

A REPORT ON DEVELOPMENTS
CONCERNING EXECUTIVE ORDER 12543

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO LIBYA THAT WAS DECLARED IN
EXECUTIVE ORDER 12543 OF JANUARY 7, 1986, PURSUANT TO
50 U.S.C. 1703(c)



JULY 19, 1999.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed.

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of December 30, 1998, concerning the national emergency with respect to Libya that was declared in Executive Order 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On December 30, 1998, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, virtually all trade with Libya is prohibited, and all assets owned or controlled by the Government of Libya in the United States or in the possession or control of U.S. persons are blocked.

2. On April 28, 1999, I announced that the United States will exempt commercial sales of agricultural commodities and products, medicine, and medical equipment from future unilateral sanctions regimes. In addition, my Administration will extend this policy to existing sanctions programs by modifying licensing policies for currently embargoed countries to permit case-by-case review of specific proposals for commercial sales of these items. Certain restrictions apply.

The Office of Foreign Assets Control (OFAC) of the Department of the Treasury is currently drafting amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the Regulations), to implement this initiative. The amended Regulations will provide for the licensing of sales of agricultural commodities and products, medicine, and medical supplies to nongovernmental entities in Libya or to government procurement agencies and parastatals not affiliated with the coercive organs of that country. The amended Regulations will also provide for the licensing of all transactions necessary and incident to licensed sales transactions, such as insurance and shipping arrangements. Financing for the licensed sales transactions will be permitted in the manner described in the amended Regulations.

3. During the reporting period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) involved types of financial transactions that are consistent with U.S. policy. Most of these licenses authorized personal remittances not involving Libya between persons who are not blocked parties to flow through Libyan banks located outside Libya. Three licenses were issued authorizing certain travel-related transactions. One license was

issued to a U.S. firm to allow it to protect its intellectual property rights in Libya; another authorized receipt of payment for legal services; and a third authorized payments for telecommunications services. A total of 26 licenses were issued during the reporting period.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, 87 transactions potentially involving Libya, totaling nearly \$3.4 million, were interdicted.

5. Since my last report, OFAC has collected 7 civil monetary penalties totaling \$38,000 from 2 U.S. financial institutions, 3 companies, and 2 individuals for violations of the U.S. sanctions against Libya. The violations involved export transactions relating to Libya and dealings in Government of Libya property or property in which the Government of Libya had an interest.

On April 23, 1999, a foreign national permanent resident in the United States was sentenced by the Federal District court for the Middle District of Florida to 2 years in prison and 2 years supervised release for criminal conspiracy to violate economic sanctions against Libya, Iran, and Iraq. He had previously been convicted of violation of the Libyan Sanctions Regulations, the Iranian Transactions Regulations, the Iraqi Sanctions Regulations and the Export Administration Regulations for exportation of industrial equipment to the oil, gas, petrochemical, water, and power industries of Libya, Iran, and Iraq.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. Numerous investigations are ongoing and new reports of violations are being scrutinized.

6. The expenses incurred by Federal Government in the 6-month period from January 7 through July 6, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$4.4 million. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. In April 1999, Libya surrendered the 2 suspects in the Lockerbie bombing for trial before a Scottish court seated in the Netherlands. In accordance with UNSCR 748, upon the suspects' transfer, UN sanctions were immediately suspended. We will insist that Libya fulfill the remaining UNSCR requirements for lifting UN sanctions and are working with UN Secretary Annan and UN Security Council members to ensure that Libya does so promptly. U.S. unilateral sanctions remain in force, and I will continue to exercise the powers at my disposal to apply these sanctions fully and effectively, as long as they remain appropriate. I will continue to

report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 19, 1999*.

