

NOTE: The President spoke at 3:16 p.m. in the East Room at the White House. In his remarks, he referred to Florida attorney Charles R. "Bud" Stack.

Message to the Congress on Economic Sanctions Against Libya *February 10, 1994*

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of July 12, 1993, concerning the national emergency with respect to Libya that was declared in Executive Order No. 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 3, 1993, I announced new measures to tighten economic sanctions against Libya. These measures are taken pursuant to the imposition by the world community of new sanctions against Libya under Security Council ("UNSC") Resolution 883 of November 11, 1993, and are designed to bring to justice the perpetrators of terrorist attacks against Pan Am flight 103 and UTA flight 772. The actions signal that Libya cannot continue to defy justice and flout the will of the international community with impunity.

UNSC Resolution 883 freezes on a worldwide basis certain financial assets owned or controlled by the Government of Libya or certain Libyan entities and bans provision of equipment for refining and transporting oil. It tightens the international air embargo and other measures imposed in 1992 under UNSC Resolution 748. It is the result of close cooperation between the United States, France, and the United Kingdom, whose citizens were the principal victims of Libyan-sponsored terrorist attacks against Pan Am 103 and UTA 772, and of consultations with Russia and other friends and allies.

On December 2, 1993, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extends the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is

prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked. In addition, I have instructed the Secretary of Commerce to reinforce our current trade embargo against Libya by prohibiting the re-export from foreign countries to Libya of U.S.-origin products, including equipment for refining and transporting oil.

2. There has been one amendment to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control ("FAC") of the Department of the Treasury, since my last report on July 12, 1993. The amendment (58 *Fed. Reg.* 47643) requires U.S. financial institutions to provide written notification to FAC of any transfers into blocked accounts within 10 days of each transfer. It also standardizes registration and reporting requirements applicable to all persons holding blocked property and requires the annual designation of an individual contact responsible for maintaining the property in a blocked status. A copy of the amendment is attached to this report.

3. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in transactions under the Regulations, issuing 65 licensing determinations—both approvals and denials. Consistent with FAC's ongoing scrutiny of banking transactions, the largest category of license approvals (17) concerned requests by non-Libyan persons or entities to unblock bank accounts initially blocked because of an apparent Libyan interest. One license involved export transactions from the United States to support a United Nations program in Libya. Six licenses were issued authorizing intellectual property protection in Libya. Two licenses were issued that permit U.S.

attorneys to provide legal representation under circumstances permitted by the Regulations. FAC has also issued one license authorizing U.S. landlords to liquidate the personalty of the People's Committee for Libyan Students, with the net proceeds from the sale paid into blocked accounts. Finally, FAC has issued three licenses to the Embassy of the United Arab Emirates, as Protecting Power for Libya, to manage Libyan property in the United States subject to stringent FAC reporting requirements.

4. During the current 6-month period, FAC has 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 FAC worked closely with the banks to implement new interdiction software systems to identify such payments. As a result, during the reporting period, more than 130 transactions involving Libya, totaling more than \$20.7 million, were blocked.

Since my last report, FAC has collected 39 civil monetary penalties totaling nearly \$277,000 for violations of U.S. sanctions against Libya. All but 8 of the violations involved the failure of banks to block funds transfers to Libyan-owned or -controlled banks, with 5 of the remainder involving the U.S. companies that ordered the funds transfers. The balance involved one case each for violations involving a letter of credit, trademark registrations, and export transactions.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. Several new investigations of potentially significant violations of the Libyan sanctions have been initiated by FAC and co-operating U.S. law enforcement agencies. Many of these cases are believed to involve complex conspiracies to circumvent the various prohibitions of the Libyan sanctions, as well as the utilization of international diversionary shipping routes to and from Libya. FAC continued to work closely with the Departments of State and Justice to identify U.S. persons who enter into contracts or agreements with the Government of Libya, or other third-country parties, to lobby U.S. Government officials and to engage in public relations work on behalf of the Government of Libya without FAC authorization.

FAC also continued its efforts under the Operation Roadblock initiative. This ongoing program seeks to identify U.S. persons who travel

to and/or work in Libya in violation of U.S. law.

FAC has continued to pursue the investigation and identification of Libyan entities as Specially Designated Nationals of Libya. During the reporting period, those activities have resulted in the addition of one third-country Libyan bank to the Specially Designated Nationalists list; and FAC has intervened with respect to a Libyan takeover attempt of another foreign bank. FAC is also reviewing options for additional measures directed against Libyan assets in order to ensure strict implementation of UNSC Resolution 883 that has imposed international sanctions against Libyan financial assets.

5. The expenses incurred by the Federal Government in the 6-month period from July 7, 1993, through January 6, 1994, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$1 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.

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. The United States continues to believe that still stronger international measures than those mandated by UNSC Resolution 883, including a worldwide oil embargo, should be enacted if Libya continues to defy the international community. We remain determined to ensure the perpetrators of the terrorists acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON

The White House,
February 10, 1994.