

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL
EMERGENCY WITH RESPECT TO THE 1979 IRANIAN
EMERGENCY AND ASSETS BLOCKING

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO IRAN THAT WAS DECLARED BY
EXECUTIVE ORDER NO. 12170 OF NOVEMBER 14, 1979, PURSU-
ANT TO 50 U.S.C. 1641(c)



NOVEMBER 14, 2000.—Referred to the Committee on International
Relations and ordered to be printed

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THE WHITE HOUSE,
Washington, November 9, 2000.

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

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979.

Sincerely,

WILLIAM J. CLINTON.

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH
RESPECT TO THE 1979 IRANIAN EMERGENCY AND ASSETS BLOCKING

I hereby report to the Congress on developments since the last Presidential report of June 21, 2000, concerning the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"). This report covers events through September 30, 2000. My last report, dated June 21, 2000, covered events through March 31, 2000.

1. There have been no amendments to the Iranian Assets Control Regulations, 31 CFR Part 535 (the "IACR"), since my last report.

2. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continue to make progress in arbitrating the claims before it. Since the period covered in my last report, the Tribunal has rendered one award. This award brings the total number of awards rendered by the Tribunal to 597, the majority of which have been in favor of U.S. claimants. As of September 30, 2000, the value of awards to successful U.S. claimants paid from the Security Account held by the NV Settlement Bank was \$2,509,361,102.01.

Since my last report, Iran has failed to replenish the Security Account established by the Algiers Accords to ensure payment of awards to successful U.S. claimants. Thus, since November 5, 1992, the Security Account has continuously remained below the \$500 million balance required by the Algiers Accords. As of September 30, 2000, the total amount in the Security Account was \$99,718,258.36, and the total amount in the Interest Account was \$41,225,193.27. Therefore, the United States continues to pursue Case No. A/28, filed in September 1993, to require Iran to meet its obligation under the Algiers Accords to replenish the Security Account.

The United States also continues to pursue Case No. A/29 to require Iran to meet its obligation of timely payment of its equal share of advances for Tribunal expenses when directed to do so by the Tribunal.

3. The Department of State continues to respond to claims brought against the United States by Iran, in coordination with concerned government agencies.

Under the February 22, 1996 settlement agreement related to the Iran Air case before the International Court of Justice and Iran's bank-related claims against the United States before the Tribunal (*see* report of May 17, 1996), the Department of State has been processing payments. As of September 30, 2000, the Department has authorized payment to U.S. nationals totaling \$17,721,549.19 for 58 claims against Iranian banks. In addition, since November 1998, the Department has authorized transfer of

\$6,914,792.00 to the Tribunal for payment of Iran's share of the Tribunal's operating expenses. The Department has also authorized payments to surviving family members of 247 Iranian victims of the aerial incident, totaling \$61,350,000.00.

On April 7, 2000, the full Tribunal issued a partial award in Case No. A/11, which concerns U.S. assets associated with the former Shah. The Tribunal rejected Iran's contention that the Algiers Accords imposed upon the United States an "obligation of result" guaranteeing the success of Iran's Pahlavi assets litigation in U.S. courts. The Tribunal found that the United States was not obligated to provide Iran with a forum to adjudicate the merits of the Pahlavi assets claim that would be subject to no jurisdictional or procedural defenses. The Tribunal also held that the United States was not required to freeze the assets of the estate of the former Shah, because no such estate ever existed as a legal entity within the United States. In addition, the Tribunal held that the United States had no obligation to freeze the assets of the Shah's relatives, or to order reports on those assets, unless those relatives were served as defendants in apparent accordance with the applicable law of the forum. Finally, the Tribunal held that the United States was obligated to freeze and order reporting about the assets of certain relatives of the Shah who had been thus served. In a subsequent proceeding, the Tribunal will determine whether Iran has established that it suffered a loss as a result of the United States' failure to comply with some of these requirements.

4. U.S. nationals continue to pursue claims against Iran at the Tribunal. Since my last report, however, the Tribunal has not issued awards in any private claims.

5. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.