Regulations, but would also prevent the inclusion of the information in U.S. Government planning and may therefore be prejudicial to the interests of the claimant and other U.S. claimants. Espousal of claims of U.S. nationals against a foreign government is within the discretion of the United States Government. Information regarding claims of the United States Government against the Government of Iraq will be collected separately.

The Supplementary Information section of the original publication of the Regulations (56 FR 2112, January 18, 1991) requires certain modifications, as follows: First, in the table in the second paragraph the reference to General License No. 3, as amended, should indicate that this general license is revoked in the Regulations. Second, the fifth paragraph should indicate that the collections of information in the Regulations are contained in §§ 575.202(d), 575.503, 575.506, 575.509-575.511, 575.517, 575.518, 575.520, 575.521, subpart F, § 575.703, and § 575.801. Third, the sixth paragraph should indicate that the estimated total annual reporting and/or recordkeeping burden (including the burden imposed by this amendment) is 10,000 hours.

Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed

rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 575

Blocking of assets, Foreign claims, Iraq, Reporting and recordkeeping requirements.

PART 575—IRAQI SANCTIONS REGULATIONS

For the reasons set forth in the preamble, 31 CFR part 575 is amended as set forth below:

1. The "authority" citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

Subpart C—General Definitions

2. Section 575.322 is added to subpart C to read as follows:

§ 575.322 United States national; U.S. national.

The term "United States national" or "U.S. national" means any United States citizen; any person who, though not a citizen of the United States, owes permanent allegiance to the United States; and any juridical person organized under the laws of the United States or any jurisdiction within the United States. This term does not include U.S. branches of persons organized under foreign law, or aliens, regardless of whether they have permanent resident status in the United States.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy**§ 575.503 [Amended]**

3. In § 575.503 of subpart E, paragraph (i) is removed.

§ 575.507 [Amended]

4. Section 575.507(a)(1) of subpart E is amended to correct two references, as follows:

"15 CFR 371.6" is corrected to read "15 CFR 771.6", and "15 CFR 371.13" is corrected to read "15 CFR 771.13".

Subpart F—Reports

5. Section 575.604 is added to subpart F to read as follows:

§ 575.604 Reports on Form TDF 90-22.40.

(a) *Requirement for report.* Reports on Form TDF 90-22.40 are hereby required to be filed on or before March 1, 1991, in the manner prescribed herein and in the instructions to Form TDF 90-22.40, with respect to all property held by any United States person, in which the Government of Iraq has or has had any interest at any time since 5 a.m. E.D.T., August 2, 1990. Reports must contain complete answers to every question included in Form TDF 90-22.40.

(b) *Who must report.* Reports on Form TDF 90-22.40 must be filed by each of the following:

(1) Any U.S. person, or his successor, who has had in his custody, possession or control, directly or indirectly, in trust or otherwise, property in which there was any direct or indirect interest of the Government of Iraq at any time since 5 a.m. e.d.t., August 2, 1990;

(2) Any business or non-business entity in the United States in which the Government of Iraq holds or has held any financial interest since 5 a.m. e.d.t., August 2, 1990.

(c) *How to file Form TDF 90-22.40.* Reports on Form TDF 90-22.40 shall be prepared in triplicate. On or before March 1, 1991, two copies shall be sent in a set to Unit 604, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220. The third copy must be retained with the reporter's records.

(d) *Certification.* Every report on Form TDF 90-22.40 shall contain the certification required in Part C of the Form. Failure to complete the certification shall render the report ineffective, and the submission of such a report shall not constitute compliance with this section.

(e) *Confidentiality of reports.* Reports on Form TDF 90-22.40 are regarded as privileged and confidential.

6. Section 575.605 is added to subpart F to read as follows:

§ 575.605 Reports on Form TDF 90-22.41.

(a) *Requirement for reports.* Reports on Form TDF 90-22.41 are hereby required to be filed on or before March 1, 1991, in the manner prescribed herein and in the instructions to Form TDF 90-22.41, with respect to all claims held by U.S. nationals as of 5 p.m., e.s.t., January 16, 1991, against the Government of Iraq or an Iraqi government entity. Reports must contain complete answers to every question included in Form 90-22.41.

(b) *Who must report.* Reports on Form TDF 90-22.41 must be filed by every U.S. national who had a claim outstanding at 5 p.m., e.s.t., January 16, 1991, against the Government of Iraq or an Iraqi government entity. No report is to be submitted by a U.S. branch of a foreign firm not owned or controlled by a U.S. national.

(c) *How to file Form TDF 90-22.41.* Reports on Form TDF 90-22.41 shall be prepared in triplicate. On or before March 1, 1991, two copies shall be sent in a set to Unit 605, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220. The third copy must be retained with the reporter's records.

(d) *Certification.* Every report on Form TDF 90-22.41 shall contain the certification required on Part C of the Form. Failure to complete the certification shall render the report ineffective, and the submission of such a report shall not constitute compliance with this section.

(e) *Confidentiality of reports.* Reports on Form TDF 90-22.41 are regarded as privileged and confidential.

(f) *Examples of claims.* Claims may relate to losses due to expropriation, nationalization, or other measures affecting property rights; losses for breach of contract or debt defaults; compensation for injuries to persons or loss of life; and any other losses or injuries suffered in Iraq, Kuwait or elsewhere, attributable to the Government of Iraq or an Iraqi government entity, whether or not arising from actions relating to Iraq's invasion of Kuwait. Claims may also relate to losses suffered by a foreign partnership, joint venture, corporation or other entity in which U.S. nationals have a significant interest.

Dated: January 31, 1991.

R. Richard Newcomb,

Director.

Approved: February 4, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

Appendix: The forms and instructions included in this Appendix will not appear in the CFR.

Census of Blocked Iraqi Property**Instructions for Reporting on Form TDF 90-22.40**

The Office of Foreign Assets Control, Department of the Treasury, under Section 575.604 of the Iraqi Sanctions Regulations (31 CFR Part 575) ("the Regulations"), is conducting a census of blocked Iraqi property. The information is needed by the United States Government for planning purposes and

to monitor compliance with the Regulations.

General Instructions

Reporting on Form TDF 90-22.40, Report of Blocked Iraqi Property, is mandatory for all persons who, since August 2, 1990, have held property subject to Executive Order No. 12722 or 12724. This requirement applies to all U.S. persons who had in their possession or control, since 5:00 a.m., EDT, August 2, 1990 ("the effective date"), any property or interests in property belonging to the Government of Iraq, its agencies, instrumentalities and controlled entities and the Central Bank of Iraq. Reports filed on Form TDF 90-22.40 are regarded as privileged and confidential.

Two copies of the report shall be sent to the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, by March 1, 1991, or within 15 days of the acquisition of property subject to Executive Order No. 12722 or 12724. The reporter shall retain a copy of the completed report. Copies of Form TDF 90-22.40 will be distributed through the Federal Reserve System to all regional Federal Reserve Banks. In addition, copies of the form will be mailed directly to certain persons believed by the Treasury Department to be affected by the reporting requirements. Other persons required to report or interested in obtaining copies of the form may do so by contacting the Office of Foreign Assets Control at the above address or by calling the telephone number listed below. Photocopies of the report form may be used.

A report may be filed on behalf of a holder by an attorney, agent, or other person. Primary responsibility for reporting blocked property, however, rests with the actual holder of the property, or the U.S. national exercising control over property located outside the U.S., with the following exceptions: primary responsibility for reporting any asset held by a foreign firm or branch owned or controlled by a U.S. person rests with the U.S. parent or head office; primary responsibility for reporting any trust assets rests with the trustee; and primary responsibility for reporting real property rests with the Iraqi owner's co-owner, legal representative, agent, or property manager in the United States. No person is excused from filing Form TDF 90-22.40 by reason of the fact that another person has submitted a report with regard to the same property, unless he has actual knowledge that the other person has filed a report with respect to the property as full and complete as that

which he would otherwise be required to file.

A separate report shall be submitted with respect to each blocked account or asset held. Each question on the form shall be answered and all the specific information called for shall be given. When there is nothing to report under any question, or if information is lacking, state "N/A," "None," or "Unknown," as the case may be. If the space provided on the form is inadequate, the answer may be made or continued on a blank sheet of paper securely attached to the form. No person is excused from furnishing information

he reasonably should have furnished. The definitions of terms contained in the Regulations are hereby incorporated by reference into Form TDF 90-22.40 and these instructions.

FOR FURTHER INFORMATION CALL: (202) 535-4026.

Specific Instructions

Part A: Iraqi Government Entity Having an Interest in the Property Reported

Lines 1-3. State the name and address of the Iraqi Government entity which has an interest in the property reported. If any other entities or persons, whether Iraqi or non-Iraqi, have interests in the

property reported, the full value of the property shall be reported in Part B, Line 4, Columns (a) and (b), but the names and pro rata interests of all such entities or persons shall be identified in Line 3 of Part A.

Part B: Property Reported

Line 4. Provide a brief description of the property reported. If the property is denominated in a foreign currency, report the U.S. dollar equivalent value on the dates indicated and state the currency and conversion rate in the description. The following table may be used as a guide for items to include in the property description:

Property	Items to include in description
Deposit.....	Account number, type of account, and interest rate terms (including, if applicable, index to which rate is pegged).
Securities or Bullion.....	Account number and brief description of securities or bullion.
Documentary Letter of Credit.....	Account party, other principal parties involved (including the issuing, confirming, and advising banks), and whether or not documents have been presented.
Standby Letter of Credit.....	Account party, all principal parties involved (including issuing and confirming banks), expiration date, and whether or not any calls have been made.
Section 575.518 Account.....	Number and date of Treasury license permitting establishment of account.
Credits or Other Obligations.....	Type of obligation (including a description of the transaction giving rise to the obligation).
Real Property.....	Location and description of the property.
Tangible Property.....	Brief description of the property.

If property reported was held on the effective date: Report value of the property held on August 2, 1990 in Column (a) and value of the property held on January 31, 1991 in Column (b).

If property reported was acquired after the effective date: Fill in date the property was acquired on the line indicated and report value of the property held on that date in Column (a) and value of the property on January 31, 1991 in Column (b). If the property was acquired after January 31, 1991, disregard Column (b).

Line 5. If the property reported was acquired after August 2, 1990, describe the circumstances. Include the name of the transferor or prior holder and the reasons the property was transferred.

Line 6. Explain any changes between amounts in Columns (a) and (b) of Line 4. Include the number, total amounts, and nature of all increases and credits (e.g., interest credited, deposits, incoming transfers) and decreases (e.g., service charges, licensed debits). If any Treasury Department licenses have been issued with respect to the account, indicate the number and date of the license. This question may be disregarded if the property was acquired after January 31, 1991.

Line 7. If the property reported is physically located or booked at a location other than that described in Part C (e.g., a deposit located in a foreign branch reported by the U.S.

parent) give the name and the location of the actual holder.

Line 8. Describe any claims known to be asserted against the property reported. Examples include specific claims such as attachments and liens or more general claims such as set-off rights asserted by the holder of the property against the Government of Iraq. Indicate the full amount of the claim and the identity of the claimant.

Part C: U.S. Person or Entity Making the Report

Lines 9-11. State reporter's corporate name and address and the name and telephone number of an individual corporate official to contact regarding the report.

Line 12. Complete the certification. The report is not valid without the certification.

Paperwork Reduction Act Statement: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and 31 CFR Part 575. The information collected will be used for U.S. Government planning purposes and to monitor compliance with Executive Order Nos. 12722 and 12724. The information will be held confidential.

The estimated burden associated with this collection of information is 2 hours per respondent or recordkeeper.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220 and the Office of Management and Budget, Paperwork Reduction Project (1505-0128), Washington, DC 20503.

Report of Blocked Iraqi Property

Office of Foreign Assets Control,
Department of the Treasury,
Washington, DC 20220

This report shall be completed and two copies sent to the above address by all U.S. persons who, since August 2, 1990, have held property subject to Executive Order No. 12722 or 12724. Reports shall be submitted by March 1, 1991, or within 15 days of acquiring such property. Separate reports should be submitted for each blocked account or asset held. **READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.** For assistance call (202) 535-4026.

To the Secretary of the Treasury:
The undersigned, pursuant to 31 CFR 575.604, hereby makes the following report:

Part A: Iraqi Government Entity Having an Interest in the Property Reported

1. Entity:

2. Address:

3. Identify any other entities or persons known to have interests in the property reported and explain the nature and extent of such interests:

Part B: Property Reported

4. Description of the Property.

(Include account number and interest terms, if applicable.)

(a) Value on 08/02/90 or

(Specify acquisition date, if later)

(Amount)

(b) Value on 01/31/91

(Amount)

5. If custody of the property was acquired after August 2, 1990, describe the circumstances. Include name of transferor or prior holder and reasons the property was transferred.

6. Explanation of any changes between amounts in Columns (a) and (b) above. Include the number and nature of all transactions, the total amount of all increases and/or decreases, and the number and date of any related Treasury Department licenses.

7. Name of the holder and location of the property if different than described in Part C.

8. Describe any claims known to be asserted against the property.

Part C: U.S. Person or Entity Making the Report

9. Name:

10. Address:

11. Individual to contact regarding this report:

(Name)

(Telephone Number)

12. Certification:

I, _____
(Name)
certify that I am the _____
(Corporate Title or Position, If Applicable)
of the _____
(Corporate Name, If Applicable)

that I am authorized to make this certification, and that, to the best of my knowledge and belief, the statements set

forth in this report, including any papers attached hereto or filed herewith, are true and accurate, and that all material facts in connection with said report have been set forth herein.

(Signature)

(Date)

Census of Claims by U.S. Nationals Against Iraq

Instructions for Reporting on Form TDF 90-22.41

The Office of Foreign Assets Control, Department of the Treasury, under Section 575.605 of the Iraqi Sanctions Regulations (31 CFR Part 575) ("the Regulations"), is conducting a census of claims by U.S. nationals against the Government of Iraq, or any Iraqi Government entity. The information is needed by the U.S. Government for planning purposes.

Note: The submission of this report does not constitute the filing with the U.S. Government of a formal claim for compensation. No formal claims adjudication program currently exists. However, failure to file complete information in a timely fashion would not only constitute failure to comply with the Regulations but would also prevent the inclusion of the information in U.S. Government planning and therefore could be prejudicial to the interests of the claimant and other U.S. claimants. Espousal of claims of U.S. nationals against a foreign government is within the discretion of the U.S. Government.

General Instructions

Reporting on Form TDF 90-22.41 is mandatory for all U.S. nationals (whether individuals or legal entities) who, on 5:00 p.m., EST, January 16, 1991, had claims outstanding against the Government of Iraq, or any Iraqi Government entity. The report may also include claims of U.S. nationals arising from ownership in foreign entities. The report shall be completed and two copies sent to the Office of Foreign Assets Control, Department of the Treasury, Washington D.C. 20220, by March 1, 1991. The reporter shall retain a copy of the completed report. Reports filed on Form TDF 90-22.41 are regarded as privileged and confidential.

Copies of Form TDF 90-22-41 will be distributed through the Federal Reserve System to all regional Federal Reserve Banks. In addition, copies of the form will be mailed directly to certain persons believed by the Treasury Department to be affected by the reporting requirements. Other persons required to report or interested in obtaining copies of the form may do so by contacting the Office of Foreign Assets Control at the above address or

by calling the telephone number listed below. This pamphlet contains reporting instructions, one copy of report Form TDF 90-22.41, and three copies of Schedule B1. Photocopies of the report form and schedule may be used.

A report may be filed on behalf of a claimant by an attorney, agent, or other person. Primary responsibility for reporting the claim, however, rests with the actual claimant. Each question on the form shall be answered and all the specific information called for shall be given. When there is nothing to report under any question, or if information is lacking, state "N/A," "None," or "Unknown," as the case may be. If the space provided on the form is inadequate, the answer may be made or continued on a blank sheet of paper securely attached to the form. The definitions of terms contained in the Regulations are hereby incorporated by reference into Form TDF 90-22.41 and these instructions.

FOR FURTHER INFORMATION CALL: (202) 535-4026.

Specific Instructions

Part A: Information Concerning U.S. Claimant

Lines 1-2. State the name, employer identification or social security number, and address of the U.S. claimant. If the report includes claims for losses suffered by a subsidiary, the name, employer identification number, and address of the U.S. parent company reporting the claim should be entered here.

Line 3. State the nationality or place of incorporation of the claimant. If there has been any change in the nationality status of the claimant since the date of loss, provide an explanation.

Line 4. If the claimant is a corporation or other legal entity, indicate the date and place of incorporation, the percentage of outstanding capital stock of all classes held, directly or indirectly, by persons who were U.S. nationals on the date of the loss.

Line 5. If the person reporting the claim is a person other than the claimant as reported in Line 1, state name, address, and relationship to the claimant (e.g., attorney, personal representative).

Part B: Summary of Claims Against Iraq

Line 6. Report the aggregate value of all claims of a common type in the appropriate category or categories shown. Detailed information concerning specific claims should be reported on one or more attached Schedule B1's. The sum of all amounts reported separately

on Schedule B1 should total the aggregate amount reported in the summary.

Part C: Certification

Line 7. Enter the name and telephone number of the appropriate individual to contact regarding the report.

Line 8. Complete the certification. The report is not valid without a completed certification.

Instructions for Schedule B1—Schedule for Separate Description of Claims

Note.—Be sure to enter the employer identification number or social security number of the U.S. claimant from Part A, Line 1, in the space indicated in upper right hand corner of the schedule. Also enter the number of this individual Schedule B1 and the total number of Schedule B1's submitted in the spaces indicated.

Submit an individual Schedule B1 for each claim or common set of claims. Claims of an individual person or a single entity (e.g., a subsidiary) against the same Iraqi entity involving a common set of circumstances may be reported on a single Schedule B1, with amounts allocated appropriately to each category of claim. Three copies of Schedule B1 are attached to the report. Additional photocopies of Schedule B1 may be used, if needed.

Lines 1-2. Enter the name and address of the entity actually suffering the loss, if different from the claimant named in Part A, Line 1 (e.g., a claim arising from injury to a subsidiary).

Line 3. If the entity described in Line 1 of this Schedule B1 is different than the claimant named in Part A, Line 1, include a full description of the claimant's ownership interest in the entity.

Line 4. Identify the Iraqi entity against which the claim is asserted.

Line 5. Enter the value of each claim in the appropriate category. Report the claim in U.S. dollars to the nearest dollar. Convert foreign currency values at the exchange rate prevailing on the date of the loss. In valuing the claims, use estimated values as of the date of the loss if precise values or balances are not known. Be sure to describe your valuation methods in Line 6.

Line 6. Describe the circumstances of the loss. Include the date of the loss and a description of the property, business, obligation, injury, or other damage which is the subject of the claim. Identify any other persons with interests in the claim and any alternative sources of compensation available, actual or potential. Describe any known counterclaims that potentially may be asserted by the Government of Iraq. If the claim involves a contract dispute,

describe any clauses in the contract referring to choice of law or forum for settling disputes. If the property is of the type for which a specific balance or generally accepted market quotation value is not available, indicate the valuation method used (e.g., contractual value, book value, estimated value of similar property). If the property or obligation is valued in a foreign currency, be sure to specify the currency and the exchange rate used in the valuation. Do not submit documentary evidence with the report.

Paperwork Reduction Act Statement: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and 31 CFR Part 575. The information collected will be used for U.S. Government planning purposes. The information will be held confidential.

The estimated burden associated with this collection of information is 3.5 hours per respondent or recordkeeper.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220 and the Office of Management and Budget, Paperwork Reduction Project (1505-0128), Washington, DC 20503.

Report of Claims by U.S. Nationals Against Iraq

Office of Foreign Assets Control,
Department of the Treasury,
Washington, DC 20220

This form shall be completed and two copies sent to the above address by March 1, 1991, by all U.S. nationals who, on 5:00 p.m., EST, January 16, 1991, had claims outstanding against the Government of Iraq, or any Iraqi Government entity. A third copy shall be retained by the reporter. READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. For assistance call (202) 535-4026.

Important: The submission of this report does not constitute the filing with the U.S. Government of a formal claim for compensation, nor does it guarantee that the claim will be included in any future agreement or settlement. However, failure to file complete information in a timely fashion would not only constitute failure to comply with Section 575.605 of the Iraqi Sanctions Regulations (31 CFR part 575) but would also prevent the inclusion of the information in U.S. Government planning and therefore could be

prejudicial to the interests of the claimant and other U.S. claimants.

To the Secretary of the Treasury:
The undersigned, pursuant to 31 CFR 575.605, hereby makes the following report:

Part A: Information Concerning U.S. Claimant

1. Name: _____
 EIN/SSN: _____
 2. Address: _____
 3. State nationality or place of incorporation. If there has been any change in nationality status since the date of the loss, so explain. _____
 4. If claimant is a corporation or other legal entity, state date and place of incorporation, percentage of outstanding capital stock of all classes held, directly or indirectly, by U.S. nationals on the date of the loss. _____
 5. If the person reporting the claim is a person other than the claimant named in Line 1, state name, address, and relationship to claimant. _____

Part B: Summary of Claims Against Iraq

6. Claims:
 Report the aggregate value of all claims in the appropriate category or categories below. Detailed information concerning specific claims should be reported on one or more attached Schedule B1's. The sum of all amounts reported on Schedule B1 should total the aggregate amount reported in this summary. Three copies of Schedule B1 are attached to this pamphlet. Additional photocopies may be used, if required.

A. Business Claims:
 (1) Loans or credits overdue or in default.....
 (2) Expropriation of equity, concessions, or going concern value.....
 (3) Expropriation of real and/or tangible property.....
 (4) Receivables or other amounts due and unpaid.....
 (5) Breach of contract damages.....
 (6) Other damages.....
 Subtotal A.....
B. Personal Claims:
 (1) Expropriation losses.....
 (2) Salaries, benefits, or other items due and unpaid.....

- (3) Lost future benefits or other contractual claims.....
- (4) Personal injury or other tort claims.....
- (5) Other damages.....
- Subtotal B.....
- Total (Subtotals A. + B.).....

Part C: Certification

7. Individual to contact regarding this report:

(Name)

(Telephone Number)

8. Certification:

I, _____

(Name)

certify that I am the _____

(Corporate Title or Position, If Applicable)

of the _____

(Corporate Name, If Applicable)

that I am authorized to make this

certification, and that, to the best of my

knowledge and belief, the statements set

forth in this report, including any papers

attached hereto or filed herewith, are true

and accurate, and that all material facts in

connection with said report have been set

forth herein.

(Signature)

(Date)
EIN or SSN of Claimant: _____

This is _____
(Number of)

(Total Number)
Schedule B1s submitted.

Schedule B1—Schedule for Separate Description of Claims

(See Specific Instructions)

1. Name:

2. Address:

3. Describe the relationship of this entity to the claimant named in Part A.

4. Identify the Iraqi entity against which the claim is asserted.

5. Type and amount of claim reported on this Schedule B1.

A. Business Claims:

- (1) Loans or credits overdue or in default.....

- (2) Expropriation of equity, concessions, or going concern value.....
- (3) Expropriation of real and/or tangible property.....
- (4) Receivables or other amounts due and unpaid.....
- (5) Breach of contract damages.....
- (6) Other damages.....

B. Personal Claims:

- (1) Expropriation losses.....
- (2) Salaries, benefits, or other items due and unpaid.....
- (3) Lost future benefits or other contractual claims.....
- (4) Personal injury or other tort claims.....
- (5) Other damages.....
- Subtotal B.....
- Total (Subtotals A. + B.).....

6. Describe the circumstances of the loss. Include the date of the loss and a description of the property, business, obligation, injury, or other damage which is the subject of the claim. Do not submit documentary evidence. (See Specific Instructions)

[FR Doc. 91-3396 Filed 2-8-91; 8:45 am.]

BILLING CODE 4801-25-M

Subsequent to the issuance of the proposal, the criteria utilized in determining the dimensions of controlled airspace were changed. The new criteria result in a smaller dimension for controlled airspace in the Butler, PA, area as opposed to that described in the proposed notice. The FAA finds that this additional proposed reduction in controlled airspace does not alter the intent of the original proposed action. The additional reduction has been incorporated into this notice.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments on the proposal were received. Except for editorial changes and the reduction in the amount of controlled airspace, this amendment is the same as that proposed in the notice. Section 71.181 of part 71 of the Federal Aviation Regulations was republished in FAA Handbook 7400.6G, September 4, 1990.

The Rule

This amendment to part 71 of the Federal Aviation Regulations revises the 700 foot Transition Area established at Butler, PA, due to a review of air traffic control procedures in the area and the cancellation of a SLAP based upon an air navigation facility which is no longer in service. Additionally, the airport name and location are being updated to reflect the actual name and geographic location of the Butler County Airport, Butler, PA.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, Transition areas.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, part 71 of the Federal

Aviation Regulations (14 CFR part 71) is amended as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

§ 71.181 [Amended]

2. Section 71.181 is amended as follows:

Butler, PA [Revised]

That airspace extending upward from 700 feet above the surface within a 7.3-mile radius of the center, lat. 40°46'37" N., long. 79°57'00" W., of the Butler County Airport, Butler, PA.

Gary W. Tucker,

Manager, Air Traffic Division.

[FR Doc. 91-7786 Filed 4-2-91; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[T.D. 8250]

RIN 1545-AM62

Administrative Appeal of the Erroneous Filing of Notice of Federal Tax Lien; Correction

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains a correction to the temporary regulations (T.D. 8250) which were published in the *Federal Register* for May 8, 1989, (54 FR 19568) providing for the administrative appeal of the erroneous filing of a notice of Federal tax lien established by the Technical and Miscellaneous Revenue Act of 1988.

EFFECTIVE DATE: May 8, 1989.

FOR FURTHER INFORMATION CONTACT: Dale Goode, 202-566-3486 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations that are the subject of these corrections, amended the Procedure and Administration Regulations (26 CFR part 301) under section 6326 of the Internal Revenue Code reflecting the amendment by

section 6238 of the Technical and Miscellaneous Revenue Act of 1988.

Need for Correction

As published, the temporary regulations contain an error which may prove to be misleading and is in need of clarification.

PART 301—PROCEDURE AND ADMINISTRATION

Accordingly, 26 CFR part 301 is corrected by making the following correcting amendment:

1. The authority for part 301 is amended by adding the following citation:

Authority: 26 U.S.C. 7805 *** Section 301.6326-1T is issued under 26 U.S.C. 6326.

Dale D. Goode,

Federal Register Liaison Officer, Assistant Chief Counsel (Corporate).

[FR Doc. 91-7782 Filed 4-2-91; 8:45 am]

BILLING CODE 4830-01-M

Office of Foreign Assets Control

31 CFR Part 575

Iraqi Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule; List of specially designated nationals of the Government of Iraq; List of vessels registered, owned or controlled by the Government of Iraq.

SUMMARY: The Iraqi Sanctions Regulations (the "Regulations") are being amended to add a new appendix A and a new appendix B to the end thereof. Appendix A contains the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq). The list at Appendix A contains the names of companies and individuals which the Director of the Office of Foreign Assets Control has determined are acting or purporting to act directly or indirectly on behalf of the Government of Iraq. Appendix B contains the names of merchant vessels registered, owned, or controlled by the Government of Iraq. These lists may be expanded or amended at any time.

EFFECTIVE DATE: April 3, 1991.

ADDRESSES: Copies of these lists are available upon request at the following location: Office of Foreign Assets Control, U.S. Department of the Treasury, Annex, 1500 Pennsylvania Avenue NW., Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT:

Richard J. Hollas, Chief, Enforcement Section, Office of Foreign Assets Control, Tel.: (202) 566-5021.

SUPPLEMENTARY INFORMATION: The Iraqi Sanctions Regulations, 31 CFR part 575 (56 FR 2112, Jan. 18, 1991, the "Regulations") were issued by the Treasury Department to implement Executive Orders No. 12722 and 12724 of August 2 and August 9, 1990, in which the President declared a national emergency with respect to Iraq, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act (22 U.S.C. 287c), and ordered specific measures against the Government of Iraq.

Section 575.306 of the Regulations defines the term "Government of Iraq" to include:

(a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

(b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since the effective date, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any other person or organization determined by the Director of the Office of Foreign Assets Control to be included within this section.

Determinations that persons fall within this definition are effective upon the date of determination by the Director, Office of Foreign Assets Control ("FAC"). Public notice is effective upon the date of publication or upon actual notice, whichever is sooner.

This rule adds appendix A to part 575 to provide public notice of a list of persons, known as "specially designated nationals" of the Government of Iraq. The list consists of companies and individuals whom the Director of the Office of Foreign Assets Control has determined to be owned or controlled by or to be acting or purporting to act directly or indirectly on behalf of the Government of Iraq, and thus fall within the definition of the "Government of Iraq" contained in § 575.306 of the Regulations. The persons included in appendix A are subject to all prohibitions applicable to other components of the Government of Iraq. All unlicensed transactions with such

persons, or in property in which they have an interest, are prohibited.

The list of specially designated nationals is a partial one, since FAC may not be aware of all the persons located outside Iraq that might be owned or controlled by the Government of Iraq or acting as agents or front organizations for Iraq, and which thus qualify as specially designated nationals of the Government of Iraq. Therefore, persons engaging in transactions may not rely on the fact that any particular person is not on the specially designated nationals list as evidence that it is not owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether persons they enter into transactions with are owned or controlled by the Government of Iraq or are acting or purporting to act on its behalf, or on behalf of other countries subject to blocking (at present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

This rule also adds appendix B to part 575 to provide public notice of a list of merchant vessels which the Director of the Office of Foreign Assets Control has determined to be registered, owned, or controlled by the Government of Iraq or by persons acting or purporting to act directly or indirectly on behalf of the Government of Iraq, pursuant to § 575.306 of the Regulations. The merchant vessels included in appendix B constitute blocked property in which the Government of Iraq has an interest, and are subject to all the prohibitions applicable to the Government of Iraq. No U.S. person may engage in any unlicensed transaction involving these vessels.

The list of Government of Iraq-flagged, owned, or controlled vessels is a partial one, since FAC may not be aware of all merchant ships registered, owned, or controlled by the Government of Iraq or by persons located outside Iraq that may be acting as agents or front organizations for Iraq who fall within the definition of "Government of Iraq." Therefore, persons engaging in transactions may not rely on the fact that any particular vessel is not on the list as evidence that it is not owned or controlled by the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether such vessels are registered, owned, or controlled by Iraq or by other countries subject to blocking or transportation-related restrictions (at

present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

Section 586E of the Iraq Sanctions Act of 1990, contained in the Foreign Operations Authorization and Appropriations Act of 1990, dated November 5, 1990, 104 Stat. 1979, provides for civil penalties not to exceed \$250,000 for violations of the Regulations and fines of up to \$1,000,000 and imprisonment for up to 12 years for willful violations of the Regulations. In addition, section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides for the forfeiture of any property involved in a violation of the Regulations.

List of Subjects in 31 CFR Part 575

Banks, Banking, Exports, Imports, Iraq, Kuwait, Loans, Penalties, Reporting and recordkeeping requirements.

1. The authority citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1801 *et seq.*; 22 U.S.C. 287c; Public Law 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

2. Appendices A and B to part 575 are added to read as follows:

Appendix A—Individuals and Organizations Determined To Be Specially Designated Nationals of the Government of Iraq

Please note that addresses of companies and persons may change. The addresses listed below are the last ones known to the Office of Foreign Assets Control. Where an address is not listed or someone wishes to check for latest address information, the Office of Foreign Assets Control will assist with any updated information in its possession.

Companies

1. Admincheck Limited, 1 Old Burlington Street, London, England, United Kingdom
2. Advanced Electronics Development, Ltd., 3 Mandeville Place, London, England, United Kingdom
3. Al-Arabi Trading Company Limited, Lane 11, Hai Babil, Baghdad District 929, Iraq
4. Al-Rafidain Shipping Company, Bombay, India
5. The Arab Petroleum Engineering Company Ltd., Amman, Jordan
6. Arab Projects Company S.A. Ltd., P.O. Box 1318, Amman, Jordan
- P.O. Box 7939, Beirut, Lebanon
- P.O. Box 1972, Riyadh, Saudi Arabia
7. Arab Trans Trade Co. S.A.E., 36, Kafi Abdou Street, Rouchdy, Alexandria 481 638, Egypt
8. Archi Centre I.C.E. Limited, 3 Mandeville Place, London, England, United Kingdom
9. Archiconsult Limited, 128 Buckingham Place, London 5, England, United Kingdom

10. Associated Engineers, England, United Kingdom
11. A.T.E. International Ltd., f/k/a RWR International Commodities, 3 Mandeville Place, London, England, United Kingdom
12. Atlas Air Conditioning Company Limited, 55 Roebuck House, Palace Street, London, England, United Kingdom
13. Atlas Equipment Company Limited, 55 Roebuck House, Palace Street, London, England, United Kingdom
14. A.W.A. Engineering Limited, 3 Mandeville Place, London, England, United Kingdom
15. Banco Brasileiro-Iraqiano S.A., Praca Pio X, 54-100 Andar, CEP 20091, Rio de Janeiro, Brazil (Head office and city branch)
16. Bay Industries, Inc., 10100 Santa Monica Boulevard, Santa Monica, California, United States
17. Dominion International, England, United Kingdom
18. Endshire Export Marketing, England, United Kingdom
19. Euromac, Ltd., 4 Bishops Avenue, Northwood, Middlesex, England, United Kingdom
20. Euromac European Manufacturer Center SRL, Via Ampere 5, 20052 Monza, Italy
21. Euromac Transporti International SRL, Via Ampere 5, 20052 Monza, Italy
22. Falcon Systems, England, United Kingdom
23. Geodesigns, England, United Kingdom
24. Investacast Precision Castings, Ltd., 112 City Road, London, England, United Kingdom
25. I.P.C. International Limited, England, United Kingdom
26. I.P.C. Marketing Limited, England, United Kingdom
27. Iraqi Airways, Saddam International Airport, Baghdad, Iraq
- Opernring 6, 1010 Wien, Vienna, Austria
- General Service Agent, Bangladeshi-owned Travel Agency, Dhaka, Bangladesh
- Rio de Janeiro, Brazil
- Jianguomenwai Diplomatic Housing Compound, Building 7-1, 5th Floor, Apartment 4, Beijing, People's Republic of China
- Prague Airport, Prague, Czechoslovakia
- Nekazanka 3, Prague 1, Czechoslovakia
- Copenhagen, Denmark
- Main Eisenhüttenplatz 26, Frankfurt 6, Germany
- Rome, Italy
- Tokyo, Japan
- Casablanca, Morocco
- The Netherlands
27. Ulica Grojecka, Central Warsaw, Poland
- Tunis, Tunisia
- Ankara, Turkey
- Moscow, U.S.S.R.
- Abu Dhabi, United Arab Emirates
- 4 Lower Regent Street, London SW1Y 4P, United Kingdom
- 5825 W. Sunset Blvd. #218, Los Angeles, California 90028, United States
- 25040 Southfield Road, Southfield, Michigan 48075, United States
- Building 68, J.F.K. International Airport, Jamaica, New York 11430, United States
- 1211 Avenue of the Americas, New York, New York 10036, United States
- Sanaa, Yemen
- Belgrade, Yugoslavia
28. Iraqi Allied Services Limited, England, United Kingdom
29. Iraqi Freight Services Limited, England, United Kingdom
30. Iraqi Reinsurance Company, 31-35 Fenchurch Street, London EC3M 3D, United Kingdom
31. Iraqi State Enterprise for Foodstuffs Trading, P.O. Box 1308, Colombo 3, Sri Lanka
- P.O. Box 2839, Calcutta 700.001, India
32. Iraqi State Enterprise for Maritime Transport, Bremen, Germany
- Amman, Jordan
33. Iraqi Trade Center, Dubai, United Arab Emirates
34. Keencloud Limited, 11 Catherine Place, Westminster, London, England, United Kingdom
35. Matrix Churchill Corporation, 5903 Harper Road, Cleveland, Ohio 44139, United States
36. Meed International Limited, 3 Mandeville Place, London, England, United Kingdom
37. Pandora Shipping Co., S.A., Honduras
38. Petra Navigation & International Trading Co. Ltd., White Star Building, P.O. Box 8362, Amman, Jordan
- Armoush Bldg., P.O. Box 485, Aqaba, Jordan
- 18 Huda Sharawi Street, Cairo, Egypt
- Hai Al Wahda Mahalat 906, 906 Zulkar 50, House 14, Baghdad, Iraq
39. PMK/QUDOS (Liverpool Polytechnic), England, United Kingdom
40. Rafidain Bank, New Banks' Street, P.O. Box 11360, Massarif, Baghdad, Iraq (227 branches in Iraq)
- P.O. Box 607, Manama, Bahrain (2 branches in Bahrain)
- 114 Tahreer Str. Eldukki, P.O. Box 239, Omran Giza, Cairo, Egypt
- P.O. Box 1194, Cinema al-Hussein Street, Amman, Jordan
- P.O. Box 685, Aqaba, Jordan
- P.O. Box 815401, Jabal Amman, Jordan
- Mafraq, Jordan
- 2nd Floor Sadat Tower, P.O. Box 1891, Beirut, Lebanon (2 branches in Lebanon)
- Sheikh Khalifa Street, P.O. Box 2727, Abu Dhabi, United Arab Emirates
- Rafidain Bank Building, 7-10 Leadenhall Street, London EC3V 1NL, United Kingdom
- P.O. Box 10023, Sanaa, Yemen Arab Republic
41. Rajbrook Limited, England, United Kingdom
42. Reynolds and Wilson, England, United Kingdom
43. S.M.I. Sewing Machines Italy S.P.A., Italy
44. Sollatek, England, United Kingdom
45. Technology and Development Group Ltd., Centric House 390/391, Strand, London, England, United Kingdom
46. T.E.G. Limited, 3 Mandeville Place, London, England, United Kingdom
47. T.M.G. Engineering Limited, Castle Row, Horticultural Place, Chiswick, London, England, United Kingdom
48. T N K Fabrics Limited, England, United Kingdom
49. Trading & Maritime Investments, San Lorenzo, Honduras
50. U.I. International, England, United Kingdom
51. UNIMAS Shipping, 138 El Geish Road, P.O. Box 44, Alexandria, Egypt
52. Whale Shipping Ltd., c/o Government of Iraq, State Organization of Ports, Maqal, Basrah, Iraq
- Individuals*
1. Abbas, Abdul Hussein, Italy
2. Abbas, Kassim, Italy
3. Abraham, Trevor, England, United Kingdom
4. Ahmad, Rasem, P.O. Box 1318, Amman, Jordan
5. Ahmad, Wallid Issa, Iraq
6. Al-Amiri, Adnan Talib Hassim, 43 Palace Mansions, Hammersmith, London, England, United Kingdom
7. Al-Azawi, Dafir, Iraq
8. Al-Dajani, Leila N.S., P.O. Box 1318, Amman, Jordan
9. Al-Dajani, Nadim S., P.O. Box 1318, Amman, Jordan
10. Al-Dajani, Sa'ad, P.O. Box 1318, Amman, Jordan
11. Al-Habobi, Dr. Safa Haji J., Flat 4D Thorney Court, Palace Gate, Kensington, England, United Kingdom
12. Ali, Abdul Mutalib, Germany
13. Allen, Peter Francis, "Greys", 36 Stoughton Lane, Stoughton, Leicestershire, England, United Kingdom
14. Al-Ogaily, Akram H., Flat 2, St. Ronons Court, 63 Putney Hill, London, England, United Kingdom
15. Amaro, Joaquim Ferreira, Praca Pio X, 54-100 Andar, CEP 20091, Rio de Janeiro, Brazil
16. Armoush, Ahmad, White Star Bldg., P.O. Box 8362, Amman, Jordan
17. Armoush, Ali, White Star Bldg., P.O. Box 8362, Amman, Jordan
18. Aziz, Fouad Hamza, Pracia Pio X, 54-100 Andar, CEP 20091, Rio de Janeiro, Brazil
19. Dagher, Ali Ashour, 2 Western Road, Western Green, Thames Ditton, Surrey, England, United Kingdom
20. Fattah, Jum'a Abdul, P.O. Box 1318, Amman, Jordan
21. Hand, Michael Brian, England, United Kingdom
22. Henderson, Paul, 4 Copt Oak Close, Tile Mill, Coventry, Warwickshire, England, United Kingdom
23. Jon, Hana Paul, 19 Tudor House, Windsor Way, Brook Green, London, England, United Kingdom
24. Jume'an, George, P.O. Box 1318, Amman, Jordan
25. Kadhun, Dr. Fadel Jawad, c/o Alvaney Court, 250 Finchley Road, London, England, United Kingdom
26. Khoshaba, Robert Kamar, 15 Harefield Road, Maidenhead, Berkshire, England, United Kingdom
27. Mohamed, Abdul Kader Ibrahim, Jianguomenwai Diplomatic Housing Compound, Building 7-1, 5th Floor, Apartment 4, Beijing, People's Republic of China
28. Omran, Karim Dhaidas, Iraq
29. Raouf, Khalid Mohammed, Praca Pio X, 54-100 Andar, CEP 20091, Rio de Janeiro, Brazil
30. Ricks, Roy, 87 St. Mary's Frice, Benfleet,

Essex, England, United Kingdom
 31. Schmitt, Rogerio Eduardo, Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 32. Sim, Gilberto F., Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 33. Souza, Francisco Antonio, Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil

34. Speckman, Jeanine, England, United Kingdom
 35. Tall, Aktham, P.O. Box 1318, Amman, Jordan
 36. Taveira, A. Arnaldo G., Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 37. Zahran, Yousuf, P.O. Box 1318, Amman, Jordan

APPENDIX B—Merchant Vessels Registered, Owned, Or Controlled by the Government of Iraq or by Persons Acting Directly or Indirectly on Behalf of the Government of Iraq

- All ships listed or Iraqi-flagged unless otherwise indicated.
- "N/A" is listed where information is not available.

Vessel name	Ship type	DWT	Call sign	Owner
1. Ain Zaiyah	Tkr	36,330	HNAZ	Iraqi Oil Tankers Company, Basrah, Iraq
2. Al Anbar	Tug	N/A	YIAV	Government of the Republic of Iraq, Managed by the State Organization of Iraqi Ports, Basrah, Iraq.
3. Al Fao	Res	80	YIAN	State Org. of Iraqi Ports.
4. Al Karamah	Tkr	12,882	HNKM	Iraqi Oil Tankers Company.
5. Al Knaibda	Tkr	7,155	HNKD	Iraqi Oil Tankers Company.
6. Al Mansur	Ycht	1,223	HNMR	Iraqi State Enterprise for Water Transport.
7. Al Merbid	Svc	4,649	YIMD	State Org. of Iraqi Ports.
8. Al Mosul	Svc	1,219	YIAS	State Org. of Iraqi Ports.
9. Al Najaf	Svc	4,740	YINF	State Org. of Iraqi Ports.
10. Al Nasr	Svc	2,444	DDRH	State Org. of Iraqi Ports.
11. Al Nasr	Tkr	1,502	HNNR	Iraqi Oil Tanker Company
12. Al Omarah	Tug	320	YIAW	State Org. of Iraqi Ports.
13. Al Ramadi	Tug	320	YIAI	State Org. of Iraqi Ports.
14. Al Rasheed	Svc	304	YIBE	State Org. of Iraqi Ports.
15. Al Ratba	Tkr	544	YIBA	State Org. of Iraqi Ports.
16. Al Shumookh	Tug	375	N/A	State Org. of Iraqi Ports.
17. Al Waleed	Res	N/A	YIBF	State Org. of Iraqi Ports.
18. Al Zab	Tug	N/A	YIBH	State Org. of Iraqi Ports.
19. Al Zawraa	Cgo	3,549	HNZW	Iraqi State Enterprise for Water Transport, Baghdad.
20. Al-Alyaa	Tug	375	N/A	State Org. of Iraqi Ports.
21. Al-Amin	Tug	368	YIAM	State Org. of Iraqi Ports.
22. Al-Baath	Tkr	9,928	HNBT	Iraqi Oil Tankers Company.
23. Al-Bakr	Res	390	YIBR	State Org. of Iraqi Ports.
24. Al-Bayaa	Brg	1,662	HNHB	Iraqi State Enterprise for Water Transport. Formerly the Hibooob.
25. Al-Entisar	Tug	375	N/A	State Org. of Iraqi Ports.
26. Al-Hather	Tug	368	YIHR	State Org. of Iraqi Ports.
27. Al-Kamkh	Tug	368	YIKH	State Org. of Iraqi Ports.
28. Al-Khalij Al-Arabi	Svc	4,740	YIKA	State Org. of Iraqi Ports.
29. Al-Nohoodh	Tug	375	YINU	State Org. of Iraqi Ports.
30. Al-Qadisiya	Ycht	100	HNKS	Iraqi State Enterprise for Water Transport.
31. Al-Ressafa	Tug	368	YIRF	State Org. of Iraqi Ports.
32. Al-Sahil Al-Arabi	Svc	6,396	NHSA	Iraqi State Enterprise for Sea Fisheries, Basrah, Iraq.
33. Al-Thirhar	Tkr	524	YITH	State Org. of Iraqi Ports.
34. Al-Wandah	Tug	149	YIWH	State Org. of Iraqi Ports.
35. Alabid	Brg	1,662	HNDB	Iraqi State Enterprise for Water Transport. Formerly the Sanabul.
36. Aledreesi	Cgo	3,550	HNID	Iraqi State Enterprise for Water Transport.
37. Aftarabi	Cgo	8,342	HNFB	Iraqi State Enterprise for Water Transport.
38. Aftarahidi	Tkr	149,441	HNFR	Iraqi Oil Tankers Company.
39. Alfidaa	Brg	1,662	HNFD	Iraqi State Enterprise for Water Transport. Formerly the Silawat.
40. Alkharsaa	Cgo	3,525	HNKN	Iraqi State Enterprise for Water Transport.
41. Aikindi	Cgo	8,342	HNKI	Iraqi State Enterprise for Water Transport.
42. Almustansiyah	Tkr	155,210	HNMS	Iraqi Oil Tankers Company.
43. Almutanabbir	Tkr	130,241	HNMB	Iraqi Oil Tankers Company.
44. Alnaja'	Svc	4,740	YINF	State Org. of Iraqi Ports.
45. Alqadisiyah	Tkr	155,210	HNQS	Iraqi Oil Tankers Company.
46. Alsumood	Svc	6,977	YISD	State Org. of Iraqi Ports.
47. Altaawin Alarabi	Cgo	13,634	HNAI	Iraqi State Enterprise for Water Transport.
48. Alwahda	Brg	1,662	HNAD	Iraqi State Enterprise for Water Transport.
49. Alwasiti	Cgo	8,343	HNWS	Iraqi State Enterprise for Water Transport.
50. Alyarmuk	Tkr	149,371	HNKY	Iraqi Oil Tankers Company.
51. Alzubair	Svc	4,640	YIZR	State Org. of Iraqi Ports.
52. Amunyah	Tkr	155,210	HNAM	Iraqi Oil Tankers Company
53. Antara	Svc	508	YIBD	State Org. of Iraqi Ports.
54. Arbeel	Tug	320	YIBB	State Org. of Iraqi Ports.
55. Baba Gurgur	Tkr	36,397	HNGR	Iraqi Oil Tankers Company.
56. Babylon	Cgo	13,656	HNBB	Iraqi State Enterprise for Water Transport.
57. Badr 7	Svc	647	N/A	Government of the Republic of Iraq, Ministry of Oil, State Company for Oil Projects, Baghdad, Iraq. (flag: Saudi Arabia).
58. Baghdad	Svc	2,900	YIAD	State Org. of Iraqi Ports.
59. Baghdad	Cgo	13,656	HNBD	Iraqi State Enterprise for Water Transport.
60. Barjees	RO/RO	3,985	HNBL	State Organization of Iraqi Government.
61. Basra	Svc	2,906	YIAB	State Org. of Iraqi Ports.
62. Basrah	Cgo	13,656	HNBS	Iraqi State Enterprise for Water Transport.
63. Buzurgan	Tkr	36,400	HNBR	Iraqi Oil Tankers Company.
64. Damascus	Tug	149	YIDS	State Org. of Iraqi Ports.
65. Damen Gonncnem 5716	Svc	N/A	N/A	State Org. of Iraqi Ports.
66. Damen Gonncnem 5717	Svc	N/A	N/A	State Org. of Iraqi Ports.
67. Damen Gonncnem 5718	Svc	N/A	N/A	State Org. of Iraqi Ports.

Vessel name	Ship type	DWT	Call sign	Owner
68. Deyala	Tug	350	YIBJ	State Org. of Iraqi Ports.
69. Dijlah	Tug	358	HNDJ	State Org. of Iraqi Ports.
70. Driving Launch 1	Svc	N/A	N/A	State Org. of Iraqi Ports.
71. Dwaniya	Tug	350	YIBK	State Org. of Iraqi Ports.
72. Dockan	Tkr	528	YIDN	State Org. of Iraqi Ports.
73. Dump Barge I	Svc	1,330	J8IY	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
74. Dump Barge II	Svc	1,330	J8IZ	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
75. Dump Barge III	Svc	1,330	J8JA	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
76. Fire Boat No. 705	Svc	N/A	N/A	State Org. of Iraqi Ports.
77. Fire Boat No. 706	Svc	N/A	N/A	State Org. of Iraqi Ports.
78. Forel	Fsh	1,183	HNFL	Rafidain Fisheries Co. Ltd., Basrah, Iraq.
79. Furat	Tug	350	HNFT	State Org. of Iraqi Ports.
80. Geza	Svc	2,422	YIGZ	State Org. of Iraqi Ports.
81. Hamdan	Tug	387	YIHM	State Org. of Iraqi Ports.
82. Heet	Tug	89	N/A	State Org. of Iraqi Ports.
83. Hillah	Svc	6,709	YIAR	State Org. of Iraqi Ports.
84. Himreen	Svc	508	YIHN	State Org. of Iraqi Ports.
85. Hitn	Tkr	155,210	HNMT	Iraqi Oil Tankers Company.
86. Ibn Khaldoun	Svc	12,670	HNIN	State Org. of Iraqi Ports.
87. Ibn Majid 6	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
88. Imhejan	Tug	388	YIMH	State Org. of Iraqi Ports.
89. Jabha	Tug	244	YJA	State Org. of Iraqi Ports.
90. Jambur	Tkr	35,338	HNJM	Iraqi Oil Tankers Company.
91. Jamboria	Tug	368	YJLR	State Org. of Iraqi Ports.
92. Kefal	Fsh	1,170	HNKL	Rafidain Fisheries Co. Ltd.
93. Kerbala	Svc	N/A	N/A	State Org. of Iraqi Ports.
94. Khalid Ibn Al Waleed	Svc	2,235	YIBM	State Org. of Iraqi Ports.
95. Khanegiq	Tkr	35,338	HNKQ	Iraqi Oil Tankers Company.
96. Khawla Bint Al Zawra	RO/RO	3,985	HNKN	Iraqi State Enterprise for Water Transport.
97. Kirkuk	Tkr	35,338	HNKK	Iraqi Oil Tankers Company.
98. Mandali	Svc	6,977	YIQS	State Org. of Iraqi Ports. Formerly the Alkadisiyah.
99. Maysaloon	Tug	368	YIMY	State Org. of Iraqi Ports.
100. Measan	Tug	310	YIMN	State Org. of Iraqi Ports.
101. Methaq	Tug	248	YIMQ	State Org. of Iraqi Ports.
102. Moon Lady	RO/RO	3,985	HNNZ	Pandora Shipping Co., S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan. Formerly the Iraqi-owned AL-ZAHRAA. (flag: Honduras).
103. Nagroor	Fsh	140	N/A	Government of the Republic of Iraq, Ministry of Agriculture & Agrarian Reform, State Fisheries Company, Baghdad, Iraq.
104. Nainawa	Tug	310	YINW	State Org. of Iraqi Ports.
105. Nisar	Svc	744	YISR	State Org. of Iraqi Ports.
106. No. 1	Svc	30	N/A	State Org. of Iraqi Ports.
107. No. 2	Svc	30	N/A	State Org. of Iraqi Ports.
108. Nuwaibi	Fsh	140	N/A	Iraqi State Fisheries Co.
109. Ohod 5	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
110. Ohod 6	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
111. Ohod 7	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
112. Orooba	Tug	368	YIOB	State Org. of Iraqi Ports.
113. Oton Meru No. 2	Svc	N/A	N/A	State Org. of Iraqi Ports.
114. Palestine	Svc	4,649	YIFN	State Org. of Iraqi Ports.
115. Pilot 393	Svc	N/A	N/A	State Org. of Iraqi Ports.
116. Pilot 394	Svc	N/A	N/A	State Org. of Iraqi Ports.
117. Police 1	Ptrl	N/A	N/A	State Org. of Iraqi Ports.
118. Police 2	Ptrl	N/A	N/A	State Org. of Iraqi Ports.
119. Police 3	Ptrl	N/A	N/A	State Org. of Iraqi Ports.
120. Radhwa 18	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
121. Radhwa 19	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
122. Radhwa 20	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
123. Robian	Fsh	129	N/A	Iraqi State Fisheries Company.
124. Rumaila	Tkr	36,330	HNRM	Iraqi Oil Tankers Company.
125. Saif Sasd	Svc	742	N/A	State Org. of Iraqi Ports.
126. Samarra	Fer	N/A	YIBC	State Org. of Iraqi Ports.
127. Sarasin	Svc	508	YISM	State Org. of Iraqi Ports.
128. Sboor	Fsh	129	HRN2	Iraqi State Fisheries Company.
129. Seaberk	Fsh/Cgo	6,953	HQHR4	Trading & Maritime Investments, Honduras. Managed by Arab Trans Trade Co. S.A.E., Alexandria Egypt. Formerly the Iraqi-owned AL-BAHAR AL-ARABI (flag: Honduras).
130. Seamusic II	Cgo	28,732	9HYM2	Seamusic Shipping Co. Ltd., c/o Theamaris Ships Management Inc., Athens, Greece. Vessel Seized by Government of Iraq. (flag: Malta).
131. Sebaa Nissar	Tug	368	YISM	State Org. of Iraqi Ports.
132. Sheboot	Fsh	1,163	HNLK	Rafidain Fisheries Co., Ltd.
133. Shatt al Basrah	Fsh	404	HNSR	Iraqi State Fisheries Company.
134. Shorook	Svc	403	YISH	State Org. of Iraqi Ports.
135. SHU' Aiah	Tug	N/A	N/A	State Org. of Iraqi Ports.
136. Sihan	Tug	387	YISI	State Org. of Iraqi Ports.
137. Sinai	Svc	1,286	N/A	State Org. of Iraqi Ports.
138. Sinjar	Svc	N/A	YIAY	State Org. of Iraqi Ports.
139. Sky Sea	Cgo	8,334	HNRZ	Pandora Shipping Co. S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan. Formerly the Iraqi-owned ALRAZI. (flag: Honduras).
140. Solnechnik	Fsh	404	UQJE	Iraqi State Fisheries Company.
141. Sulamaniyan	Svc	N/A	YIAG	State Org. of Iraqi Ports.

Vessel name	Ship type	DWT	Call sign	Owner
142. Survey Launch No. 1.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
143. Survey Launch No. 2.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
144. Survey Launch No. 3.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
145. Tadmur.....	Tkr.....	3,627	HNTD	Iraqi Oil Tankers Company.
146. Tahreer.....	Svc.....	4,649	YITR	State Org. of Iraqi Ports.
147. Tank Ibn Ziyad.....	Tkr.....	118,139	HNTZ	Iraqi Oil Tankers Company.
148. Theeqar.....	Tug.....	220	YIAC	State Org. of Iraqi Ports.
149. Ur.....	Tug.....	368	YIUR	State Org. of Iraqi Ports.
150. Work Boat No. 6.....	Brg.....	N/A	N/A	State Org. of Iraqi Ports.
151. Workshop 3.....	Svc.....	N/A	N/A	State Org. of Iraqi Ports.
152. Yanbu 31.....	Svc.....	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
153. Yousifan.....	Tug.....	386	YIYN	State Org. of Iraqi Ports.
154. Zain Al Qaws.....	Cgo.....	9,247	HNZQ	Iraqi State Enterprise for Water Transport.
155. Zamzam.....	Tkr.....	544	YIAZ	State Org. of Iraqi Ports.
156. Zanoobia.....	Cgo.....	3,549	HNZN	Iraqi State Enterprise for Water Transport.
157. Zubaidy.....	Fsh.....	N/A	YIBO	State Org. of Iraqi Ports.
158. 1 Athar.....	Tkr.....	1,502	HNAR	Iraqi Oil Tankers Company.
159. 1 Hunzan.....	Tkr.....	1,502	HNHN	Iraqi Oil Tankers Company.
160. 7 Nissan.....	Tkr.....	1,502	HNHN	Iraqi Oil Tankers Company.

Dated: March 13, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: March 15, 1991.

John P. Simpson,

Acting Assistant Secretary, (Enforcement).

[FR Doc. 91-7795 Filed 4-1-91; 8:45 am]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 575

Iraqi Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule; amendments to the list of specially designated nationals of the Government of Iraq.

SUMMARY: The Iraq Sanctions Regulations, 31 CFR part 575 (56 FR 2112, Jan. 18, 1991—the "Regulations"), are being amended to add seven names to and remove two names from appendix A, the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq). Appendix A contains the names of companies and individuals which the Director of the Office of Foreign Assets Control has determined are owned or controlled by or acting or purporting to act directly or indirectly for the Government of Iraq. This list may be expanded at any time.

EFFECTIVE DATE: June 25, 1991.

ADDRESSES: Copies of this list are available upon request at the following location: Office of Foreign Assets Control, U.S. Department of the Treasury, Annex, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT: Richard J. Hollas, Chief, Enforcement Section, Office of Foreign Assets Control, Tel.: (202) 566-5021.

SUPPLEMENTARY INFORMATION: The Regulations were issued by the Treasury Department to implement Executive Orders No. 12722 and 12724 of August 2 and August 9, 1990, in which the President declared a national emergency with respect to Iraq, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act (22 U.S.C. 287c), and ordering specific measures against the Government of Iraq. An amendment to the regulations (56 FR 13584, Apr. 3, 1991) added a new appendix A, the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq), and a new appendix B, the list of Merchant Vessels Registered, Owned, or Controlled by the Government of Iraq or by Persons Acting Directly or Indirectly on Behalf of the Government of Iraq.

Section 575.306 of the Regulations defines the term "Government of Iraq" to include

(a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

(b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since the effective date, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any other person or organization determined by the Director of the Office of Foreign Assets Control to be included within this section.

Determinations that persons fall within this definition are effective upon the date of determination by the Director, Office of Foreign Assets Control ("FAC"). Public notice is effective upon the date of publication or upon actual notice, whichever is sooner.

This rule adds seven names to and removes two names from appendix A to part 575 to provide public notice of a list of persons, known as "specially designated nationals" of the Government of Iraq. The list consists of companies and individuals which the Director of the Office of Foreign Assets Control has determined to be owned or controlled by or to be acting or purporting to act directly or indirectly for the Government of Iraq, and which thus fall within the definition of the "Government of Iraq" contained in § 575.306 of the Regulations. The persons included in appendix A are subject to all prohibitions applicable to other components of the Government of Iraq. All unlicensed transactions with such persons, or in property in which they have an interest, are prohibited.

The list of specially designated nationals is a partial one, since FAC may not be aware of all the persons that might be owned or controlled by the Government of Iraq or acting as officers, agents, or front organizations for Iraq, and which thus qualify as specially designated nationals of the Government of Iraq. Therefore, persons engaging in transactions may not rely on the fact that any particular person is not on the specially designated nationals list as evidence that it is not owned or controlled by, or acting or purporting to act directly or indirectly for, the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether persons they enter into transactions with are owned or controlled by the Government of Iraq or are acting or purporting to act on its

behalf, or on behalf of other countries subject to blocking or transportation-related restrictions (at present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

Section 586F of the Iraq Sanctions Act of 1990, Public Law 101-513, 104 Stat. 2049, provides for civil penalties not to exceed \$250,000 for violations of the Regulations and fines of up to \$1,000,000 and imprisonment for up to 12 years for willful violations of the Regulations. In addition, section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides for the forfeiture of any property involved in a violation of the Regulations.

Pursuant to the Regulations, PMK/QUDOS (Liverpool Polytechnic), England, United Kingdom, and Sollatek, England, United Kingdom, were included in appendix A to the Regulations, published in the *Federal Register* on April 3, 1991 (56 FR 13564) as specially designated nationals of the Government of Iraq. Following a review of additional information and extensive consultations with the British Government, it has been determined that PMK/QUDOS (Liverpool Polytechnic) and Sollatek are not within the scope of the definition of the "Government of Iraq" as defined in § 575.306 of the Regulations; and, therefore, are removed from the list of specially designated nationals of the Government of Iraq.

Because the Regulations involve a foreign affairs function, Executive Order 12291 and the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

List of Subjects in 31 CFR Part 575

Administrative practice and procedure, Banks, Banking, Blocking of assets, Foreign trade, Iraq, Penalties, Reporting and recordkeeping requirements, Securities, Specially designated nationals, Travel restrictions.

PART 575—IRAQI SANCTIONS REGULATIONS

For the reasons set forth in the preamble, 31 CFR part 575 is amended as set forth below:

1. The Authority citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

Appendix A—Individuals and Organizations Determined to be Specially Designated Nationals of the Government of Iraq

2. Appendix A to part 575 is amended by removing the numerical designations from the list of companies and the list of individuals.

3. Appendix A to part 575 is amended by removing the following names from the list of companies:

PMK/QUDOS (Liverpool Polytechnic),
England, United Kingdom.
Sollatek, England, United Kingdom.

4. Appendix A to part 575 is amended by adding the following names in their proper alphabetical positions to the list of individuals:

Al-Majid, Ali Hassan, Baghdad, Iraq
Al-Majid, Hussein Kamei Hassan, Baghdad,
Iraq

Al-Takriti, Barzan Ibrahim Hassan, Geneva,
Switzerland
Al-Takriti, Sabawi Ibrahim Hassan, Baghdad,
Iraq
Al-Takriti, Watban, Baghdad, Iraq
Hussein, Udai Saddam, Baghdad, Iraq
Jasim, Latif Nusayyif, Baghdad, Iraq

Dated: May 17, 1991.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: May 22, 1991.

Nancy L. Worthington,
Acting Assistant Secretary (Enforcement).
[FR Doc. 91-15008 Filed 6-20-91; 12:49 pm]

BILLING CODE 4810-25-M

July 26, 1991

Received from the White House a sealed envelope said to contain a message from the President whereby he transmits a 6-month periodic report concerning the national emergency with respect to Iraq.


(Clerk of the House of Representatives)

4:50 p.m.
(Time received)

THE WHITE HOUSE
WASHINGTON
ORM OPTICAL DISK NETWORK

ID# 257530SS

- Hardcopy pages are in poor condition (too light or too dark).
- Remainder of case not scanned.
- Oversize attachment not scanned.
- Report not scanned.
- Enclosure(s) not scanned.
- Proclamation not scanned.
- Incoming letters(s) not scanned.
- Proposal not scanned.
- Statement not scanned.
- Duplicate letters attached - not scanned.
- Only table of contents scanned.
- No incoming letter attached.
- Only tracking sheet scanned.
- Photo(s) not scanned.
- Bill not scanned.
-
-

Comments:

**Letter to Congressional Leaders
Reporting on the National Emergency
With Respect to Iraq**

February 11, 1991

Dear Mr. Speaker: (Dear Mr. President:)

1. On August 2, 1990, in Executive Order No. 12722, I declared a national emergency to deal with the threat to the national security and foreign policy of the United States caused by Iraq's invasion of Kuwait. (55 FR 31803.) In that order, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation of goods or services of Iraqi origin into the United States and the exportation of goods, technology, and services to Iraq from the United States. In addition, I prohibited travel-related transactions and transportation transactions from or to Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the same time, at the request of the Government of Kuwait, I issued Executive Order No. 12723 (55 FR 31805), blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

Subsequently, on August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 (55 FR 33089), to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq, and sanctions were applied to Kuwait as well to insure that no benefit to Iraq resulted from the military occupation of Kuwait.

2. The declaration of the national emergency on August 2, 1990, was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. I reported the declaration to the Congress on August 3, 1990, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions of August 9, 1990, were imposed pursuant to the authority vested in me by the Constitution and laws of the United States, including the statutes cited above and the United Nations Participation Act (22 U.S.C. 287c). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). This report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

3. The Office of Foreign Assets Control of the Department of the Treasury ("FAC"), after consultation with other Federal agencies, issued the Kuwaiti Assets Control Regulations, 31 C.F.R. Part 570 (55 FR 49857, November 30, 1990), and the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (56 FR 2112, January 18, 1991), to implement the prohibitions contained in Executive Orders Nos. 12722-12725.

Prior to the issuance of the final regulations, FAC issued a number of general licenses to address emergency situations affecting U.S. persons and the legitimate Government of Kuwait. Those general licenses have been incorporated, as appropriate, into the Kuwaiti Assets Control Regulations and the Iraqi Sanctions Regulations as general licenses, which permit transactions that would otherwise be prohibited by the Executive orders and regulations. U.S. persons, including U.S. financial institutions, are authorized to complete certain securities, foreign exchange, and similar transactions on behalf of the Government of Kuwait that were entered into prior to August 2, 1990. Similarly, certain import and export transactions commenced prior to August 2, 1990, were allowed to be completed, provided that any payments owed to Iraq or Kuwait were paid into a blocked account in a U.S. financial institution. The regulations also allow for the investment and reinvestment of blocked Kuwaiti and Iraqi assets. Consistent with United Nations Security Council Resolutions 661 and 666, the regulations also outline licensing procedures permitting the donation to Iraq or Kuwait of food in humanitarian circumstances, and of medical supplies, where it is demonstrated to FAC that the proposed export transaction meets the requirements for exemption under United Nations Security Council Resolution 661.

With this report I am enclosing a copy of the Department of the Treasury's Kuwaiti Assets Control Regulations and Iraqi Sanctions Regulations.

4. Worldwide outrage over the invasion of Kuwait by Saddam Hussein has resulted in the imposition of sanctions by nearly every country of the world. To an extent unprecedented in the history of peacetime economic sanctions, the community of nations has worked together to make the sanctions effective in isolating Saddam Hussein and in cutting him off from the support he needs in order to continue his illegal occupation of Kuwait. This cooperation has occurred through the United Nations Sanctions Committee, established by United Nations Security Council Resolution 661, diplomatic channels, and day-to-day working contact among the national authorities responsible for implementing and administering the sanctions.

5. As of January 24, 1991, FAC had issued 158 specific licenses to Kuwaiti governmental entities operating assets or direct investments in the United States, enabling continued operation and the preservation of Kuwaiti government assets in the United States, as well as addressing certain expend-

measures by or on behalf of the Government of Kuwait in exile. In addition, 68 specific licenses were issued regulating transactions involving the Government of Iraq or its assets. Authorizations were granted enabling the Iraqi Embassy to conduct diplomatic representation in the United States. Specific licenses were also issued to non-Iraqi entities determining or authorizing the disposition of pre-embargo imports and exports on the high seas, authorizing the payment under confirmed letters of credit for pre-embargo exports, and permitting the conduct of procedural transactions such as the filing of lawsuits and payment for legal representation. In all cases involving Iraqi property, steps were taken to ensure that no financial benefit accrued to Iraq as a result of a licensing decision. In order to ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed that are closely monitored. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors from other regulatory agencies. Compliance analyses are prepared monthly for major licensed Kuwaiti governmental entities.

6. Upon issuance of Executive Orders Nos. 12722 and 12723 on August 2, 1990, FAC initiated an intensive effort to identify and enforce the blocked status of all property within the United States in which the Government of Iraq has an interest. On Sunday, August 5, 1990, in a nationwide law enforcement effort coordinated by FAC, notices of blocking were served on agents of Iraqi Airways, Inc., at four locations—two in New York, one in Southfield, Michigan, and one in Los Angeles, California—and all operations of Iraqi Airways in the United States were shut down.

On August 27, 1990, a notice of blocking was served on a company in Newbury, Ohio, which had in its possession a scintillation detector belonging to the Iraqi Atomic Energy Commission. The detector had been sold to the Iraqi government by the firm in February 1990 and returned to the United States for repair in July 1990.

On September 17, 1990, in a law enforcement effort coordinated by FAC with assistance from the Federal Bureau of Investigation and the Customs Service, a notice of blocking was served and actions were taken pursuant thereto at the office of a machine tool distributing company in Solon, Ohio. This corporation is a wholly owned subsidiary of an English company and was blocked based on information that the English company was ultimately owned and controlled by an Iraqi government-controlled trading company in Baghdad, Iraq. Enforcement of the blocked status of the Ohio company's property, including its bank assets, forced the shutdown of the firm.

FAC is continuing to coordinate enforcement actions and investigate reports of violations of the sanctions against Iraq and occupied Kuwait. These efforts will continue to ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq.

The enforcement efforts of the United States Government complement the efforts worldwide to enforce sanctions against Iraq. The United States has utilized a wide variety of diplomatic, administrative, and enforcement tools to deter circumvention of the global trade and financial embargoes established under United Nations Security Council resolutions. The enforcement efforts of the United States have been augmented through ongoing contacts with the United Nations, the Organization of Economic Cooperation and Development, the European Community and member states' central banks through the Bank for International Settlements, as well as with representatives of individual governments.

7. The expenses incurred by the Federal Government in the 6-month period from August 2, 1990, through February 1, 1991, that are directly attributable to the exercise of the authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$1,226,338.80, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Federal Reserve Board, the National Security Council, the Department of Agriculture, and the Department of Transportation.

8. The invasion of Kuwait and the continuing illegal occupation of that country by Saddam Hussein continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding decisions of the United Nations Security Council with respect to Iraq and Kuwait. I shall continue to exercise the powers at my disposal to apply economic sanctions against Iraq and occupied Kuwait as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

Sincerely,

George Bush

Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Dan Quayle, President of the Senate.

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq

declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

Finally, on July 25, 1991, I issued Executive Order No. 12771 completely terminating the Kuwaiti sanctions.

The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq -- "SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report. ✓

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for

items such as personal property looted or destroyed in Kuwait, loans or other obligations on which Iraq has defaulted, and lost future business or concession rights. Inasmuch as these claims have not been submitted to a formal claims resolution body, much less adjudicated, their actual aggregate value is not known. The process by which U.S. claims will be addressed will be determined when the details of the UN reparations plan are finalized.

3. FAC has issued 189 specific licenses (31 since my last report) to Kuwaiti entities administering assets or direct investments in the United States. These licenses permitted the continued operation and preservation of Kuwaiti Government assets in the United States, as well as certain expenditures by or on behalf of the Government of Kuwait. In addition, 148 specific licenses (80 since my last report) were issued regarding transactions pertaining to Iraq or Iraqi assets. Specific licenses were issued for the settlement, consistent with the prohibition against transfer of assets to Iraq, of pre-embargo imports and exports, the conduct of procedural transactions such as the filing of lawsuits, and compensation for legal representation. Pursuant to United Nations Security Council Resolutions 661, 666, and 687, specific licenses were also issued to authorize the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

To ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed and are closely monitored. More than 1,400 compliance reports involving licenses issued pursuant to the Iraq emergency have been reviewed since my last report. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors on loan from other regulatory agencies. In addition, FAC compliance personnel have also worked closely with both State

and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations

of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the

Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

THE WHITE HOUSE,

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

*Original for this copy
which was attached to
B. Security memo to President.
vrf
7/12/0*

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

Finally, on July ²⁵ , 1991, I issued Executive Order No. 12⁷⁷¹ completely terminating the Kuwaiti sanctions.

The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and

organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq--"SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report.

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for items such as personal property looted or destroyed in Kuwait, loans or

other obligations on which Iraq has defaulted, and lost future business or concession rights. Inasmuch as these claims have not been submitted to a formal claims resolution body, much less adjudicated, their actual aggregate value is not known. The process by which U.S. claims will be addressed will be determined when the details of the UN reparations plan are finalized.

3. FAC has issued 189 specific licenses (31 since my last report) to Kuwaiti entities administering assets or direct investments in the United States. These licenses permitted the continued operation and preservation of Kuwaiti Government assets in the United States, as well as certain expenditures by or on behalf of the Government of Kuwait. In addition, 148 specific licenses (80 since my last report) were issued regarding transactions pertaining to Iraq or Iraqi assets. Specific licenses were issued for the settlement, consistent with the prohibition against transfer of assets to Iraq, of pre-embargo imports and exports, the conduct of procedural transactions such as the filing of lawsuits, and compensation for legal representation. Pursuant to United Nations Security Council Resolutions 661, 666, and 687, specific licenses were also issued to authorize the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

To ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed and are closely monitored. More than 1,400 compliance reports involving licenses

✓ issued pursuant ^{to} the Iraq emergency have been reviewed since my last report. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors on loan from other regulatory agencies. In addition, FAC compliance personnel have also worked closely with both State and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and

others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf

of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

George Bush

The White House
August _____, 1991

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

✓
✓
Finally, on July ²⁵ 1991, I issued Executive Order No. 12771 completely terminating the Kuwaiti sanctions.

?
The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and

organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq--"SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report.

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for items such as personal property looted or destroyed in Kuwait, loans or

other obligations on which Iraq has defaulted, and lost future business or concession rights. Inasmuch as these claims have not been submitted to a formal claims resolution body, much less adjudicated, their actual aggregate value is not known. The process by which U.S. claims will be addressed will be determined when the details of the UN reparations plan are finalized.

3. FAC has issued 189 specific licenses (31 since my last report) to Kuwaiti entities administering assets or direct investments in the United States. These licenses permitted the continued operation and preservation of Kuwaiti Government assets in the United States, as well as certain expenditures by or on behalf of the Government of Kuwait. In addition, 148 specific licenses (80 since my last report) were issued regarding transactions pertaining to Iraq or Iraqi assets. Specific licenses were issued for the settlement, consistent with the prohibition against transfer of assets to Iraq, of pre-embargo imports and exports, the conduct of procedural transactions such as the filing of lawsuits, and compensation for legal representation. Pursuant to United Nations Security Council Resolutions 661, 666, and 687, specific licenses were also issued to authorize the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

To ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed and are closely monitored. More than 1,400 compliance reports involving licenses

10
issued pursuant[^] to the Iraq emergency have been reviewed since my last report. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors on loan from other regulatory agencies. In addition, FAC compliance personnel have also worked closely with both State and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and

others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf

of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

George Bush

The White House
August ____, 1991

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9105330
RECEIVED: 15 JUL 91 18

TO: SCOWCROFT

FROM: RIEDEL
HAASS

DOC DATE: 18 JUL 91
SOURCE REF:

KEYWORDS: IRAQ
ECONOMICS
KUWAIT

SANCTIONS
CONGRESSIONAL
CM

PERSONS:

SUBJECT: SEMIANNUAL RPT TO CONGRESS ON IRAQ

ACTION: OBE PER HAASS

DUE DATE: 18 JUL 91

STATUS: C

STAFF OFFICER: HAASS

LOGREF: 9100855 9105331

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGLM

CLOSED BY: NSALW

DOC 3 OF 3

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9105330

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 HAASS
002 HAASS
003 SCOWCROFT
003

Z 91071518 PREPARE MEMO FOR SCOWCROFT
Z 91071820 APPROPRIATE ACTION
Z 91071914 FWD TO PRES FOR SIG
X 91072210 OBE PER HAASS

UNCLASSIFIED

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9105330
RECEIVED: 15 JUL 91 18

TO: SCOWCROFT

FROM: O'DONNELL, T

BR

DOC DATE: 18 JUL 91
SOURCE REF:

KEYWORDS: IRAQ
ECONOMICS
KUWAIT

SANCTIONS
CONGRESSIONAL
CM

PERSONS:

SUBJECT: DOD DRAFT NOTICE TO CONTINUE NATL EMERGENCY IN EO 12722 RE IRAQ

ACTION: APPROPRIATE ACTION DUE DATE: 18 JUL 91 STATUS: S

STAFF OFFICER: HAASS LOGREF: 9100855 9105331

FILES: WH NSCP: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION
HAASS

FOR CONCURRENCE

FOR INFO
DEAL
LAMPLEY
ROSTOW

COMMENTS:

OBE - Treasury Already Forwarded

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGLM CLOSED BY: DOC 2 OF 2

UNCLASSIFIED

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9105330
RECEIVED: 15 JUL 91 18

TO: PRESIDENT

FROM: SCOWCROFT

DOC DATE: 26 JUL 91
SOURCE REF:

KEYWORDS: IRAQ
ECONOMICS
KUWAIT

SANCTIONS
CONGRESSIONAL
CM

PERSONS:

SUBJECT: SEMIANNUAL RPT TO CONGRESS ON IRAQ

ACTION: PRES SGD PER WH EXEC CLERK DUE DATE: 18 JUL 91 STATUS: C

STAFF OFFICER: HAASS

LOGREF: 9100855 9105331

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
NSC CHRON
RIEDEL

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGLM

CLOSED BY: NSMJT

DOC 4 OF 4

UNCLASSIFIED

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9105330
RECEIVED: 15 JUL 91 18

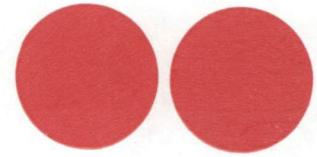
TO: PRESIDENT

FROM: BRADY, N

DOC DATE: 12 JUL 91
SOURCE REF:

KEYWORDS: IRAQ
ECONOMICS
KUWAIT

SANCTIONS
CONGRESSIONAL
CM



PERSONS:

SUBJECT: RPT SUBMITTED TO CONGRESS EVERY SIX MONTHS RE INTL EMERGENCY
ECONOMIC POWERS ACT CONCERNING IRAQ

ACTION: PREPARE MEMO FOR SCOWCROFT DUE DATE: 18 JUL 91 STATUS: S

STAFF OFFICER: HAASS LOGREF: 9100855

FILES: WH NSCP: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
HAASS

FOR CONCURRENCE
DEAL
LAMPLEY
LUNDSAGER
RIEDEL
ROSTOW

FOR INFO
HILL
SITTMANN

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGLM CLOSED BY: DOC 1 OF 1

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

July 26, 1991

President sgd per WH 7/26/91
Executive Clerk 1820hrs.ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK
FROM: BRENT SCOWCROFT *B*
SUBJECT: Semiannual Report to Congress on Iraq

Purpose

To provide the semiannual report on the Iraqi emergency as required by the Congress.

Background

The law requires that you submit a report to Congress every six months on the Iraqi emergency, which was declared on August 2, 1990. Both of these remain in force because of the current state of U.S./Iraqi relations. Your last report on this subject was submitted on February 11, 1991 (Tab C).

Treasury Secretary Brady, supported by State, has prepared the current report (Tabs A and B), which is due to the Congress on August 2, 1991. It covers events under the Iraqi emergency declaration during the period of February 2, 1991, through August 1, 1991, and satisfies the reporting requirements imposed by the laws under which the emergency was declared.

RECOMMENDATION

That you sign the report to Congress at Tab A.

Attachments

Tab A Report to Congress
Tab B Letter from Treasury Secretary
Tab C Copy of February 1991 Report

cc: Vice President
Chief of Staff

TO THE CONGRESS OF THE UNITED STATES:

I hereby report to the Congress on the developments since my last report of February 11, 1991, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report 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 ("IEEPA"), 50 U.S.C. 1703(c).

In Executive Order No. 12722, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. I prohibited travel-related transactions and transportation transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the request of the Government of Kuwait, I also issued on August 2, 1990, Executive Order No. 12723, blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

On August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq and sanctions were applied to Kuwait as well to ensure that no benefit to Iraq resulted from its military occupation of Kuwait. The present report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

1. Since my last report, the Kuwaiti Assets Control Regulations ("KACR"), 31 C.F.R. Part 570, and the Iraqi Sanctions Regulations ("ISR"), 31 C.F.R. Part 575, which were issued by the Office of Foreign Assets Control of the Department of the Treasury ("FAC") to implement the prohibitions contained in Executive Orders Nos. 12722-12725, have been amended. The KACR were first amended on February 11, 1991 (56 FR 5351), to make technical amendments and clarify that a blocked account must be maintained in a U.S. financial institution. On March 6, 1991, a notice was issued (56 FR 9403) informing the public that specific licenses had been issued on February 25, 1991, permitting seven blocked Kuwaiti banks to settle obligations which arose prior to August 2, 1990.

On March 8, 1991, after the armed forces of the United States and its allies successfully ejected Iraqi troops from Kuwait, I notified the Congress of my intention to terminate all or part of the sanctions which had been imposed with respect to Kuwait. On March 11, 1991, the KACR were amended (56 FR 10356) to permit trade and commerce with and travel to Kuwait, effective March 8, 1991.

On March 26, 1991, the KACR were further amended (56 FR 12450) to authorize transactions on or after March 25, 1991, with respect to assets in which the Government of Kuwait has an interest, with the exception of the seven Kuwaiti banks previously authorized by specific license to utilize their blocked assets to engage in the orderly settlement of their pre-invasion obligations. On June 6, 1991, the KACR were amended with effect from June 4, 1991 (56 FR 26034), to authorize all transactions involving the property of these seven blocked banks.

Finally, on July ... , 1991, I issued Executive Order No. 12... completely terminating the Kuwaiti sanctions.

The ISR were first amended on February 11, 1991 (56 FR 5636), to make certain technical amendments and to impose a one-time reporting requirement, for planning and administrative purposes, regarding blocked Iraqi Government assets and claims by U.S. nationals against the Government of Iraq. The preliminary results of this census of blocked assets and claims are reported below. On April 3, 1991, two appendices to the ISR were published (56 FR 13584). The first contained a list of individuals and

organizations determined by the Office of Foreign Assets Control to be acting, or purporting to act, directly or indirectly on behalf of the Government of Iraq (Specially Designated Nationals of the Government of Iraq--"SDNs"). The second was a list of merchant vessels determined to be registered, owned, or controlled by the Government of Iraq. An amendment to the first appendix was published on June 25, 1991 (56 FR 29120), adding the names of seven individuals determined to be acting on behalf of the Government of Iraq and deleting the names of two organizations included in the initial listing.

A copy of each of the amendments to the KACR and the ISR is enclosed with this report.

2. The census of blocked Iraqi Government assets resulted in the identification of approximately 400 separate accounts or assets. Amounts totalling in excess of \$1.2 billion were reported by domestic branches of U.S. banks and approximately \$420 million by the offshore branches of U.S. banks. These are primarily deposits that were frozen on August 2, 1990, and amounts deposited into blocked accounts thereafter as a result of the completion of importations of Iraqi oil already en route to the United States on August 2. A small number of tangible and other properties held by non-financial institutions were also reported.

In the claims census, FAC received reports of claims from approximately 1100 U.S. nationals. Included were claims for items such as personal property looted or destroyed in Kuwait, loans or

other obligations on which Iraq has defaulted, and lost future business or concession rights. Inasmuch as these claims have not been submitted to a formal claims resolution body, much less adjudicated, their actual aggregate value is not known. The process by which U.S. claims will be addressed will be determined when the details of the UN reparations plan are finalized.

3. FAC has issued 189 specific licenses (31 since my last report) to Kuwaiti entities administering assets or direct investments in the United States. These licenses permitted the continued operation and preservation of Kuwaiti Government assets in the United States, as well as certain expenditures by or on behalf of the Government of Kuwait. In addition, 148 specific licenses (80 since my last report) were issued regarding transactions pertaining to Iraq or Iraqi assets. Specific licenses were issued for the settlement, consistent with the prohibition against transfer of assets to Iraq, of pre-embargo imports and exports, the conduct of procedural transactions such as the filing of lawsuits, and compensation for legal representation. Pursuant to United Nations Security Council Resolutions 661, 666, and 687, specific licenses were also issued to authorize the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

To ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed and are closely monitored. More than 1,400 compliance reports involving licenses

issued pursuant the Iraq emergency have been reviewed since my last report. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors on loan from other regulatory agencies. In addition, FAC compliance personnel have also worked closely with both State and Federal bank regulatory and law enforcement agencies in conducting special audits of Iraqi accounts subject to the ISR. Compliance analyses are prepared monthly on major licensed corporations.

4. FAC and the Department of Justice have taken action in litigation concerning the blocked status of Iraqi Government assets. In Brewer v. The Socialist People's Republic of Iraq, Civ. No. 90-0004 (D.C. Feb. 1, 1991), plaintiffs sought to attach and execute against blocked Iraqi property in the District of Columbia to satisfy a default judgment entered by the U.S. District Court for the Eastern District of Missouri. The District of Columbia district court issued an order to show cause to the United States, providing the United States with an opportunity to explain why execution on blocked Iraqi Government property should be disallowed. After the United States filed a Statement of Interest, the district court denied the plaintiff's motion for attachment and execution against the blocked Iraqi property. Plaintiffs have requested reconsideration of the court's ruling.

In Consarc Corporation v. Iraqi Ministry of Industry and Minerals, et al., Civ. No. 90-2269 (D.C. April 10, 1991), the plaintiff sued the Iraqi Ministry of Industry and Minerals and

others for relief relating to a breach of contract for the supply of certain goods. The court entered a default judgment in favor of Consarc, awarding compensatory and punitive damages and declaring the rights of the parties in various items of blocked property. On June 17, 1991, the United States filed a Statement of Interest opposing the entry of the in personam damage award unless restricted to preclude unlicensed execution against blocked assets. The Statement of Interest also requests vacation of those portions of the declaratory relief which permanently dispose of rights in Iraqi property blocked pursuant to U.S. law.

5. Various enforcement actions discussed in previous reports continue to be pursued, and additional investigations of possible violations of the Iraqi sanctions have been initiated. These efforts will ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq. Three individuals were successfully prosecuted in the U.S. District Court for the Middle District of Florida for attempting to broker the sale of 1.2 million barrels of Iraqi oil. On March 22, 1991, the property and accounts of a U.S. company identified as a participant in Saddam Hussein's arms acquisition network were blocked.

The recent amendments to the ISR listing organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq publicly identifies 50 organizations and 44 individuals located both inside and outside Iraq which have been determined by FAC to be owned or controlled by, or acting on behalf

of, the Government of Iraq. For purposes of the ISR, all dealings with the organizations and individuals listed will be considered dealings with the Government of Iraq. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The listing of Iraqi SDNs is not exhaustive and will be augmented from time to time as it is determined that additional organizations or individuals found to be owned or controlled by, or acting on behalf of, the Government of Iraq should be identified.

6. The expenses incurred by the Federal Government in the six-month period from February 2, 1991, through August 1, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$6,520,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State (particularly in the Bureau of Economic and Business Affairs and the Office of the Legal Adviser), and the Department of Commerce (particularly in the Bureau of Export Administration and the Office of the General Counsel).

7. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States together with the international community is maintaining economic sanctions against Iraq because the regime of Saddam Hussein continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and stability. The United Nations sanctions remain in place; the United States will continue to enforce those sanctions.

The Saddam Hussein regime has continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance, and by failing to comply fully with binding United Nations Security Council resolutions. The Iraqi regime has failed to comply with UN resolutions calling for the elimination of Iraqi weapons of mass destruction, an end to the repression of the Iraqi civilian population, the release of Kuwaiti and other prisoners, and the return of Kuwaiti assets stolen during its illegal occupation of Kuwait. The United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

George Bush

The White House
August ____, 1991



THE SECRETARY OF THE TREASURY
WASHINGTON

5330

July 12, 1991

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Under the International Emergency Economic Powers Act, you are required every six months to submit a report to the Congress concerning the Iraq emergency declared in Executive Order No. 12722 on August 2, 1990. In addition, under the National Emergencies Act, you are required to report to Congress during each six-month interval of a declared national emergency the total expenditures incurred during that interval by the United States Government which are directly attributable to the exercise of the powers and authorities conferred by the declaration of emergency.

Enclosed is a proposed report covering events under the Iraq emergency declaration during the period February 2, 1991, through August 1, 1991. The proposed report indicates in its initial paragraph that it is a combined report submitted pursuant to each of the foregoing statutes. The current report under the International Emergency Economic Powers Act is due to Congress on August 2, 1991.

Your last report to Congress on Iraq under the foregoing statutes, dated February 11, 1991, is also enclosed for your reference.

I recommend that you sign and transmit the proposed report to the Congress. The report has been reviewed and approved by the Department of State.

Sincerely,

Nicholas F. Brady

Enclosures

31 CFR Part 570

Kuwait Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule, amendments.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570 ("KACR"), published in the Federal Register on November 30, 1990 (55 FR 49356) to correct inadvertent errors and to clarify sections that may be ambiguous. The amendments delete inaccurate references, change two sections to clarify that a blocked account must be maintained in a U.S. financial institution, modify a reporting requirement, and expand the description of penalties that may apply to a violation of the KACR. The Office of Management and Budget approval for the information collections contained in the KACR is also added.

EFFECTIVE DATE: February 11, 1991.

FOR FURTHER INFORMATION: Contact William B. Hoffman, Chief Counsel, Tel.: (202) 535-8020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. Section 570.205 includes a reference to other regulatory sections that license exportations from the United States to Kuwait. A reference to § 570.519 was mistakenly included and is deleted with this rule. Section 570.301 defines the term, "blocked account." This section is amended to clarify that the authorization for any transaction involving a blocked account must come from the Office of Foreign Assets Control. Section 570.408(a) is amended to insert the word "in" which was mistakenly left out. Section 570.504 requires that funds paid or delivered to

the Government of Kuwait be paid into a blocked account. This section is amended to clarify that the blocked account must be in a U.S. financial institution. Section 570.507 is amended to correct an inaccurate reference to Department of Commerce regulations. Section 570.512 is amended to modify the reporting requirement. Section 570.518(a) (2) (ii) is amended to remove an inaccurate reference to the appendix. Section 570.701 describes the penalties that apply to violations of the KACR. The United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) permits forfeiture of property to the U.S. Government for violations of the KACR. This information is added to the description of penalties contained in section 570.701. Section 570.801(b) is amended to eliminate references to an application form which has proved to be unnecessary. Finally, § 570.901 is being amended to insert notice of approval of information collection provisions by the Office of Management and Budget.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Iraq, Kuwait, Blocking of assets, Imports, Exports, Penalties, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 207c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart B—Prohibitions

§ 570.205 [Amended]

2. Section 570.205 is amended by removing the reference to § 570.519.

Subpart C—General Definitions**§ 570.301 [Amended]**

3. Section 570.301 is amended by adding the phrase, "from the Office of Foreign Assets Control," after the words, "pursuant to an authorization or license."

Subpart D—Interpretations**§ 570.408 [Amended]**

4. Section 507.408(a) is amended by adding the word "in" after the word "property."

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**§ 570.504 [Amended]**

5. Section 570.504 (a) (1) is amended by adding the phrase, "in a U.S. financial institution," after the words, "blocked account."

§ 570.507 [Amended]

6. Section 570.507(a) (1) is amended to correct two references, as follows: "15 CFR 371.6" is corrected to read "15 CFR 771.6," and "15 CFR 371.13" is corrected to read "15 CFR 771.13."

§ 570.512 [Amended]

7. Section 570.512(b) (2) is revised to read as follows:

(b)

(2) Transactions conducted pursuant to this section must be reported to the Office of Foreign Assets Control, Blocked Assets Section, in a report filed no later than 10 business days following the last business day of the month in which the transactions occurred.

§ 570.518 [Amended]

8. Section 570.518 (a) (2) (ii) is amended by removing the words, "Not Controlled/Not Restricted" or."

Subpart G—Penalties**§ 570.701 [Amended]**

9. Section 570.701(c) is redesignated 570.701(d), Section 570.701(b) is redesignated 570.701(c), and Section 570.701(b) is added to read as follows:

(b) Section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides, in part, that any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in a violation, attempted violation, or evasion of any order, rule, or regulation issued by the President pursuant to Section 5(a) of the United Nations Participation Act of

1945, shall be forfeited to the United States.

Subpart H—Procedures**§ 570.801 [Amended]**

10. Section 570.801(b)(2) is amended by removing the words, "on an application form."

Section 570.801(b)(3) is amended by removing the words, "and/or forms."

Subpart I—Paperwork Reduction Act

11. The word "[Reserved]" is removed from Section 570.901 and this section is added to read as follows:

§ 570.901 Paperwork Reduction Act Notice.

The information collection requirements in §§ 570.202(d), 570.503, 570.509–570.512, 570.517, 570.518, 570.520, 570.521, 570.571, 570.602, 570.603, 570.703, and 570.801 have been approved by the Office of Management and Budget and assigned control number 1505–0127.

Dated: January 28, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: January 29, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91–3128 Filed 2–6–91; 9:15 am]

BILLING CODE 4810–25–M

The Gulf Bank, K.S.C.
The Industrial Bank of Kuwait (K.S.C.)
Kuwait Real Estate Bank (K.S.C.)

These banks' assets that are subject to U.S. jurisdiction were blocked pursuant to Executive Order 12723 of August 2, 1990, 55 FR 31805 (August 3, 1990), as property of entities determined by FAC to be owned or controlled by the Government of Kuwait. The specific licenses issued on February 25, authorize the banks to utilize their blocked assets to settle most obligations incurred prior to August 2, 1990, and to manage their blocked assets that are subject to U.S. jurisdiction. Excluded from the general settlement authorization are obligations that are denominated in Kuwaiti dinars and claims related to deposits (except interbank deposits) held in Kuwait or Iraq. In addition, pursuant to U.S. and U.N. sanctions against Iraq and occupied Kuwait, no property may be transferred to the Government of Iraq, its agencies, instrumentalities, or controlled entities, to a person in Iraq or entity operated from Iraq, or to a person in Kuwait or entity operated from Kuwait.

The Central Bank of Kuwait, working closely with the Office of Foreign Assets Control of the United States Department of the Treasury and cooperating governments worldwide, has established procedures to satisfy the obligations of these seven Kuwaiti banks (with the exceptions noted above). The banks, as well as other assets of the Government of Kuwait located in the United States, were blocked by the President at the request of the legitimate Government of Kuwait to protect them from looting by Iraq. Their blocked status prevents any transactions with U.S. persons, including creditors of the banks, absent Treasury authorization.

The specific licenses, issued on February 25, 1991, allow each bank to take all steps necessary to settle its obligations which arose prior to August 2, 1990 (with the exceptions noted above), including, among other things, obtaining information concerning claims, arranging credit facilities, and liquidating and transferring assets. The banks are authorized to commence payment of obligations on March 18, 1991. Authorization to satisfy obligations include authorization to pay interest on obligations. The Central Bank of Kuwait has notified FAC that it believes the seven banks are fully able to satisfy all valid obligations that they have been specifically licensed to settle, but has nonetheless added its guarantee of payment in satisfaction of such

obligations. The Central Bank of Kuwait has been separately licensed for FAC and is therefore able to utilize its blocked assets for this purpose, if the need should arise.

The licenses issued to the banks also authorize U.S. persons to engage in all transactions related to the settlement of the seven banks' obligations, or the management of their assets subject to U.S. jurisdiction. Claimants do not require further authorization from FAC to present their claims to the banks. Claimants may also engage in any appropriate dispute resolution proceedings, including arbitration or litigation, necessary to determining the existence of the banks' obligations without additional FAC authorization; however, the banks' assets (all of which constitute blocked property) may not be attached or be the subject of a setoff unless separately licensed.

U.S. persons may submit claims to settle outstanding obligations with the licensed Kuwaiti banks by notifying the appropriate bank official listed below:

Al Ahli Bank of Kuwait (K.S.C.): Al Ahli Bank of Kuwait, 3 Bishopsgate, London EC2N 3AB, England, Attn: Mr. Hendrik J. Kwant, General Manager, Tel.: 011-44-71/283-1737, FAX: 011-44-71/929-4649.

The Bank of Kuwait & The Middle East (K.S.C.):

The Bank of Kuwait & The Middle East, Arab African Bank Bldg., 2nd Floor, 5 Midan El Saray El Kobra, Garden City—Cairo, Egypt, Attn: Mr. Ali I. Shaker or Mr. M. Anis Siblani, Tel.: 011-20-2/355-1988 or 354-2390 or 354-2391, FAX: 011-20-2/354-2397.

Burgan Bank S.A.K.: Burgan Bank S.A.K., London Representative Office, 1 College Hill, London EC4R 2RA, England, Attn: Mr. Christopher Wood, Tel.: 011-44-71/489-9843, FAX: 011-44-71/236-0409, Telex: 933045 BMBLDGN G.

Commercial Bank of Kuwait S.A.K.:

Commercial Bank of Kuwait, New York Branch, 350 Park Avenue, New York, New York 10022-6090, Attn: Mr. Norbert M. Tiedemann, Sr., Vice, Pres. & Chief Mgr., or Mr. Mohamed F. Soliman, First Vice Pres. & Deputy Chief Mgr., Tel.: 212/207-2420, FAX: 212/935-6463.

The Gulf Bank, K.S.C.:

Money market claims: Attn: Mr. Z.F. Sarawan, Tel.: 011-44-71/248-2843, FAX: 011-44-71/236-0314, Telex: 8811896 GULFBK G.

Travellers checks and credit cards: Attn: Mr. J. Carrough.

Drafts, guarantees, letters of credit, and mail transfers: Attn: Mr. H. Hafix.

Telex transfers: Attn: Mr. A. Al Sumait.
The Gulf Bank, K.S.C., 1 College Hill, London EC4R 2RA, England, Tel.: 011-44-71/248-2843, FAX: 011-44-71/289-0404, Telex: 887688 GULFBK.

Office of Foreign Assets Control

Kuwaiti Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Notice.

SUMMARY: On February 25, 1991, the Office of Foreign Assets Control ("FAC") issued licenses pursuant to the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49857 ("KACR"), to permit seven blocked Kuwaiti banks to settle obligations which arose prior to the Iraqi invasion of Kuwait on August 2, 1990.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel, tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION: On February 25, 1991, FAC issued licenses to the following Kuwaiti banks:
Al Ahli Bank of Kuwait (K.S.C.)
The Bank of Kuwait & The Middle East (K.S.C.)
Burgan Bank S.A.K.
Commercial Bank of Kuwait S.A.K.

The Industrial Bank of Kuwait
(K.S.C.):

c/o The United Bank of Kuwait P.L.C., 3
Lombard Street, London EC3V 9DT,
England. Attn.: Mr. Tareq Zuaiter. Tel.:
011-44-71/626-3422, FAX: 011-44-71/929-
3968, Telex: 888441. Swift Address: UBKL
CB 21.

Kuwait Real Estate Bank (K.S.C.):

National Bank of Kuwait, 299 Park Avenue,
New York, New York 10175. Attn.: Mr.
Norman Kelly, Tel.: 212/303-9800. FAX:
212/319-8269.

Dated: February 25, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: February 27, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91-5243 Filed 3-1-91; 11:10 am]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 570

Kuwait Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Department of The Treasury.

ACTION: Final Rule, amendments.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991) (the "KACR"), to authorize certain trade, transportation, travel, and transfer transactions with respect to Kuwait, in light of the liberation of Kuwait from Iraqi occupation.

EFFECTIVE DATE: March 8, 1991.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel, Tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-9449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. With the suspension of hostilities and the withdrawal of Iraqi forces from Kuwait, the United Nations Security Council ("UNSC") on March 2, 1991, adopted Resolution 666, in part requesting UN member states to "take all appropriate action to cooperate with the government and people of Kuwait in the reconstruction of their country," and recalling paragraph 9 of UNSC Resolution 661, which authorized assistance to the legitimate Government of Kuwait. The President of the Security Council has recognized "the importance of taking all actions possible to facilitate Kuwait's reconstruction and

reintegration into the international economic system." In light of this UN action, and at the request of the Government of Kuwait, the Office of

Foreign Assets Control of the Treasury Department ("FAC") is amending the KACR to permit trade and commerce with, and travel to Kuwait.

The transactions authorized by this amendment are those prohibited pursuant to section 2 of Executive Order 12725, corresponding to UN sanctions adopted with respect to Iraq and occupied Kuwait in UNSC Resolution 661 of August 6, 1990. At this time, the assets of the Government of Kuwait, its agencies, instrumentalities, and controlled entities, including the Central Bank of Kuwait, blocked since August 2, 1990, pursuant to section 1 of Executive Orders 12723 and 12725 and section 570.201 of the KACR, are not being unblocked except as already authorized by existing FAC licenses. Further unblocking will be undertaken in cooperation with the Government of Kuwait.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Exports, Imports, Kuwait.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1801 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513,

104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.522 is added to Subpart E to read as follows:

§ 570.522 Authorization of certain new transactions with respect to Kuwait.

(a) Notwithstanding the provisions of subpart B of this part, transactions otherwise prohibited by §§ 570.204, 570.205, 570.206, 570.207, 570.208, and 570.209 are hereby authorized on or after March 8, 1991, provided that no such transaction results in a debit to a blocked account unless such debit is independently authorized by or pursuant to this part.

(b) Notwithstanding the provisions of §§ 570.201 and 570.210, commitments and transfers to the Government of Kuwait or a person in Kuwait otherwise prohibited by § 570.210 are hereby authorized to be made on or after March 8, 1991, provided that no such commitment or transfer results in a debit to a blocked account unless such debit is independently authorized by or pursuant to this part.

(c) The authorizations contained in this section do not eliminate the need to comply with regulatory requirements not administered by the Office of Foreign Assets Control, including export and reexport controls administered by other federal agencies.

Dated: March 7, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: March 7, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

[FR Doc. 91-5918 Filed 3-8-91; 12:06 pm]

BILLING CODE 4810-25-M

located in the United States or is in the possession or control of a United States person.

At the request of the Government of Kuwait, the Office of Foreign Assets Control of the Treasury Department ("FAC") is amending the KACR to permit transactions which involve certain blocked Government of Kuwait property located in the United States or in the possession or control of a United States person. Through this authorization, the amendment will effectively unblock the affected property. The property unblocked by this license includes the assets of the Government of Kuwait, its agencies, instrumentalities, and controlled entities including the Central Bank of Kuwait, but excludes all property or interests in property of seven blocked Kuwaiti banks—Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank. The seven banks, though blocked, have been licensed to utilize their blocked assets beginning March 18, 1991, to settle obligations arising prior to August 2, 1990.

Because the KACR involve a foreign affairs function, the provisions of the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 570

Banks, Banking, Blocking of assets, Finance, Kuwait.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1801 *et seq.*; 22 U.S.C. 257c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31605 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.523 is added to subpart E to read as follows:

§ 570.523 Authorization of certain new transactions with respect to blocked Government of Kuwait property.

(a) Notwithstanding the provisions of § 570.201, all transactions affecting property or interests in property of the Government of Kuwait are hereby authorized on or after March 25, 1991, except as limited by paragraph (b) of this section.

(b) The authorization contained in this section does not apply to property or interests in property of the following entities: Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank.

Dated: March 19, 1991.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.
Approved: March 19, 1991.

John P. Simpson,
Acting Assistant Secretary (Enforcement).
[FR Doc. 91-7260 Filed 3-22-91; 3:15 pm]

BILLING CODE 4810-25-M

Office of Foreign Assets Control

31 CFR Part 570

Kuwaiti Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule, amendments.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991) and 56 FR 10356 (March 11, 1991) (the "KACR"), to authorize transactions involving certain property in which the Government of Kuwait has an interest.

EFFECTIVE DATE: March 25, 1991.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel, Tel.: (202) 535-6020, or Steven I. Pinter, Chief of Licensing, Tel.: (202) 535-6449, Office of Foreign Assets Control, Department of the Treasury, Washington, DC.

SUPPLEMENTARY INFORMATION: The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. In Executive Order 12723 and section 1 of Executive Order 12725, the President blocked all property and interests in property of the Government of Kuwait as a protective measure requested by the Government of Kuwait. Consistent with this blocking, § 570.201 of the KACR prohibits all transactions involving blocked property which is

DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control****31 CFR Part 570****Kuwaiti Assets Control Regulations****AGENCY:** Office of Foreign Assets Control, Department of the Treasury.**ACTION:** Final rule.

SUMMARY: This rule amends the Kuwaiti Assets Control Regulations, 31 CFR part 570, 55 FR 49856 (November 30, 1990), as amended at 56 FR 5351 (February 11, 1991), 56 FR 10356 (March 11, 1991), and 56 FR 12450 (March 28, 1991) (the "KACR"), to authorize transactions involving property in which the seven blocked Kuwaiti banks have an interest. In addition a reporting requirement is eliminated. This action effectively unblocks their assets and authorizes all transactions between the banks and U.S. persons.

EFFECTIVE DATE: June 4, 1991.

FOR FURTHER INFORMATION CONTACT: William B. Hoffman, Chief Counsel (tel.: 202/535-8020), or Steven I. Pinter, Chief of Licensing (tel.: 202/535-9449), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION: The KACR were originally published on November 30, 1990, to implement the sanctions imposed by the President in Executive Orders 12723 and 12725. In Executive Order 12723 and Section 1 of Executive Order 12725, the President blocked all property and interests in property of the Government of Kuwait as a protective measure requested by the Government of Kuwait. Consistent with this blocking, § 570.201 of the KACR prohibits all transactions

involving blocked property which is located in the United States or is in the possession or control of a United States person.

On March 25, 1991, at the request of the Government of Kuwait, the Office of Foreign Assets Control ("FAC") amended the KACR to permit transactions which involve property or interests in property of the Government of Kuwait located in the United States. The only property not effectively unblocked by the amendment was the property and interest in property of seven blocked Kuwait banks—Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank. The seven banks were at that time in the process of settling obligations which arose prior to August 2, 1990, under procedures authorized by FAC.

The KACR is being amended through this rule to authorize transactions involving property or property interests of the seven Kuwaiti banks. This action effectively unlocks their assets, and authorizes all transactions between the banks and U.S. persons.

In addition, a reporting requirement imposed on U.S. financial institutions is eliminated in light of the unblocking of Kuwaiti assets effective through this and earlier amendments.

Because the KACR involve a foreign affairs function, Executive Order 12291 and the provision of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rule making is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

List of Subjects in 31 CFR Part 570

Iraq, Kuwait, Banks, Banking, Finance, Blocking of assets, Imports, Exports, Loan programs, Penalties, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 31 CFR part 570 is amended as follows:

PART 570—KUWAITI ASSETS CONTROL REGULATIONS

1. The authority citation for part 570 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12723, 55 FR 31805 (Aug. 3, 1990); E.O. 12725, 55 FR 33091 (Aug. 13, 1990).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 570.523 is amended by revising paragraph (b) to read as follows:

§ 570.523 Authorization of certain new transactions with respect to blocked Government of Kuwait property.

(b) Notwithstanding the provisions of § 570.201, all transactions affecting property or interests in property of the following entities are authorized on or after June 4, 1991: Al Ahli Bank of Kuwait, The Bank of Kuwait & The Middle East, Burgan Bank, Commercial Bank of Kuwait, The Gulf Bank, The Industrial Bank of Kuwait, and Kuwait Real Estate Bank.

§ 570.603 [Removed]

3. Section 570.602 is removed.

Dated: May 31, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved June 3, 1991.

Peter K. Nunez,

Assistant Secretary (Enforcement).

[FR Doc. 91-13521 Filed 6-4-91; 1:36 pm]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY

31 CFR Part 575

Iraqi Sanctions Regulations; Census of Blocked Iraqi Government Assets and Claims Against Iraq and Iraqi Government Entities

AGENCY: Office of Foreign Assets Control.

ACTION: Final rule.

SUMMARY: The Office of Foreign Assets Control is amending the Iraqi Sanctions Regulations by the addition of §§ 575.604 and 575.605, providing, respectively, for a census of blocked assets of the Government of Iraq and a census of claims against the Government of Iraq. The amendments impose a requirement that reports, contained in the appendix to this rule, be filed (1) under § 575.604 with respect to blocked Iraqi assets held by any U.S. person on or after August 2, 1990, and (2) under § 575.605 with respect to claims held by U.S. nationals against the Government of Iraq as of 5 p.m., E.S.T., January 16, 1991. The amendments also add a definition of "United States national" as § 575.322 for use in determining who must report on claims pursuant to § 575.604, and make other technical corrections.

EFFECTIVE DATE: February 11, 1991.

FOR FURTHER INFORMATION CONTACT: Loren L. Dohm, Chief, Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, (202) 535-4026.

SUPPLEMENTARY INFORMATION: The Iraqi Sanctions Regulations, 31 CFR part 575 56 FR 2112, January 18, 1991 ("the Regulations"), were issued by the Treasury Department in implementation of Executive Order 12722 of August 2, 1990 (55 FR 3183, August 3, 1990) and Executive Order 12724 of August 9, 1990 (55 FR 33089, August 13, 1990), and United Nations Security Council ("UNSC") Resolution 661 (August 6, 1990) and subsequent relevant resolutions. In the appendix to these amendments, the Office of Foreign Assets Control has provided samples of forms TDF 90-22.40 and TDF 90-22.41, with instructions to be used in reporting information on blocked assets and claims. The reports are needed to obtain information, on a one-time basis, regarding blocked Iraqi assets and claims by U.S. nationals against the Government of Iraq, for planning and administrative purposes. This census responds, in part, to UNSC Resolution 674 (October 29, 1990), which invites UN member states to collect information on

claims against the Government of Iraq. Additional reports may be required at a future date. Persons required to report or otherwise interested in obtaining copies of the forms and instructions may do so by contacting the nearest regional Federal Reserve Bank or the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

The reports required to be filed by these sections must be completed in triplicate and two copies are to be returned in a set to the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, by March 1, 1991. Observance of the filing deadline is extremely important. Reporting under these sections is mandatory. However, information regarding property of private Iraqi citizens is not subject to the reporting requirement of section 575.604.

The submission of a TDF 90-22.41 report on a claim against the Government of Iraq does not constitute the filing with the United States Government of a formal claim for compensation. No formal claims adjudication program currently exists. However, failure to file a complete report with respect to claims in a timely fashion not only would constitute failure to comply with the Regulations, but would also prevent the inclusion of the information in U.S. Government planning and may therefore be prejudicial to the interests of the claimant and other U.S. claimants. Espousal of claims of U.S. nationals against a foreign government is within the discretion of the United States Government. Information regarding claims of the United States Government against the Government of Iraq will be collected separately.

The Supplementary Information section of the original publication of the Regulations (56 FR 2112, January 18, 1991) requires certain modifications, as follows: First, in the table in the second paragraph the reference to General License No. 3, as amended, should indicate that this general license is revoked in the Regulations. Second, the fifth paragraph should indicate that the collections of information in the Regulations are contained in §§ 575.202(d), 575.503, 575.506, 575.509-575.511, 575.517, 575.518, 575.520, 575.521, subpart F, § 575.703, and § 575.801. Third, the sixth paragraph should indicate that the estimated total annual reporting and/or recordkeeping burden (including the burden imposed by this amendment) is 10,000 hours.

Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed

rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 575

Blocking of assets, Foreign claims, Iraq, Reporting and recordkeeping requirements.

PART 575—IRAQI SANCTIONS REGULATIONS

For the reasons set forth in the preamble, 31 CFR part 575 is amended as set forth below:

1. The "authority" citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

Subpart C—General Definitions

2. Section 575.322 is added to subpart C to read as follows:

§ 575.322 United States national; U.S. national.

The term "United States national" or "U.S. national" means any United States citizen; any person who, though not a citizen of the United States, owes permanent allegiance to the United States; and any juridical person organized under the laws of the United States or any jurisdiction within the United States. This term does not include U.S. branches of persons organized under foreign law, or aliens, regardless of whether they have permanent resident status in the United States.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

§ 575.503 [Amended]

3. In § 575.503 of subpart E, paragraph (i) is removed.

§ 575.507 [Amended]

4. Section 575.507(a)(1) of subpart E is amended to correct two references, as follows:

"15 CFR 371.6" is corrected to read "15 CFR 771.6", and "15 CFR 371.13" is corrected to read "15 CFR 771.13".

Subpart F—Reports

5. Section 575.604 is added to subpart F to read as follows:

§ 575.604 Reports on Form TDF 90-22.40.

(a) *Requirement for report.* Reports on Form TDF 90-22.40 are hereby required to be filed on or before March 1, 1991, in the manner prescribed herein and in the instructions to Form TDF 90-22.40, with respect to all property held by any United States person, in which the Government of Iraq has or has had any interest at any time since 5 a.m. E.D.T., August 2, 1990. Reports must contain complete answers to every question included in Form TDF 90-22.40.

(b) *Who must report.* Reports on Form TDF 90-22.40 must be filed by each of the following:

(1) Any U.S. person, or his successor, who has had in his custody, possession or control, directly or indirectly, in trust or otherwise, property in which there was any direct or indirect interest of the Government of Iraq at any time since 5 a.m. e.d.t., August 2, 1990;

(2) Any business or non-business entity in the United States in which the Government of Iraq holds or has held any financial interest since 5 a.m. e.d.t., August 2, 1990.

(c) *How to file Form TDF 90-22.40.* Reports on Form TDF 90-22.40 shall be prepared in triplicate. On or before March 1, 1991, two copies shall be sent in a set to Unit 604, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220. The third copy must be retained with the reporter's records.

(d) *Certification.* Every report on Form TDF 90-22.40 shall contain the certification required in Part C of the Form. Failure to complete the certification shall render the report ineffective, and the submission of such a report shall not constitute compliance with this section.

(e) *Confidentiality of reports.* Reports on Form TDF 90-22.40 are regarded as privileged and confidential.

6. Section 575.605 is added to subpart F to read as follows:

§ 575.605 Reports on Form TDF 90-22.41.

(a) *Requirement for reports.* Reports on Form TDF 90-22.41 are hereby required to be filed on or before March 1, 1991, in the manner prescribed herein and in the instructions to Form TDF 90-22.41, with respect to all claims held by U.S. nationals as of 5 p.m., e.s.t., January 16, 1991, against the Government of Iraq or an Iraqi government entity. Reports must contain complete answers to every question included in Form 90-22.41.

(b) *Who must report.* Reports on Form TDF 90-22.41 must be filed by every U.S. national who had a claim outstanding at 5 p.m., e.s.t., January 16, 1991, against the Government of Iraq or an Iraqi government entity. No report is to be submitted by a U.S. branch of a foreign firm not owned or controlled by a U.S. national.

(c) *How to file Form TDF 90-22.41.* Reports on Form TDF 90-22.41 shall be prepared in triplicate. On or before March 1, 1991, two copies shall be sent in a set to Unit 605, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220. The third copy must be retained with the reporter's records.

(d) *Certification.* Every report on Form TDF 90-22.41 shall contain the certification required on Part C of the Form. Failure to complete the certification shall render the report ineffective, and the submission of such a report shall not constitute compliance with this section.

(e) *Confidentiality of reports.* Reports on Form TDF 90-22.41 are regarded as privileged and confidential.

(f) *Examples of claims.* Claims may relate to losses due to expropriation, nationalization, or other measures affecting property rights; losses for breach of contract or debt defaults; compensation for injuries to persons or loss of life; and any other losses or injuries suffered in Iraq, Kuwait or elsewhere, attributable to the Government of Iraq or an Iraqi government entity, whether or not arising from actions relating to Iraq's invasion of Kuwait. Claims may also relate to losses suffered by a foreign partnership, joint venture, corporation or other entity in which U.S. nationals have a significant interest.

Dated: January 31, 1991.

R. Richard Newcomb,
Director.

Approved: February 4, 1991.

John P. Simpson,

Acting Assistant Secretary (Enforcement).

Appendix: The forms and instructions included in this Appendix will not appear in the CFR.

Census of Blocked Iraqi Property**Instructions for Reporting on Form TDF 90-22.40**

The Office of Foreign Assets Control, Department of the Treasury, under Section 575.604 of the Iraqi Sanctions Regulations (31 CFR Part 575) ("the Regulations"), is conducting a census of blocked Iraqi property. The information is needed by the United States Government for planning purposes and

to monitor compliance with the Regulations.

General Instructions

Reporting on Form TDF 90-22.40, Report of Blocked Iraqi Property, is mandatory for all persons who, since August 2, 1990, have held property subject to Executive Order No. 12722 or 12724. This requirement applies to all U.S. persons who had in their possession or control, since 5:00 a.m., EDT, August 2, 1990 ("the effective date"), any property or interests in property belonging to the Government of Iraq, its agencies, instrumentalities and controlled entities and the Central Bank of Iraq. Reports filed on Form TDF 90-22.40 are regarded as privileged and confidential.

Two copies of the report shall be sent to the Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, by March 1, 1991, or within 15 days of the acquisition of property subject to Executive Order No. 12722 or 12724. The reporter shall retain a copy of the completed report. Copies of Form TDF 90-22.40 will be distributed through the Federal Reserve System to all regional Federal Reserve Banks. In addition, copies of the form will be mailed directly to certain persons believed by the Treasury Department to be affected by the reporting requirements. Other persons required to report or interested in obtaining copies of the form may do so by contacting the Office of Foreign Assets Control at the above address or by calling the telephone number listed below. Photocopies of the report form may be used.

A report may be filed on behalf of a holder by an attorney, agent, or other person. Primary responsibility for reporting blocked property, however, rests with the actual holder of the property, or the U.S. national exercising control over property located outside the U.S., with the following exceptions: primary responsibility for reporting any asset held by a foreign firm or branch owned or controlled by a U.S. person rests with the U.S. parent or head office; primary responsibility for reporting any trust assets rests with the trustee; and primary responsibility for reporting real property rests with the Iraqi owner's co-owner, legal representative, agent, or property manager in the United States. No person is excused from filing Form TDF 90-22.40 by reason of the fact that another person has submitted a report with regard to the same property, unless he has actual knowledge that the other person has filed a report with respect to the property as full and complete as that

which he would otherwise be required to file.

A separate report shall be submitted with respect to each blocked account or asset held. Each question on the form shall be answered and all the specific information called for shall be given. When there is nothing to report under any question, or if information is lacking, state "N/A," "None," or "Unknown," as the case may be. If the space provided on the form is inadequate, the answer may be made or continued on a blank sheet of paper securely attached to the form. No person is excused from furnishing information

he reasonably should have furnished. The definitions of terms contained in the Regulations are hereby incorporated by reference into Form TDF 90-22.40 and these instructions.

FOR FURTHER INFORMATION CALL: (202) 535-4028.

Specific Instructions

Part A: Iraqi Government Entity Having an Interest in the Property Reported

Lines 1-3. State the name and address of the Iraqi Government entity which has an interest in the property reported. If any other entities or persons, whether Iraqi or non-Iraqi, have interests in the

property reported, the full value of the property shall be reported in Part B, Line 4, Columns (a) and (b), but the names and pro rata interests of all such entities or persons shall be identified in Line 3 of Part A.

Part B: Property Reported

Line 4. Provide a brief description of the property reported. If the property is denominated in a foreign currency, report the U.S. dollar equivalent value on the dates indicated and state the currency and conversion rate in the description. The following table may be used as a guide for items to include in the property description:

Property	Items to include in description
Deposit.....	Account number, type of account, and interest rate terms (including, if applicable, index to which rate is pegged).
Securities or Bullion.....	Account number and brief description of securities or bullion.
Documentary Letter of Credit.....	Account party, other principal parties involved (including the issuing, confirming, and advising banks), and whether or not documents have been presented.
Standby Letter of Credit.....	Account party, all principal parties involved (including issuing and confirming banks), expiration date, and whether or not any calls have been made.
Section 575.518 Account.....	Number and date of Treasury license permitting establishment of account.
Credits or Other Obligations.....	Type of obligation (including a description of the transaction giving rise to the obligation).
Real Property.....	Location and description of the property.
Tangible Property.....	Brief description of the property.

If property reported was held on the effective date: Report value of the property held on August 2, 1990 in Column (a) and value of the property held on January 31, 1991 in Column (b).

If property reported was acquired after the effective date: Fill in date the property was acquired on the line indicated and report value of the property held on that date in Column (a) and value of the property on January 31, 1991 in Column (b). If the property was acquired after January 31, 1991, disregard Column (b).

Line 5. If the property reported was acquired after August 2, 1990, describe the circumstances. Include the name of the transferor or prior holder and the reasons the property was transferred.

Line 6. Explain any changes between amounts in Columns (a) and (b) of Line 4. Include the number, total amounts, and nature of all increases and credits (e.g., interest credited, deposits, incoming transfers) and decreases (e.g., service charges, licensed debits). If any Treasury Department licenses have been issued with respect to the account, indicate the number and date of the license. This question may be disregarded if the property was acquired after January 31, 1991.

Line 7. If the property reported is physically located or booked at a location other than that described in Part C (e.g., a deposit located in a foreign branch reported by the U.S.

parent) give the name and the location of the actual holder.

Line 8. Describe any claims known to be asserted against the property reported. Examples include specific claims such as attachments and liens or more general claims such as set-off rights asserted by the holder of the property against the Government of Iraq. Indicate the full amount of the claim and the identity of the claimant.

Part C: U.S. Person or Entity Making the Report

Lines 9-11. State reporter's corporate name and address and the name and telephone number of an individual corporate official to contact regarding the report.

Line 12. Complete the certification. The report is not valid without the certification.

Paperwork Reduction Act Statement: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and 31 CFR Part 575. The information collected will be used for U.S. Government planning purposes and to monitor compliance with Executive Order Nos. 12722 and 12724. The information will be held confidential.

The estimated burden associated with this collection of information is 2 hours per respondent or recordkeeper.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220 and the Office of Management and Budget, Paperwork Reduction Project (1505-0128), Washington, DC 20503.

Report of Blocked Iraqi Property

Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220

This report shall be completed and two copies sent to the above address by all U.S. persons who, since August 2, 1990, have held property subject to Executive Order No. 12722 or 12724. Reports shall be submitted by March 1, 1991, or within 15 days of acquiring such property. Separate reports should be submitted for each blocked account or asset held. **READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.** For assistance call (202) 535-4028.

To the Secretary of the Treasury:
The undersigned, pursuant to 31 CFR 575.604, hereby makes the following report:

Part A: Iraqi Government Entity Having an Interest in the Property Reported

1. Entity:

2. Address:

3. Identify any other entities or persons known to have interests in the property reported and explain the nature and extent of such interests:

Part B: Property Reported

4. Description of the Property.
(Include account number and interest terms, if applicable.)
(a) Value on 08/02/90 or

(Specify acquisition date, if later)

(Amount)
(b) Value on 01/31/91

(Amount)
5. If custody of the property was acquired after August 2, 1990, describe the circumstances. Include name of transferor or prior holder and reasons the property was transferred.

6. Explanation of any changes between amounts in Columns (a) and (b) above. Include the number and nature of all transactions, the total amount of all increases and/or decreases, and the number and date of any related Treasury Department licenses.

7. Name of the holder and location of the property if different than described in Part C.

8. Describe any claims known to be asserted against the property.

Part C: U.S. Person or Entity Making the Report

9. Name:
10. Address:
11. Individual to contact regarding this report:

(Name)
(Telephone Number)

12. Certification:
I, _____
(Name)
certify that I am the _____
(Corporate Title or Position, If Applicable)
of the _____
(Corporate Name, If Applicable)
that I am authorized to make this certification, and that, to the best of my knowledge and belief, the statements set

forth in this report, including any papers attached hereto or filed herewith, are true and accurate, and that all material facts in connection with said report have been set forth herein.

(Signature)
(Date)

Census of Claims by U.S. Nationals Against Iraq

Instructions for Reporting on Form TDF 90-22.41

The Office of Foreign Assets Control, Department of the Treasury, under Section 575.605 of the Iraqi Sanctions Regulations (31 CFR Part 575) ("the Regulations"), is conducting a census of claims by U.S. nationals against the Government of Iraq, or any Iraqi Government entity. The information is needed by the U.S. Government for planning purposes.

Note: The submission of this report does not constitute the filing with the U.S. Government of a formal claim for compensation. No formal claims adjudication program currently exists. However, failure to file complete information in a timely fashion would not only constitute failure to comply with the Regulations but would also prevent the inclusion of the information in U.S. Government planning and therefore could be prejudicial to the interests of the claimant and other U.S. claimants. Espousal of claims of U.S. nationals against a foreign government is within the discretion of the U.S. Government.

General Instructions

Reporting on Form TDF 90-22.41 is mandatory for all U.S. nationals (whether individuals or legal entities) who, on 5:00 p.m., EST, January 16, 1991, had claims outstanding against the Government of Iraq, or any Iraqi Government entity. The report may also include claims of U.S. nationals arising from ownership in foreign entities. The report shall be completed and two copies sent to the Office of Foreign Assets Control, Department of the Treasury, Washington D.C. 20220, by March 1, 1991. The reporter shall retain a copy of the completed report. Reports filed on Form TDF 90-22.41 are regarded as privileged and confidential.

Copies of Form TDF 90.22-41 will be distributed through the Federal Reserve System to all regional Federal Reserve Banks. In addition, copies of the form will be mailed directly to certain persons believed by the Treasury Department to be affected by the reporting requirements. Other persons required to report or interested in obtaining copies of the form may do so by contacting the Office of Foreign Assets Control at the above address or

by calling the telephone number listed below. This pamphlet contains reporting instructions, one copy of report Form TDF 90-22.41, and three copies of Schedule B1. Photocopies of the report form and schedule may be used.

A report may be filed on behalf of a claimant by an attorney, agent, or other person. Primary responsibility for reporting the claim, however, rests with the actual claimant. Each question on the form shall be answered and all the specific information called for shall be given. When there is nothing to report under any question, or if information is lacking, state "N/A," "None," or "Unknown," as the case may be. If the space provided on the form is inadequate, the answer may be made or continued on a blank sheet of paper securely attached to the form. The definitions of terms contained in the Regulations are hereby incorporated by reference into Form TDF 90-22.41 and these instructions.

FOR FURTHER INFORMATION CALL: (202) 535-4026.

Specific Instructions

Part A: Information Concerning U.S. Claimant

Lines 1-2. State the name, employer identification or social security number, and address of the U.S. claimant. If the report includes claims for losses suffered by a subsidiary, the name, employer identification number, and address of the U.S. parent company reporting the claim should be entered here.

Line 3. State the nationality or place of incorporation of the claimant. If there has been any change in the nationality status of the claimant since the date of loss, provide an explanation.

Line 4. If the claimant is a corporation or other legal entity, indicate the date and place of incorporation, the percentage of outstanding capital stock of all classes held, directly or indirectly, by persons who were U.S. nationals on the date of the loss.

Line 5. If the person reporting the claim is a person other than the claimant as reported in Line 1, state name, address, and relationship to the claimant (e.g., attorney, personal representative).

Part B: Summary of Claims Against Iraq

Line 6. Report the aggregate value of all claims of a common type in the appropriate category or categories shown. Detailed information concerning specific claims should be reported on one or more attached Schedule B1's. The sum of all amounts reported separately

on Schedule B1 should total the aggregate amount reported in the summary.

Part C: Certification

Line 7. Enter the name and telephone number of the appropriate individual to contact regarding the report.

Line 8. Complete the certification. The report is not valid without a completed certification.

Instructions for Schedule B1—Schedule for Separate Description of Claims

Notes.—Be sure to enter the employer identification number or social security number of the U.S. claimant from Part A, Line 1, in the space indicated in upper right hand corner of the schedule. Also enter the number of this individual Schedule B1 and the total number of Schedule B1's submitted in the spaces indicated.

Submit an individual Schedule B1 for each claim or common set of claims. Claims of an individual person or a single entity (e.g., a subsidiary) against the same Iraqi entity involving a common set of circumstances may be reported on a single Schedule B1, with amounts allocated appropriately to each category of claim. Three copies of Schedule B1 are attached to the report. Additional photocopies of Schedule B1 may be used, if needed.

Lines 1-2. Enter the name and address of the entity actually suffering the loss, if different from the claimant named in Part A, Line 1 (e.g., a claim arising from injury to a subsidiary).

Line 3. If the entity described in Line 1 of this Schedule B1 is different than the claimant named in Part A, Line 1, include a full description of the claimant's ownership interest in the entity.

Line 4. Identify the Iraqi entity against which the claim is asserted.

Line 5. Enter the value of each claim in the appropriate category. Report the claim in U.S. dollars to the nearest dollar. Convert foreign currency values at the exchange rate prevailing on the date of the loss. In valuing the claims, use estimated values as of the date of the loss if precise values or balances are not known. Be sure to describe your valuation methods in Line 6.

Line 6. Describe the circumstances of the loss. Include the date of the loss and a description of the property, business, obligation, injury, or other damage which is the subject of the claim. Identify any other persons with interests in the claim and any alternative sources of compensation available, actual or potential. Describe any known counterclaims that potentially may be asserted by the Government of Iraq. If the claim involves a contract dispute,

describe any clauses in the contract referring to choice of law or forum for settling disputes. If the property is of the type for which a specific balance or generally accepted market quotation value is not available, indicate the valuation method used (e.g., contractual value, book value, estimated value of similar property). If the property or obligation is valued in a foreign currency, be sure to specify the currency and the exchange rate used in the valuation. Do not submit documentary evidence with the report.

Paperwork Reduction Act Statement: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and 31 CFR Part 575. The information collected will be used for U.S. Government planning purposes. The information will be held confidential.

The estimated burden associated with this collection of information is 3.5 hours per respondent or recordkeeper.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Blocked Assets Section, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220 and the Office of Management and Budget, Paperwork Reduction Project (1505-0128), Washington, DC 20503.

Report of Claims by U.S. Nationals Against Iraq

Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220

This form shall be completed and two copies sent to the above address by March 1, 1991, by all U.S. nationals who, on 5:00 p.m., EST, January 18, 1991, had claims outstanding against the Government of Iraq, or any Iraqi Government entity. A third copy shall be retained by the reporter. READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT. For assistance call (202) 535-4026.

Important: The submission of this report does not constitute the filing with the U.S. Government of a formal claim for compensation, nor does it guarantee that the claim will be included in any future agreement or settlement. However, failure to file complete information in a timely fashion would not only constitute failure to comply with Section 575.605 of the Iraqi Sanctions Regulations (31 CFR part 575) but would also prevent the inclusion of the information in U.S. Government planning and therefore could be

prejudicial to the interests of the claimant and other U.S. claimants.

To the Secretary of the Treasury: The undersigned, pursuant to 31 CFR 575.605, hereby makes the following report:

Part A: Information Concerning U.S. Claimant

- 1. Name:
EIN/SSN:
2. Address:
3. State nationality or place of incorporation. If there has been any change in nationality status since the date of the loss, so explain.
4. If claimant is a corporation or other legal entity, state date and place of incorporation, percentage of outstanding capital stock of all classes held, directly or indirectly, by U.S. nationals on the date of the loss.
5. If the person reporting the claim is a person other than the claimant named in Line 1, state name, address, and relationship to claimant.

Part B: Summary of Claims Against Iraq

6. Claims: Report the aggregate value of all claims in the appropriate category or categories below. Detailed information concerning specific claims should be reported on one or more attached Schedule B1's. The sum of all amounts reported on Schedule B1 should total the aggregate amount reported in this summary. Three copies of Schedule B1 are attached to this pamphlet. Additional photocopies may be used, if required.

- A. Business Claims:
(1) Loans or credits overdue or in default
(2) Expropriation of equity, concessions, or going concern value
(3) Expropriation of real and/or tangible property
(4) Receivables or other amounts due and unpaid
(5) Breach of contract damages
(6) Other damages
Subtotal A.
B. Personal Claims:
(1) Expropriation losses
(2) Salaries, benefits, or other items due and unpaid

- (3) Lost future benefits or other contractual claims.....
- (4) Personal injury or other tort claims.....
- (5) Other damages.....
- Subtotal B.....
- Total (Subtotals A. + B.).....

Part C: Certification

7. Individual to contact regarding this report:

(Name)

(Telephone Number)

8. Certification:

I, _____

(Name) certify that I am the _____

(Corporate Title or Position, If Applicable) of the _____

(Corporate Name, If Applicable) that I am authorized to make this certification, and that, to the best of my knowledge and belief, the statements set forth in this report, including any papers attached hereto or filed herewith, are true and accurate, and that all material facts in connection with said report have been set forth herein.

(Signature)

(Date)
EIN or SSN of Claimant: _____

This is _____
(Number of)

(Total Number)
Schedule B1s submitted.

Schedule B1—Schedule for Separate Description of Claims

(See Specific Instructions)

1. Name: _____

2. Address: _____

3. Describe the relationship of this entity to the claimant named in Part A.

4. Identify the Iraqi entity against which the claim is asserted.

5. Type and amount of claim reported on this Schedule B1.

A. Business Claims:
(1) Loans or credits overdue or in default.....

- (2) Expropriation of equity, concessions, or going concern value.....
- (3) Expropriation of real and/or tangible property.....
- (4) Receivables or other amounts due and unpaid.....
- (5) Breach of contract damages.....
- (6) Other damages.....
- Subtotal A.....

- B. Personal Claims:**
- (1) Expropriation losses.....
- (2) Salaries, benefits, or other items due and unpaid.....
- (3) Lost future benefits or other contractual claims.....
- (4) Personal injury or other tort claims.....
- (5) Other damages.....
- Subtotal B.....
- Total (Subtotals A. + B.).....

6. Describe the circumstances of the loss. Include the date of the loss and a description of the property, business, obligation, injury, or other damage which is the subject of the claim. Do not submit documentary evidence. (See Specific Instructions)

[FR Doc. 91-3396 Filed 2-8-91; 8:45 am.]

BILLING CODE 4801-26-M

Subsequent to the issuance of the proposal, the criteria utilized in determining the dimensions of controlled airspace were changed. The new criteria result in a smaller dimension for controlled airspace in the Butler, PA, area as opposed to that described in the proposed notice. The FAA finds that this additional proposed reduction in controlled airspace does not alter the intent of the original proposed action. The additional reduction has been incorporated into this notice.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments on the proposal were received. Except for editorial changes and the reduction in the amount of controlled airspace, this amendment is the same as that proposed in the notice. Section 71.181 of part 71 of the Federal Aviation Regulations was republished in FAA Handbook 7400.6G, September 4, 1990.

The Rule

This amendment to part 71 of the Federal Aviation Regulations revises the 700 foot Transition Area established at Butler, PA, due to a review of air traffic control procedures in the area and the cancellation of a SLAP based upon an air navigation facility which is no longer in service. Additionally, the airport name and location are being updated to reflect the actual name and geographic location of the Butler County Airport, Butler, PA.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, Transition areas.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, part 71 of the Federal

Aviation Regulations (14 CFR part 71) is amended as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

§ 71.181 [Amended]

2. Section 71.181 is amended as follows:

Butler, PA [Revised]

That airspace extending upward from 700 feet above the surface within a 7.3-mile radius of the center, lat. 40°48'37" N., long. 79°57'00" W., of the Butler County Airport, Butler, PA.

Gary W. Tucker,

Manager, Air Traffic Division.

[FR Doc. 91-7786 Filed 4-2-91; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[T.D. 8250]

RIN 1545-AM62

Administrative Appeal of the Erroneous Filing of Notice of Federal Tax Lien; Correction

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains a correction to the temporary regulations (T.D. 8250) which were published in the Federal Register for May 8, 1989, (54 FR 19568) providing for the administrative appeal of the erroneous filing of a notice of Federal tax lien established by the Technical and Miscellaneous Revenue Act of 1988.

EFFECTIVE DATE: May 8, 1989.

FOR FURTHER INFORMATION CONTACT: Dale Goode, 202-566-3486 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations that are the subject of these corrections, amended the Procedure and Administration Regulations (26 CFR part 301) under section 6328 of the Internal Revenue Code reflecting the amendment by

section 6238 of the Technical and Miscellaneous Revenue Act of 1988.

Need for Correction

As published, the temporary regulations contain an error which may prove to be misleading and is in need of clarification.

PART 301—PROCEDURE AND ADMINISTRATION

Accordingly, 26 CFR part 301 is corrected by making the following correcting amendment:

1. The authority for part 301 is amended by adding the following citation:

Authority: 26 U.S.C. 7805 *** Section 301.6326-1T is issued under 26 U.S.C. 6326.

Dale D. Goode,

Federal Register Liaison Officer, Assistant Chief Counsel (Corporate).

[FR Doc. 91-7782 Filed 4-2-91; 8:45 am]

BILLING CODE 4830-01-M

Office of Foreign Assets Control

31 CFR Part 575

Iraqi Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule; List of specially designated nationals of the Government of Iraq; List of vessels registered, owned or controlled by the Government of Iraq.

SUMMARY: The Iraqi Sanctions Regulations (the "Regulations") are being amended to add a new appendix A and a new appendix B to the end thereof. Appendix A contains the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq). The list at Appendix A contains the names of companies and individuals which the Director of the Office of Foreign Assets Control has determined are acting or purporting to act directly or indirectly on behalf of the Government of Iraq. Appendix B contains the names of merchant vessels registered, owned, or controlled by the Government of Iraq. These lists may be expanded or amended at any time.

EFFECTIVE DATE: April 3, 1991.

ADDRESSES: Copies of these lists are available upon request at the following location: Office of Foreign Assets Control, U.S. Department of the Treasury, Annex, 1500 Pennsylvania Avenue NW., Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT: Richard J. Follas, Chief, Enforcement Section, Office of Foreign Assets Control, Tel.: (202) 566-5021.

SUPPLEMENTARY INFORMATION: The Iraqi Sanctions Regulations, 31 CFR part 575 (56 FR 2112, Jan. 18, 1991, the "Regulations") were issued by the Treasury Department to implement Executive Orders No. 12722 and 12724 of August 2 and August 9, 1990, in which the President declared a national emergency with respect to Iraq, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act (22 U.S.C. 287c), and ordered specific measures against the Government of Iraq.

Section 575.306 of the Regulations defines the term "Government of Iraq" to include:

(a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

(b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since the effective date, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any other person or organization determined by the Director of the Office of Foreign Assets Control to be included within this section.

Determinations that persons fall within this definition are effective upon the date of determination by the Director, Office of Foreign Assets Control ("FAC"). Public notice is effective upon the date of publication or upon actual notice, whichever is sooner.

This rule adds appendix A to part 575 to provide public notice of a list of persons, known as "specially designated nationals" of the Government of Iraq. The list consists of companies and individuals whom the Director of the Office of Foreign Assets Control has determined to be owned or controlled by or to be acting or purporting to act directly or indirectly on behalf of the Government of Iraq, and thus fall within the definition of the "Government of Iraq" contained in § 575.306 of the Regulations. The persons included in appendix A are subject to all prohibitions applicable to other components of the Government of Iraq. All unlicensed transactions with such

persons, or in property in which they have an interest, are prohibited.

The list of specially designated nationals is a partial one, since FAC may not be aware of all the persons located outside Iraq that might be owned or controlled by the Government of Iraq or acting as agents or front organizations for Iraq, and which thus qualify as specially designated nationals of the Government of Iraq. Therefore, persons engaging in transactions may not rely on the fact that any particular person is not on the specially designated nationals list as evidence that it is not owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether persons they enter into transactions with are owned or controlled by the Government of Iraq or are acting or purporting to act on its behalf, or on behalf of other countries subject to blocking (at present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

This rule also adds appendix B to part 575 to provide public notice of a list of merchant vessels which the Director of the Office of Foreign Assets Control has determined to be registered, owned, or controlled by the Government of Iraq or by persons acting or purporting to act directly or indirectly on behalf of the Government of Iraq, pursuant to § 575.306 of the Regulations. The merchant vessels included in appendix B constitute blocked property in which the Government of Iraq has an interest, and are subject to all the prohibitions applicable to the Government of Iraq. No U.S. person may engage in any unlicensed transaction involving these vessels.

The list of Government of Iraq-flagged, owned, or controlled vessels is a partial one, since FAC may not be aware of all merchant ships registered, owned, or controlled by the Government of Iraq or by persons located outside Iraq that may be acting as agents or front organizations for Iraq who fall within the definition of "Government of Iraq." Therefore, persons engaging in transactions may not rely on the fact that any particular vessel is not on the list as evidence that it is not owned or controlled by the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether such vessels are registered, owned, or controlled by Iraq or by other countries subject to blocking or transportation-related restrictions (at

present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

Section 586E of the Iraq Sanctions Act of 1990, contained in the Foreign Operations Authorization and Appropriations Act of 1990, dated November 5, 1990, 104 Stat. 1979, provides for civil penalties not to exceed \$250,000 for violations of the Regulations and fines of up to \$1,000,000 and imprisonment for up to 12 years for willful violations of the Regulations. In addition, section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides for the forfeiture of any property involved in a violation of the Regulations.

List of Subjects in 31 CFR Part 575

Banks, Banking, Exports, Imports, Iraq, Kuwait, Loans, Penalties, Reporting and recordkeeping requirements.

1. The authority citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Public Law 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

2. Appendices A and B to part 575 are added to read as follows:

Appendix A—Individuals and Organizations Determined To Be Specially Designated Nationals of the Government of Iraq

Please note that addresses of companies and persons may change. The addresses listed below are the last ones known to the Office of Foreign Assets Control. Where an address is not listed or someone wishes to check for latest address information, the Office of Foreign Assets Control will assist with any updated information in its possession.

Companies

1. Admincheck Limited, 1 Old Burlington Street, London, England, United Kingdom
2. Advanced Electronics Development, Ltd., 3 Mandeville Place, London, England, United Kingdom
3. Al-Arabi Trading Company Limited, Lane 11, Hai Babil, Baghdad District 929, Iraq
4. Al-Rafidain Shipping Company, Bombay, India
5. The Arab Petroleum Engineering Company Ltd., Amman, Jordan
6. Arab Projects Company S.A. Ltd., P.O. Box 1318, Amman, Jordan
7. Arab Trans Trade Co. S.A.E., 36, Kaft Abdou Street, Rouchdy, Alexandria 481 638, Egypt
8. Archi Centre I.C.E. Limited, 3 Mandeville Place, London, England, United Kingdom
9. Archiconsult Limited, 128 Buckingham Place, London 5, England, United Kingdom (at

10. Associated Engineers, England, United Kingdom
 11. A.T.E. International Ltd., f/k/a RWR International Commodities, 3 Mandeville Place, London, England, United Kingdom
 12. Atlas Air Conditioning Company Limited, 55 Roebuck House, Palace Street, London, England, United Kingdom
 13. Atlas Equipment Company Limited, 55 Roebuck House, Palace Street, London, England, United Kingdom
 14. A.W.A. Engineering Limited, 3 Mandeville Place, London, England, United Kingdom
 15. Banco Brasileiro-Iraquiano S.A., Praca Pio X, 54-10o Andar, CEP 20091, Rio de Janeiro, Brazil (Head office and city branch)
 16. Bay Industries, Inc. 10100 Santa Monica Boulevard, Santa Monica, California, United States
 17. Dominion International, England, United Kingdom
 18. Endshire Export Marketing, England, United Kingdom
 19. Euromac, Ltd., 4 Bishops Avenue, Northwood, Middlesex, England, United Kingdom
 20. Euromac European Manufacturer Center SRL, Via Ampere 5, 20052 Monza, Italy
 21. Euromac Transporti International SRL, Via Ampere 5, 20052 Monza, Italy
 22. Falcon Systems, England, United Kingdom
 23. Geodesigns, England, United Kingdom
 24. Investacast Precision Castings, Ltd., 112 City Road, London, England, United Kingdom
 25. I.P.C. International Limited, England, United Kingdom
 26. I.P.C. Marketing Limited, England, United Kingdom
 27. Iraqi Airways, Saddam International Airport, Baghdad, Iraq
Operrring 6, 1010 Wien, Vienna, Austria
General Service Agent, Bangladeshi-owned
Travel Agency, Dhaka, Bangladesh
Rio de Janeiro, Brazil
Jianguomenwai Diplomatic Housing
Compound, Building 7-1, 5th Floor,
Apartment 4, Beijing, People's Republic of China
Prague Airport, Prague, Czechoslovakia
Nekazanka 3, Prague 1, Czechoslovakia
Copenhagen, Denmark
Main Eisenhuttenplatz 26, Frankfurt 6, Germany
Rome, Italy
Tokyo, Japan
Casablanca, Morocco
The Netherlands
27. Ulica Grojecka, Central Warsaw, Poland
Tunis, Tunisia
Ankara, Turkey
Moscow, U.S.S.R.
Abu Dhabi, United Arab Emirates
4 Lower Regent Street, London SW1Y 4P, United Kingdom
5825 W. Sunset Blvd. #218, Los Angeles, California 90028, United States
25040 Southfield Road, Southfield, Michigan 48075, United States
Building 68, J.F.K. International Airport, Jamaica, New York 11430, United States
1211 Avenue of the Americas, New York, New York 10036, United States
Sanaa, Yemen
Belgrade, Yugoslavia
 28. Iraqi Allied Services Limited, England, United Kingdom
 29. Iraqi Freight Services Limited, England, United Kingdom
 30. Iraqi Reinsurance Company, 31-35 Fenchurch Street, London EC3M 3D, United Kingdom
 31. Iraqi State Enterprise for Foodstuffs Trading, P.O. Box 1308, Colombo 3, Sri Lanka
P.O. Box 2839, Calcutta 700.001, India
 32. Iraqi State Enterprise for Maritime Transport, Bremen, Germany
Amman, Jordan
 33. Iraqi Trade Center, Dubai, United Arab Emirates
 34. Keencloud Limited, 11 Catherine Place, Westminster, London, England, United Kingdom
 35. Matrix Churchill Corporation, 5903 Harper Road, Cleveland, Ohio 44139, United States
 36. Meed International Limited, 3 Mandeville Place, London, England, United Kingdom
 37. Pandora Shipping Co., S.A., Honduras
 38. Petra Navigation & International Trading Co. Ltd., White Star Building., P.O. Box 8362, Amman, Jordan
Armouh Bldg., P.O. Box 485, Aqaba, Jordan
18 Huda Sharawi Street, Cairo, Egypt
Hai Al Wahda Mahalat 906, 906 Zulaq 50, House 14, Baghdad, Iraq
 39. PMK/QUDOS (Liverpool Polytechnic), England, United Kingdom
 40. Rafidain Bank, New Banks' Street, P.O. Box 11360, Massarif, Baghdad, Iraq (227 branches in Iraq)
P.O. Box 607, Manama, Bahrain (2 branches in Bahrain)
114 Tahreer Str. Eldukki, P.O. Box 239, Omran Giza, Cairo, Egypt
P.O. Box 1194, Cinema al-Hussein Street, Amman, Jordan
P.O. Box 685, Aqaba, Jordan
P.O. Box 815401, Jabal Amman, Jordan
Mafraq, Jordan
2nd Floor Sadat Tower, P.O. Box 1891, Beirut, Lebanon (2 branches in Lebanon)
Sheikh Khalifa Street, P.O. Box 2727, Abu Dhabi, United Arab Emirates
Rafidain Bank Building, 7-10 Leadenhall Street, London EC3V 1NL, United Kingdom
P.O. Box 10023, Sanaa, Yemen Arab Republic
 41. Rajbrook Limited, England, United Kingdom
 42. Reynolds and Wilson, England, United Kingdom
 43. S.M.I. Sewing Machines Italy S.P.A., Italy
 44. Sollatek, England, United Kingdom
 45. Technology and Development Group Ltd., Centric House 390/391, Strand, London, England, United Kingdom
 46. T.E.G. Limited, 3 Mandeville Place, London, England, United Kingdom
 47. T.M.G. Engineering Limited, Castle Row, Horticultural Place, Chiswick, London, England, United Kingdom
 48. T N K Fabrics Limited, England, United Kingdom
 49. Trading & Maritime Investments, San Lorenzo, Honduras
 50. U.I. International, England, United Kingdom
 51. UNIMAS Shipping, 138 El Geish Road, P.O. Box 44, Alexandria, Egypt
 52. Whale Shipping Ltd., c/o Government of Iraq, State Organization of Ports, Maqal, Basrah, Iraq
- Individuals*
1. Abbas, Abdul Hussein, Italy
 2. Abbas, Kassim, Italy
 3. Abraham, Trevor, England, United Kingdom
 4. Ahmad, Rasem, P.O. Box 1318, Amman, Jordan
 5. Ahmad, Wallid Issa, Iraq
 6. Al-Amiri, Adnan Talib Hassim, 43 Palace Mansions, Hammersmith, London, England, United Kingdom
 7. Al-Azawi, Dafir, Iraq
 8. Al-Dajani, Leila N.S., P.O. Box 1318, Amman, Jordan
 9. Al-Dajani, Nadim S., P.O. Box 1318, Amman, Jordan
 10. Al-Dajani, Sa'ad, P.O. Box 1318, Amman, Jordan
 11. Al-Habobi, Dr. Safa Haji J., Flat 4D Thorney Court, Palace Gate, Kensington, England, United Kingdom
 12. Ali, Abdul Mutalib, Germany
 13. Allen, Peter Francis, "Greys", 36 Stoughton Lane, Stoughton, Leicestershire, England, United Kingdom
 14. Al-Ogaily, Akram H., Flat 2, St. Ronons Court, 63 Putney Hill, London, England, United Kingdom
 15. Amaro, Joaquim Ferreira, Praca Pio X, 54-10* Andar, CEP 20091, Rio de Janeiro, Brazil
 16. Armouh, Ahmad, White Star Bldg., P.O. Box 8362, Amman, Jordan
 17. Armouh, Ali, White Star Bldg., P.O. Box 8362, Amman, Jordan
 18. Aziz, Fouad Hamza, Pracia Pio X, 54-10* Andar, CEP 20091, Rio de Janeiro, Brazil
 19. Dagher, Ali Ashour, 2 Western Road, Western Green, Thames Ditton, Surrey, England, United Kingdom
 20. Fattah, Jum'a Abdul, P.O. Box 1318, Amman, Jordan
 21. Hand, Michael Brian, England, United Kingdom
 22. Henderson, Paul, 4 Copt Oak Close, Tile Mill, Coventry, Warwickshire, England, United Kingdom
 23. Jon, Hana Paul, 19 Tudor House, Windsor Way, Brook Green, London, England, United Kingdom
 24. Jume'an, George, P.O. Box 1318, Amman, Jordan
 25. Kadhum, Dr. Fadel Jawad, c/o Alvaney Court, 250 Finchley Road, London, England, United Kingdom
 26. Khoshaba, Robert Kamar, 15 Harefield Road, Maidenhead, Berkshire, England, United Kingdom
 27. Mohamed, Abdul Kader Ibrahim, Jianguomenwai Diplomatic Housing Compound, Building 7-1, 5th Floor, Apartment 4, Beijing, People's Republic of China
 28. Omran, Karim Dhaidas, Iraq
 29. Raouf, Khalid Mohammed, Praca Pio X, 54-10* Andar, CEP 20091, Rio de Janeiro, Brazil
 30. Ricks, Roy, 87 St. Mary's Frice, Benfleet,

Essex, England United Kingdom
 31. Schmitt, Rogerio Eduardo, Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 32. Sim, Gilberto F., Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 33. Souza, Francisco Antonio, Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil

34. Speckman, Jeanine, England, United Kingdom
 35. Tall, Aktham, P.O. Box 1318, Amman, Jordan
 36. Taveira, A. Arnaldo G., Praca Pio X, 54-10° Andar, CEP 20091, Rio de Janeiro, Brazil
 37. Zahran, Yousuf, P.O. Box 1318, Amman, Jordan

APPENDIX B—Merchant Vessels Registered, Owned, Or Controlled by the Government of Iraq or by Persons Acting Directly or Indirectly on Behalf of the Government of Iraq

- All ships listed or Iraqi-flagged unless otherwise indicated.
- "N/A" is listed where information is not available.

Vessel name	Ship type	DWT	Call sign	Owner
1 Ain Zaiyah	Tkr	36,330	HNAZ	Iraqi Oil Tankers Company, Basrah, Iraq
2 Al Anbar	Tug	N/A	YIAV	Government of the Republic of Iraq, Managed by the State Organization of Iraqi Ports, Basrah, Iraq
3 Al Fao	Res	80	YIAN	State Org. of Iraqi Ports.
4 Al Karamah	Tkr	12,882	HNKM	Iraqi Oil Tankers Company.
5 Al Khariba	Tkr	7,155	HNKD	Iraqi Oil Tankers Company.
6 Al Mansur	Ycht	1,223	HNMR	Iraqi State Enterprise for Water Transport.
7 Al Merbid	Svc	4,649	YIMD	State Org. of Iraqi Ports.
8 Al Mosul	Svc	1,219	YIAS	State Org. of Iraqi Ports.
9 Al Najaf	Svc	4,740	YINF	State Org. of Iraqi Ports.
10 Al Nasr	Svc	2,444	DDRH	State Org. of Iraqi Ports.
11 Al Nasr	Tkr	1,502	HNNR	Iraqi Oil Tanker Company
12 Al Omerah	Tug	320	YIAW	State Org. of Iraqi Ports.
13 Al Ramadi	Tug	320	YIAI	State Org. of Iraqi Ports.
14 Al Rasheed	Svc	304	YIBE	State Org. of Iraqi Ports.
15 Al Rauba	Tkr	544	YIBA	State Org. of Iraqi Ports.
16 Al Shumookh	Tug	375	N/A	State Org. of Iraqi Ports.
17 Al Waleed	Res	N/A	YIBF	State Org. of Iraqi Ports.
18 Al Zab	Tug	N/A	YIBH	State Org. of Iraqi Ports.
19 Al Zawraa	Cgo	3,549	HNZW	Iraqi State Enterprise for Water Transport, Baghdad
20 Al-Alyaa	Tug	375	N/A	State Org. of Iraqi Ports.
21 Al-Amin	Tug	368	YIAM	State Org. of Iraqi Ports.
22 Al-Baath	Tkr	9,928	HNBT	Iraqi Oil Tankers Company.
23 Al-Bakr	Res	390	YIBR	State Org. of Iraqi Ports.
24 Al-Bayaa	Brg	1,662	HNHB	Iraqi State Enterprise for Water Transport. Formerly the Hibooob.
25 Al-Entisar	Tug	375	N/A	State Org. of Iraqi Ports.
26 Al-Hather	Tug	368	YIHR	State Org. of Iraqi Ports.
27 Al-Karmh	Tug	368	YIKH	State Org. of Iraqi Ports.
28 Al-Khalq Al-Arabi	Svc	4,740	YIKA	State Org. of Iraqi Ports.
29 Al-Nohoodh	Tug	375	YINU	State Org. of Iraqi Ports.
30 Al-Qadisiya	Ycht	100	HNKS	Iraqi State Enterprise for Water Transport.
31 Al-Ressafa	Tug	368	YIRF	State Org. of Iraqi Ports.
32 Al-Sahil Al-Arabi	Svc	6,396	NHSA	Iraqi State Enterprise for Sea Fisheries, Basrah, Iraq.
33 Al-Thirhar	Tkr	524	YITH	State Org. of Iraqi Ports.
34 Al-Wahdah	Tug	149	YIWH	State Org. of Iraqi Ports.
35 Alabid	Brg	1,662	HNDB	Iraqi State Enterprise for Water Transport. Formerly the Sanabul.
36 Aladreesi	Cgo	3,550	HNID	Iraqi State Enterprise for Water Transport.
37 Alfarabi	Cgo	8,342	HNFB	Iraqi State Enterprise for Water Transport.
38 Alfarahidi	Tkr	149,441	HNFR	Iraqi Oil Tankers Company.
39 Alfidaa	Brg	1,662	HNFD	Iraqi State Enterprise for Water Transport. Formerly the Silawat.
40 Alkharisaa	Cgo	3,525	HNKN	Iraqi State Enterprise for Water Transport.
41 Alkindi	Cgo	8,342	HNKI	Iraqi State Enterprise for Water Transport.
42 Almustansiyah	Tkr	155,210	HNMS	Iraqi Oil Tankers Company.
43 Almutanabbi	Tkr	130,241	HNMB	Iraqi Oil Tankers Company.
44 Alnaja'	Svc	4,740	YINF	State Org. of Iraqi Ports.
45 Alqadisiyah	Tkr	155,210	HNQS	Iraqi Oil Tankers Company.
46 Alsumood	Svc	6,977	YISD	State Org. of Iraqi Ports.
47 Altaawin Alarabi	Cgo	13,634	HNAI	Iraqi State Enterprise for Water Transport.
48 Alwahda	Brg	1,662	HNAD	Iraqi State Enterprise for Water Transport.
49 Alwasiti	Cgo	8,343	HNWS	Iraqi State Enterprise for Water Transport.
50 Alyarmuk	Tkr	149,371	HNKY	Iraqi Oil Tankers Company.
51 Alzubair	Svc	4,640	YIZR	State Org. of Iraqi Ports.
52 Amunyah	Tkr	155,210	HNAM	Iraqi Oil Tankers Company
53 Antara	Svc	508	YIBD	State Org. of Iraqi Ports.
54 Arbeel	Tug	320	YIBB	State Org. of Iraqi Ports.
55 Baba Gurgur	Tkr	36,397	HNGR	Iraqi Oil Tankers Company.
56 Babylon	Cgo	13,656	HNBB	Iraqi State Enterprise for Water Transport.
57 Badr 7	Svc	647	N/A	Government of the Republic of Iraq, Ministry of Oil, State Company for Oil Projects, Baghdad, Iraq. (flag: Saudi Arabia).
58 Baghdad	Svc	2,900	YIAD	State Org. of Iraqi Ports.
59 Baghdad	Cgo	13,656	HNBD	Iraqi State Enterprise for Water Transport.
60 Baiqeas	RO/RO	3,985	HNBL	State Organization of Iraqi Government.
61 Basra	Svc	2,906	YIAB	State Org. of Iraqi Ports.
62 Basrah	Cgo	13,656	HNBS	Iraqi State Enterprise for Water Transport.
63 Buzurgan	Tkr	36,400	HNBR	Iraqi Oil Tankers Company.
64 Damascus	Tug	149	YIDS	State Org. of Iraqi Ports.
65 Damen Gonnchem 5716	Svc	N/A	N/A	State Org. of Iraqi Ports.
66 Damen Gonnchem 5717	Svc	N/A	N/A	State Org. of Iraqi Ports.
67 Damen Gonnchem 5718	Svc	N/A	N/A	State Org. of Iraqi Ports.

Vessel name	Ship type	DWT	Call sign	Owner
68. Deyala	Tug	350	YIBJ	State Org. of Iraqi Ports.
69. Dillah	Tug	358	HNDJ	State Org. of Iraqi Ports.
70. Diving Launch 1	Svc	N/A	N/A	State Org. of Iraqi Ports.
71. Dwanyya	Tug	350	YIBK	State Org. of Iraqi Ports.
72. Dockan	Tkr	528	YIDN	State Org. of Iraqi Ports.
73. Dump Barge I	Svc	1,330	J8TY	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
74. Dump Barge II	Svc	1,330	J8JZ	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
75. Dump Barge III	Svc	1,330	J8JA	Whale Shipping Ltd., c/o State Org. of Iraqi Ports (flag: Gibraltar).
76. Fire Boat No. 705	Svc	N/A	N/A	State Org. of Iraqi Ports.
77. Fire Boat No. 706	Svc	N/A	N/A	State Org. of Iraqi Ports.
78. Forel	Fsh	1,163	HNFL	Rafidan Fisheries Co. Ltd., Basrah, Iraq.
79. Furat	Tug	350	HNFT	State Org. of Iraqi Ports.
80. Gaza	Svc	2,422	YIGZ	State Org. of Iraqi Ports.
81. Hamdan	Tug	387	YIHM	State Org. of Iraqi Ports.
82. Heet	Tug	89	N/A	State Org. of Iraqi Ports.
83. Hillah	Svc	6,709	YIAR	State Org. of Iraqi Ports.
84. Himreen	Svc	508	YIHN	State Org. of Iraqi Ports.
85. Hitin	Tkr	155,210	HNHT	Iraqi Oil Tankers Company.
86. Ibn Khaldoun	Svc	12,670	HNHN	State Org. of Iraqi Ports.
87. Ibn Majid 6	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
88. Imheiran	Tug	386	YIMH	State Org. of Iraqi Ports.
89. Jabha	Tug	244	YIJA	State Org. of Iraqi Ports.
90. Jambur	Tkr	35,338	HNJM	Iraqi Oil Tankers Company.
91. Jamhonia	Tug	368	YIJR	State Org. of Iraqi Ports.
92. Kefal	Fsh	1,170	HNKL	Rafidan Fisheries Co. Ltd.
93. Kerbala	Svc	N/A	N/A	State Org. of Iraqi Ports.
94. Khalid Ibn Al Waleed	Svc	2,235	YIBM	State Org. of Iraqi Ports.
95. Khanagan	Tkr	35,338	HNKO	Iraqi Oil Tankers Company.
96. Khewla Birt Al Zawra	RO/RO	3,985	HNKN	Iraqi State Enterprise for Water Transport.
97. Kirkuk	Tkr	35,338	HNKK	Iraqi Oil Tankers Company.
98. Mandali	Svc	6,977	YIQS	State Org. of Iraqi Ports. Formerly the Alkadisyah.
99. Maysaloon	Tug	368	YIMY	State Org. of Iraqi Ports.
100. Measan	Tug	310	YIMN	State Org. of Iraqi Ports.
101. Methaq	Tug	248	YIMQ	State Org. of Iraqi Ports.
102. Moon Lady	RO/RO	3,985	HNNZ	Pandora Shipping Co., S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan. Formerly the Iraq-owned AL-ZAHRAA (flag: Honduras).
103. Nagroor	Fsh	140	N/A	Government of the Republic of Iraq, Ministry of Agriculture & Agrarian Reform, State Fisheries Company, Baghdad, Iraq.
104. Nainawa	Tug	310	YINW	State Org. of Iraqi Ports.
105. Niar	Svc	744	YISR	State Org. of Iraqi Ports.
106. No. 1	Svc	30	N/A	State Org. of Iraqi Ports.
107. No. 2	Svc	30	N/A	State Org. of Iraqi Ports.
108. Nuwaibi	Fsh	140	N/A	Iraqi State Fisheries Co.
109. Ohod 5	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
110. Ohod 6	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
111. Ohod 7	Svc	N/A	N/A	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
112. Orooba	Tug	368	YIOB	State Org. of Iraqi Ports.
113. Oton Maru No. 2	Svc	N/A	N/A	State Org. of Iraqi Ports.
114. Palestine	Svc	4,649	YIFN	State Org. of Iraqi Ports.
115. Pilot 393	Svc	N/A	N/A	State Org. of Iraqi Ports.
116. Pilot 394	Svc	N/A	N/A	State Org. of Iraqi Ports.
117. Police 1	Ptri	N/A	N/A	State Org. of Iraqi Ports.
118. Police 2	Ptri	N/A	N/A	State Org. of Iraqi Ports.
119. Police 3	Ptri	N/A	N/A	State Org. of Iraqi Ports.
120. Radhwa 18	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
121. Radhwa 19	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
122. Radhwa 20	Tug	N/A	N/A	Iraqi State Company for Oil Projects.
123. Roban	Fsh	129	N/A	Iraqi State Fisheries Company.
124. Rumala	Tkr	36,330	HNRM	Iraqi Oil Tankers Company.
125. Sarf Saad	Svc	742	N/A	State Org. of Iraqi Ports.
126. Samarra	Fer	N/A	YIBC	State Org. of Iraqi Ports.
127. Sarra	Svc	508	YISN	State Org. of Iraqi Ports.
128. Sboor	Fsh	129	HRN2	Iraqi State Fisheries Company.
129. Seabank	Fsh/Cgo	6,953	HQHR4	Trade & Maritime Investments, Honduras. Managed by Arab Trans Trade Co. S.A.E., Alexandria Egypt. Formerly the Iraq-owned AL-BAHAR AL-ARABI (flag: Honduras).
130. Seamusic II	Cgo	28,732	9HYH2	Seamusic Shipping Co. Ltd., c/o Themaris Ships Management Inc., Athens, Greece. Vessel Seized by Government of Iraq (flag: Malta).
131. Sebas Nissan	Tug	368	YISM	State Org. of Iraqi Ports.
132. Sheboot	Fsh	1,163	HNLK	Rafidan Fisheries Co., Ltd.
133. Shatt al Basrah	Fsh	404	HNSR	Iraqi State Fisheries Company.
134. Shorook	Svc	403	YISH	State Org. of Iraqi Ports.
135. SHU' Aiah	Tug	N/A	N/A	State Org. of Iraqi Ports.
136. Sihan	Tug	387	YISI	State Org. of Iraqi Ports.
137. Sinai	Svc	1,286	N/A	State Org. of Iraqi Ports.
138. Sinjar	Svc	N/A	YIAY	State Org. of Iraqi Ports.
139. Sky Sea	Cgo	6,334	HNRZ	Pandora Shipping Co. S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan. Formerly the Iraq-owned ALRAZI (flag: Honduras).
140. Solnechnik	Fsh	484	UOJE	Iraqi State Fisheries Company.
141. Sulamanyan	Svc	N/A	YIAG	State Org. of Iraqi Ports.

Vessel name	Ship type	DWT	Call sign	Owner
142. Survey Launch No. 1.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
143. Survey Launch No. 2.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
144. Survey Launch No. 3.....	Res.....	N/A	N/A	State Org. of Iraqi Ports.
145. Tadmur.....	Tkr.....	3,627	HNTD	Iraqi Oil Tankers Company.
146. Tahreer.....	Svc.....	4,649	YITR	State Org. of Iraqi Ports.
147. Tank Ibn Ziyad.....	Tkr.....	118,139	HNTZ	Iraqi Oil Tankers Company.
148. Theeqar.....	Tug.....	220	YIAC	State Org. of Iraqi Ports.
149. Ur.....	Tug.....	368	YIUR	State Org. of Iraqi Ports.
150. Work Boat No. 6.....	Brg.....	N/A	N/A	State Org. of Iraqi Ports.
151. Workshop 3.....	Svc.....	N/A	N/A	State Org. of Iraqi Ports.
152. Yanbu 31.....	Svc.....	N/A	N/A	State Org. of Iraqi Ports.
153. Yousifan.....	Tug.....	386	YIYN	Iraqi State Company for Oil Projects (flag: Saudi Arabia).
154. Zain Al Qaws.....	Cgo.....	9,247	HNZO	State Org. of Iraqi Ports.
155. Zamzam.....	Tkr.....	544	YIAZ	Iraqi State Enterprise for Water Transport.
156. Zanoobia.....	Cgo.....	3,549	HNZN	State Org. of Iraqi Ports.
157. Zubaidy.....	Fsh.....	N/A	YIBO	Iraqi State Enterprise for Water Transport.
158. 1 Athar.....	Tkr.....	1,502	HNAR	State Org. of Iraqi Ports.
159. 1 Hunzan.....	Tkr.....	1,502	HNHN	Iraqi Oil Tankers Company.
160. 7 Nissan.....	Tkr.....	1,502	HNHN	Iraqi Oil Tankers Company.

Dated: March 13, 1991.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: March 15, 1991.

John P. Simpson,

Acting Assistant Secretary, (Enforcement).

[FR Doc. 91-7795 Filed 4-1-91; 8:45 am]

BILLING CODE 4810-25-M

DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control****31 CFR Part 575****Iraqi Sanctions Regulations**

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Final rule; amendments to the list of specially designated nationals of the Government of Iraq.

SUMMARY: The Iraq Sanctions Regulations, 31 CFR part 575 (56 FR 2112, Jan. 18, 1991—the "Regulations"), are being amended to add seven names to and remove two names from appendix A, the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq). Appendix A contains the names of companies and individuals which the Director of the Office of Foreign Assets Control has determined are owned or controlled by or acting or purporting to act directly or indirectly for the Government of Iraq. This list may be expanded at any time.

EFFECTIVE DATE: June 25, 1991.

ADDRESSES: Copies of this list are available upon request at the following location: Office of Foreign Assets Control, U.S. Department of the Treasury, Annex, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT: Richard J. Hollas, Chief, Enforcement Section, Office of Foreign Assets Control, Tel.: (202) 566-5021.

SUPPLEMENTARY INFORMATION: The Regulations were issued by the Treasury Department to implement Executive Orders No. 12722 and 12724 of August 2 and August 9, 1990, in which the President declared a national emergency with respect to Iraq, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act (22 U.S.C. 287c), and ordering specific measures against the Government of Iraq. An amendment to the regulations (56 FR 13584, Apr. 3, 1991) added a new appendix A, the list of Individuals and Organizations Determined to be Within the Term "Government of Iraq" (Specially Designated Nationals of Iraq), and a new appendix B, the list of Merchant Vessels Registered, Owned, or Controlled by the Government of Iraq or by Persons Acting Directly or Indirectly on Behalf of the Government of Iraq.

Section 575.306 of the Regulations defines the term "Government of Iraq" to include

(a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

(b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since the effective date, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any other person or organization determined by the Director of the Office of Foreign Assets Control to be included within this section.

Determinations that persons fall within this definition are effective upon the date of determination by the Director, Office of Foreign Assets Control ("FAC"). Public notice is effective upon the date of publication or upon actual notice, whichever is sooner.

This rule adds seven names to and removes two names from appendix A to part 575 to provide public notice of a list of persons, known as "specially designated nationals" of the Government of Iraq. The list consists of companies and individuals which the Director of the Office of Foreign Assets Control has determined to be owned or controlled by or to be acting or purporting to act directly or indirectly for the Government of Iraq, and which thus fall within the definition of the "Government of Iraq" contained in § 575.306 of the Regulations. The persons included in appendix A are subject to all prohibitions applicable to other components of the Government of Iraq. All unlicensed transactions with such persons, or in property in which they have an interest, are prohibited.

The list of specially designated nationals is a partial one, since FAC may not be aware of all the persons that might be owned or controlled by the Government of Iraq or acting as officers, agents, or front organizations for Iraq, and which thus qualify as specially designated nationals of the Government of Iraq. Therefore, persons engaging in transactions may not rely on the fact that any particular person is not on the specially designated nationals list as evidence that it is not owned or controlled by, or acting or purporting to act directly or indirectly for, the Government of Iraq. The Treasury Department regards it as incumbent upon all U.S. persons to take reasonable steps to ascertain for themselves whether persons they enter into transactions with are owned or controlled by the Government of Iraq or are acting or purporting to act on its

behalf, or on behalf of other countries subject to blocking or transportation-related restrictions (at present, Cambodia, Cuba, Libya, North Korea, and Vietnam).

Section 586F of the Iraq Sanctions Act of 1990, Public Law 101-513, 104 Stat. 2049, provides for civil penalties not to exceed \$250,000 for violations of the Regulations and fines of up to \$1,000,000 and imprisonment for up to 12 years for willful violations of the Regulations. In addition, section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) provides for the forfeiture of any property involved in a violation of the Regulations.

Pursuant to the Regulations, PMK/QUDOS (Liverpool Polytechnic), England, United Kingdom, and Sollatek, England, United Kingdom, were included in appendix A to the Regulations, published in the *Federal Register* on April 3, 1991 (56 FR 13584) as specially designated nationals of the Government of Iraq. Following a review of additional information and extensive consultations with the British Government, it has been determined that PMK/QUDOS (Liverpool Polytechnic) and Sollatek are not within the scope of the definition of the "Government of Iraq" as defined in § 575.306 of the Regulations; and, therefore, are removed from the list of specially designated nationals of the Government of Iraq.

Because the Regulations involve a foreign affairs function, Executive Order 12291 and the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply.

List of Subjects in 31 CFR Part 575

Administrative practice and procedure, Banks, Banking, Blocking of assets, Foreign trade, Iraq, Penalties, Reporting and recordkeeping requirements, Securities, Specially designated nationals, Travel restrictions.

PART 575—IRAQI SANCTIONS REGULATIONS

For the reasons set forth in the preamble, 31 CFR part 575 is amended as set forth below:

1. The Authority citation for part 575 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; 50 U.S.C. 1601 *et seq.*; 22 U.S.C. 287c; Pub. L. 101-513, 104 Stat. 2047-55 (Nov. 5, 1990); 3 U.S.C. 301; E.O. 12722, 55 FR 31803 (Aug. 3, 1990); E.O. 12724, 55 FR 33089 (Aug. 13, 1990).

Appendix A—Individuals and Organizations Determined to be Specially Designated Nationals of the Government of Iraq

2. Appendix A to part 575 is amended by removing the numerical designations from the list of companies and the list of individuals.

3. Appendix A to part 575 is amended by removing the following names from the list of companies:

PMK/QUDOS (Liverpool Polytechnic),
England, United Kingdom.
Sollatek, England, United Kingdom.

4. Appendix A to part 575 is amended by adding the following names in their proper alphabetical positions to the list of individuals:

Al-Majid, Ali Hassan, Baghdad, Iraq
Al-Majid, Hussein Kamei Hassan, Baghdad,
Iraq

Al-Takriti, Barzan Ibrahim Hassan, Geneva,
Switzerland
Al-Takriti, Sabawi Ibrahim Hassan, Baghdad,
Iraq

Al-Takriti, Watban, Baghdad, Iraq
Hussein, Udai Saddam, Baghdad, Iraq
Jasim, Latif Nusayyif, Baghdad, Iraq

Dated: May 17, 1991.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: May 22, 1991.

Nancy L. Worthington,
Acting Assistant Secretary (Enforcement).
[FR Doc. 91-15008 Filed 6-20-91; 12:49 pm]

BILLING CODE 4810-25-M

**Letter to Congressional Leaders
Reporting on the National Emergency
With Respect to Iraq**

February 11, 1991

Dear Mr. Speaker: (Dear Mr. President):

1. On August 2, 1990, in Executive Order No. 12722, I declared a national emergency to deal with the threat to the national security and foreign policy of the United States caused by Iraq's invasion of Kuwait. (55 FR 31803.) In that order, I ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. I also prohibited the importation of goods or services of Iraqi origin into the United States and the exportation of goods, technology, and services to Iraq from the United States. In addition, I prohibited travel-related transactions and transportation transactions from or to Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

At the same time, at the request of the Government of Kuwait, I issued Executive Order No. 12723 (55 FR 31805), blocking all property of the Government of Kuwait then or thereafter in the United States or in the possession or control of a U.S. person.

Subsequently, on August 9, 1990, I issued Executive Orders Nos. 12724 and 12725 (55 FR 33089), to ensure that the sanctions imposed by the United States were consistent with United Nations Security Council Resolution 661 of August 6, 1990. Under these orders, additional steps were taken with regard to Iraq, and sanctions were applied to Kuwait as well to insure that no benefit to Iraq resulted from the military occupation of Kuwait.

2. The declaration of the national emergency on August 2, 1990, was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. I reported the declaration to the Congress on August 3, 1990, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions of August 9, 1990, were imposed pursuant to the authority vested in me by the Constitution and laws of the United States, including the statutes cited above and the United Nations Participation Act (22 U.S.C. 287c). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). This report discusses only Administration actions and expenses directly related to the national emergency with respect to Iraq declared in Executive Order No. 12722, as implemented pursuant to that order and Executive Orders Nos. 12723, 12724, and 12725.

3. The Office of Foreign Assets Control of the Department of the Treasury ("FAC"), after consultation with other Federal agencies, issued the Kuwaiti Assets Control Regulations, 31 C.F.R. Part 570 (55 FR 49857, November 30, 1990), and the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (56 FR 2112, January 18, 1991), to implement the prohibitions contained in Executive Orders Nos. 12722-12725.

Prior to the issuance of the final regulations, FAC issued a number of general licenses to address emergency situations affecting U.S. persons and the legitimate Government of Kuwait. Those general licenses have been incorporated, as appropriate, into the Kuwaiti Assets Control Regulations and the Iraqi Sanctions Regulations as general licenses, which permit transactions that would otherwise be prohibited by the Executive orders and regulations. U.S. persons, including U.S. financial institutions, are authorized to complete certain securities, foreign exchange, and similar transactions on behalf of the Government of Kuwait that were entered into prior to August 2, 1990. Similarly, certain import and export transactions commenced prior to August 2, 1990, were allowed to be completed, provided that any payments owed to Iraq or Kuwait were paid into a blocked account in a U.S. financial institution. The regulations also allow for the investment and reinvestment of blocked Kuwaiti and Iraqi assets. Consistent with United Nations Security Council Resolutions 661 and 666, the regulations also outline licensing procedures permitting the donation to Iraq or Kuwait of food in humanitarian circumstances, and of medical supplies, where it is demonstrated to FAC that the proposed export transaction meets the requirements for exemption under United Nations Security Council Resolution 661.

With this report I am enclosing a copy of the Department of the Treasury's Kuwaiti Assets Control Regulations and Iraqi Sanctions Regulations.

4. Worldwide outrage over the invasion of Kuwait by Saddam Hussein has resulted in the imposition of sanctions by nearly every country of the world. To an extent unprecedented in the history of peacetime economic sanctions, the community of nations has worked together to make the sanctions effective in isolating Saddam Hussein and in cutting him off from the support he needs in order to continue his illegal occupation of Kuwait. This cooperation has occurred through the United Nations Sanctions Committee, established by United Nations Security Council Resolution 661, diplomatic channels, and day-to-day working contact among the national authorities responsible for implementing and administering the sanctions.

5. As of January 24, 1991, FAC had issued 158 specific licenses to Kuwaiti governmental entities operating assets or direct investments in the United States, enabling continued operation and the preservation of Kuwaiti government assets in the United States, as well as addressing certain expend-

itures by or on behalf of the Government of Kuwait in exile. In addition, 68 specific licenses were issued regulating transactions involving the Government of Iraq or its assets. Authorizations were granted enabling the Iraqi Embassy to conduct diplomatic representation in the United States. Specific licenses were also issued to non-Iraqi entities determining or authorizing the disposition of pre-embargo imports and exports on the high seas, authorizing the payment under confirmed letters of credit for pre-embargo exports, and permitting the conduct of procedural transactions such as the filing of lawsuits and payment for legal representation. In all cases involving Iraqi property, steps were taken to ensure that no financial benefit accrued to Iraq as a result of a licensing decision. In order to ensure compliance with the terms and conditions of licenses, reporting requirements have been imposed that are closely monitored. Licensed accounts are regularly audited by FAC compliance personnel and by deputized auditors from other regulatory agencies. Compliance analyses are prepared monthly for major licensed Kuwaiti governmental entities.

6. Upon issuance of Executive Orders Nos. 12722 and 12723 on August 2, 1990, FAC initiated an intensive effort to identify and enforce the blocked status of all property within the United States in which the Government of Iraq has an interest. On Sunday, August 5, 1990, in a nationwide law enforcement effort coordinated by FAC, notices of blocking were served on agents of Iraqi Airways, Inc., at four locations—two in New York, one in Southfield, Michigan, and one in Los Angeles, California—and all operations of Iraqi Airways in the United States were shut down.

On August 27, 1990, a notice of blocking was served on a company in Newbury, Ohio, which had in its possession a scintillation detector belonging to the Iraqi Atomic Energy Commission. The detector had been sold to the Iraqi government by the firm in February 1990 and returned to the United States for repair in July 1990.

On September 17, 1990, in a law enforcement effort coordinated by FAC with assistance from the Federal Bureau of Investigation and the Customs Service, a notice of blocking was served and actions were taken pursuant thereto at the office of a machine tool distributing company in Solon, Ohio. This corporation is a wholly owned subsidiary of an English company and was blocked based on information that the English company was ultimately owned and controlled by an Iraqi government-controlled trading company in Baghdad, Iraq. Enforcement of the blocked status of the Ohio company's property, including its bank assets, forced the shutdown of the firm.

FAC is continuing to coordinate enforcement actions and investigate reports of violations of the sanctions against Iraq and occupied Kuwait. These efforts will continue to ensure that no activities in violation of the sanctions are allowed to confer any benefit on Iraq.

The enforcement efforts of the United States Government complement the efforts worldwide to enforce sanctions against Iraq. The United States has utilized a wide variety of diplomatic, administrative, and enforcement tools to deter circumvention of the global trade and financial embargoes established under United Nations Security Council resolutions. The enforcement efforts of the United States have been augmented through ongoing contacts with the United Nations, the Organization of Economic Cooperation and Development, the European Community and member states' central banks through the Bank for International Settlements, as well as with representatives of individual governments.

7. The expenses incurred by the Federal Government in the 6-month period from August 2, 1990, through February 1, 1991, that are directly attributable to the exercise of the authorities conferred by the declaration of a national emergency with respect to Iraq (including sanctions against Iraq and occupied Kuwait) are estimated at \$1,226,338.80, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Federal Reserve Board, the National Security Council, the Department of Agriculture, and the Department of Transportation.

8. The invasion of Kuwait and the continuing illegal occupation of that country by Saddam Hussein continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding decisions of the United Nations Security Council with respect to Iraq and Kuwait. I shall continue to exercise the powers at my disposal to apply economic sanctions against Iraq and occupied Kuwait as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

Sincerely,

George Bush

Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Dan Quayle, President of the Senate.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 18, 1991

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: RICHARD N. HAASS *RN*

FROM: BRUCE O. RIEDEL *BR*

SUBJECT: Semiannual Report to Congress on Iraq

The President is required by law to submit a report to Congress every six months on the Iraqi emergency declared on August 2, 1990. The next installment is due on August 2, 1991. His last report was transmitted to Congress on February 11, 1991 (Tab C).

The proposed report, prepared by Treasury (Tab A) and forwarded by Secretary Brady (Tab B), covers events under the Iraqi emergency declaration during the period of February 2, 1991, through August 2, 1991, and satisfies the reporting requirements imposed by the laws under which the emergency was declared. State has cleared the proposed report.

Concurrences by: Tim Deal, Ginny Lampley and Nick Rostow *R.D. for* *GL* *SR for*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum to the President
Tab A Report to Congress
Tab B Letter from Treasury Secretary
Tab C Copy of November 1990 Report

NATIONAL SECURITY COUNCIL

26-Jul-1991 08:23 EDT

UNCLASSIFIED

MEMORANDUM FOR:

Brenda I. Hilliard

(HILLIARD)

FROM:

Kathy Leahy
(LEAHY)

SUBJECT:

5330 / 5331

*Approved Notice to Congress
to be sent by the Agency
to the President by 1:48 p.m.*

Brenda,

Can you help push these packages through - if they're late the sanctions against Iraq will lapse. 5331 if with the President and 5330 with the General as of the 19th. Exec Clerk is anxiously awaiting these two packages. Thanks!

*Signed on or before
Aug 1st*

Semiannual Rpt to Congress on Iraq

Withdrawal/Redaction Sheet (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Case Number 257530SS Terrence O'Donnell to Brent Scowcroft Re: Iraq Emergency (1 pp.)	7/18/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Records Management, White House Office of (WHORM)
Series: Subject File - General
Subseries: Scanned
WHORM Cat.: SP291-71
File Location: Case Number 257530SS

Date Closed: 10/2/2007	OA/ID Number: 00002-001
FOIA/SYS Case #: 1998-0099-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

5330



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D.C. 20301-1600

18 JUL 1991

Honorable Brent Scowcroft
Assistant to the President
for National Security Council
The White House
Washington, D.C. 20500

Dear General Scowcroft:

I am forwarding for your consideration a draft Notice to continue the national emergency declared on August 2, 1990, in Executive Order No. 12722, and such Notice prescribed in sections 202(d) of the National Emergency Act (50 U.S.C. § 1622(d)).

In view of instability in Southwest Asia, continued deployment of regular and reserve forces and the failure of Iraq to comply with the terms of the cease fire, the Department of Defense considers it prudent to continue the national emergency beyond August 2, 1991, so that statutory authority dependent on the existence of a national emergency may be invoked to ensure compliance with all relevant resolutions of the United Nations Security Council concerning the situation in Southwest Asia.

Sincerely,

J. Niederlehner
for Terrence O'Donnell

Enclosure

Notice of July _____, 1991

Continuation of Southwest Asian Emergency

On August 2, 1990, by Executive Order No. 12722, I declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States caused by the invasion of Kuwait by Iraq. Because of continued instability caused by the failure of Iraq to comply with all relevant resolutions of the United Nations Security Council, the national emergency declared on August 2, 1990, must continue in effect beyond August 2, 1991. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iraq and Southwest Asia. This notice shall be published in the Federal Register and transmitted to the Congress.

George Bush

The White House,

_____, 1991.



DEPARTMENT OF DEFENSE
OFFICE OF GENERAL COUNSEL
WASHINGTON, D.C. 20301-1600

Staff

FAX FROM LEGISLATIVE REFERENCE SERVICE

TO: The Honorable Brent Scowcroft

FROM: Mr. George Laster for Mr. Brick

NUMBER OF PAGES TO FOLLOW: 2

DATE: 07/18/91

TIME: _____

DEPARTMENT OF DEFENSE
LEGISLATIVE REFERENCE SERVICE
ROOM 3D282
WASHINGTON, D.C. 20301

VERIFICATION NUMBER: 703-697-1305

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 HAASS
002 HAASS
003 SCOWCROFT
003
004 PRESIDENT
004

Z 91071518 PREPARE MEMO FOR SCOWCROFT
Z 91071820 APPROPRIATE ACTION
Z 91071914 FWD TO PRES FOR SIG
Z 91072210 OBE PER HAASS
Z 91072610 FOR SIGNATURE
X 91072618 PRES SGD PER WH EXEC CLERK

Ann. Annual Rpt. to Congress on Iraq
**National Security Council
The White House**

PROOFED BY: WEA LOG # 5330
URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
BYPASSED WW DESK: _____ DOCLOG PR A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
<i>SK</i> Ken Hill	<u>1</u>	<u>K</u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u>U</u>	
Bob Gates			
Brent Scowcroft	<u>3</u>		
Bill Sittmann			
Situation Room			
West Wing Desk	<u>4</u>	<u>St. 7/26</u>	<u>D</u>
NSC Secretariat	<u>5</u>		

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS: