

A REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO IRAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO IRAN THAT WAS DECLARED IN EXECUTIVE
ORDER 12170 OF NOVEMBER 14, 1979, PURSUANT TO 50 U.S.C.
1703(c)



MAY 27, 1999.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

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To the Congress of the United States:

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.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 26, 1999.*

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

I hereby report to the Congress on developments since the last Presidential report of November 16, 1998, concerning the national emergency with respect to Iran that was declared in Executive Order No. 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 March 31, 1999. My last report, dated November 16, 1998, covered events through September 30, 1998.

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, continues to make progress in arbitrating the claims before it. Since the period covered in my last report, the Tribunal has rendered three awards. This brings the total number of awards rendered by the Tribunal to 591, the majority of which have been in favor of U.S. claimants. As of March 31, 1999, the value of awards to successful U.S. claimants paid from the Security Account held by the NV Settlement Bank was \$2,502,365,655.22.

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 March 31, 1999, the total amount in the Security Account was \$106,713,705.15 and the total amount in the Interest Account was \$29,521,369.18. 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. In Case No. A/28, the United States filed a request for additional relief on November 30, 1998, to which Iran responded on March 8, 1999. The Tribunal has scheduled a hearing on this case for June 28-30, 1999.

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 present other United States Government claims against Iran and 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 March 31, 1999, the Department has authorized payment to U.S. nationals totaling

\$17,615,113.84 for 56 claims against Iranian banks. In addition, the Department authorized transfer of \$2,886,580.00 to the Tribunal for Iran's share of the Tribunal's operating expenses. The Department has also authorized payments to surviving family members of 242 Iranian victims of the aerial incident, totaling \$60,600,000.00.

On December 28, 1998, the full Tribunal issued a partial award in Cases A/15 and A/24. The Tribunal dismissed some of Iran's claims and, with respect to others, held that the United States had failed to comply with obligations under the Algiers Accords to terminate claims against Iran in U.S. courts, and that the United States may be obligated to compensate Iran for expenses incurred in connection with such failures. In a subsequent phase, the Tribunal will determine the nature and amount of damages, if any, suffered by Iran.

In case A/30, a case in which Iran alleges that the United States has violated paragraphs 1 and 10 of the General Declaration of the Algiers Accords, based on an alleged covert action program aimed at Iran and U.S. sanctions, the United States filed a submission on March 9, 1999, in response to Iran's request that the Tribunal require the United States to produce classified intelligence information.

4. U.S. nationals continue to pursue claims against Iran at the Tribunal. Since my last report, the Tribunal has issued awards in two private claims. On November 16, 1998, Chamber One issued an award in Ford Aerospace & Communications v. Iran,

AWD No. 589-93-1, heeding Iran's "Request to Close the Case," and determining that the sole remaining issue, Iran's counterclaim against Ford Aerospace, was moot.

On January 13, 1999, Chamber One issued an award in Rana Kipour v. Iran, AWD No. 591-336-1, giving effect to a settlement agreement between the parties, under which the claimant was paid \$850,000.

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 No. 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.