

pursuant to the Order. In addition the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively "Specially Designated Narcotics Traffickers" or "SDNTs").

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDNTs, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order.

Designations of foreign persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Department of the Treasury's Office of Foreign Assets Control (OFAC) acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On October 24, 1995, the Department of the Treasury issued a notice containing 76 additional names of persons determined to meet the criteria set forth in Executive Order 12978 (60 *Fed. Reg.* 54582, October 24, 1995). Additional notices expanding and updating the list of SDNTs were published on November 29, 1995 (60 *Fed. Reg.* 61288), March 8, 1996 (61 *Fed. Reg.* 9523), and January 21, 1997 (62 *Fed. Reg.* 2903).

Effective February 28, 1997, OFAC issued the Narcotics Trafficking Sanctions Regulations ("NTSR" or the "Regulations"), 31 C.F.R. Part 536, to further implement my declaration of a national emergency and imposition of sanctions against significant foreign narcotics traffickers centered in Colombia (62 *Fed. Reg.* 9959, March 5, 1997).

On April 17, 1997 (62 *Fed. Reg.* 19500, April 22, 1997), July 30, 1997 (62 *Fed. Reg.* 41850, August 4, 1997), and September 9, 1997 (62 *Fed. Reg.* 48177, September 15, 1997), OFAC amended appendices A and B to 31 C.F.R. chapter V, revising information concerning individuals and entities who have been determined to play a significant role in international narcotics trafficking centered in Colombia or have been determined to be owned or controlled by, or to act for or on behalf of, or to be acting as fronts for the Cali cartel in Colombia. These actions are part of the ongoing inter-agency implementation of Executive Order 12978 of October 21, 1995. These changes to the previous SDNT list brought it to a total of 426 businesses and individuals with whom financial and business dealings are prohibited and whose assets are blocked under the Order.

3. OFAC has disseminated and routinely updated details of this program to the financial, securities, and inter-

national trade communities by both electronic and conventional media. In addition to bulletins to banking institutions via the Federal Reserve System and the Clearing House Interbank Payments System (CHIPS), individual notices were provided to all relevant State and Federal regulatory agencies, automated clearing houses, and State and independent banking associations across the country. OFAC contacted all major securities industry associations and regulators. It posted electronic notices on the Internet and over 10 computer bulletin boards and 2 fax-on-demand services, and provided the same material to the U.S. Embassy in Bogota for distribution to U.S. companies operating in Colombia.

4. As of March 25, 1998, OFAC had issued nine specific licenses pursuant to Executive Order 12978. These licenses were issued in accordance with established Treasury policy authorizing the completion of presanctions transactions and the provision of legal services to and payment of fees for representation of SDNTs in proceedings within the United States arising from the imposition of sanctions.

5. The narcotics trafficking sanctions have had a significant impact on the Cali drug cartel. Of the 133 business entities designated as SDNTs as of February 20, 1998, 41, or nearly a third, having a combined net worth estimated at more than \$45 million and combined income of more than \$200 million, had been determined to have gone into liquidation. As a result of OFAC designations, 3 Colombian banks have closed about 300 SDNT accounts of nearly 100 designated individuals. One of the largest SDNT commercial entities, a discount drugstore with an annual income exceeding \$136 million, has been reduced to operating on a cash basis. These specific results augment the less quantifiable but significant impact of denying the designated individuals and entities of the cartel access to U.S. financial and commercial facilities.

Various enforcement actions carried over from prior reporting periods are continuing and new reports of violations are being aggressively pursued. Two criminal investigations are ongoing. Since my last report, OFAC has collected its first civil monetary penalty for violations of IEEPA and the Regulations under the program. OFAC collected \$2,625 from a commercial agent for ocean-going oil tankers for violative funds transfers.

6. The expenses incurred by the Federal Government in the 6-month period from October 21, 1997, through April 20, 1998, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to Significant Narcotics Traffickers are estimated at approximately \$620,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, and the Office of the General Counsel),

the Department of Justice, and the Department of State. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

7. Executive Order 12978 provides my Administration with a tool for combating the actions of significant foreign narcotics traffickers centered in Colombia and the unparalleled violence, corruption, and harm that they cause in the United States and abroad. The Order is designed to deny these traffickers the benefit of any assets subject to the jurisdiction of the United States and to prevent United States persons from engaging in any commercial dealings with them, their front companies, and their agents. Executive Order 12978 demonstrates the United States commitment to end the damage that such traffickers wreak upon society in the United States and abroad.

The magnitude and the dimension of the problem in Colombia—perhaps the most pivotal country of all in terms of the world's cocaine trade—are extremely grave. I shall continue to exercise the powers at my disposal to apply economic sanctions against significant foreign narcotics traffickers and their violent and corrupting activities 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).

WILLIAM J. CLINTON.

THE WHITE HOUSE, April 24, 1998.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FORD:

S. 1989. A bill to amend the Internal Revenue Code of 1986 to increase the standard deduction amount to reduce the marriage penalty, simplify the filing of individual tax returns, and provide tax relief for lower and middle income individuals, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. 1990. A bill to authorize expansion of Fort Davis National Historic Site in Fort Davis, Texas; to the Committee on Energy and Natural Resources.

By Mr. JOHNSON:

S. 1991. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

By Mrs. HUTCHISON (for herself and Ms. COLLINS):

S. 1992. A bill to amend the Internal Revenue Code of 1986 to provide that the \$500,000 exclusion of a gain on the sale of a principal residence shall apply to certain sales by a surviving spouse; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated: