

countries with international standards concerning freedom of emigration.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Letter to Congressional Leaders Transmitting a Plan and Report on
Reorganization of the Foreign Affairs Agencies
December 29, 1998

Dear _____:

I hereby submit the reorganization plan and report required by section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277, Division G). As required by the Act, the reorganization plan and report describe how the United States Arms Control and Disarmament Agency, the United States Information Agency, and portions of the United States Agency for International Development will be integrated into the Department of State.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Jesse Helms, chairman, and Joseph R. Biden, Jr., ranking member, Senate Committee on Foreign Relations; Ted Stevens, chairman, and Robert C. Byrd, ranking member, Senate Committee on Appropriations; Benjamin A. Gilman, chairman, and Lee Hamilton, ranking member, House Committee on International Relations; and Robert L. Livingston, chairman, and David R. Obey, ranking member, House Committee on Appropriations. This letter was released by the Office of the Press Secretary on December 30.

Letter to Congressional Leaders on Continuation of the National
Emergency With Respect to Libya
December 30, 1998

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Libyan emergency is to continue in effect beyond January 7, 1999, to the *Federal Register* for publication. Similar notices have been sent annually to the Congress and published in the *Federal Register*. The most recent notice was signed on January 2, 1998, and appeared in the *Federal Register* on January 6, 1998.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986, has not been resolved. The Government of Libya has continued its actions and policies in support of terrorism, despite the calls by the United Nations Security Council, in Resolutions 731 (1992), 748 (1992), and 883 (1993), that Libya demonstrate by concrete actions its renunciation of terrorism. Such Libyan actions and policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. Furthermore, the Libyan government has not delivered the two Lockerbie bombing suspects for trial, even though the United States and United Kingdom accepted Libya's proposal to try the suspects in a Scottish court in a third country. Libya's stalling in handing over the suspects is yet another indication

of Libya's continued support for terrorism and rejection of international norms. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Libya to reduce its ability to support international terrorism.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The notice is listed in Appendix D at the end of this volume.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to Libya

December 30, 1998

Dear Mr. Speaker: (Dear Mr. President:)

I hereby report to the Congress on the developments since my last report of July 6, 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 United States persons are blocked.

2. There have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report of July 6, 1998.

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 (26) 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. Seven licenses were issued to U.S. firms to allow them to protect their intellectual property rights in Libya. One license was issued in connection with law enforcement activities and one authorized certain travel-related transactions. A total of 35 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, more than 87 transactions potentially involving Libya, totaling more than \$7.9 million, were interdicted.

5. Since my last report, OFAC has collected 4 civil monetary penalties totaling more than \$15,000 for violations of the U.S. sanctions against Libya. Three of the violations involved the failure of U.S. banks to block payments or letters of credit transactions relating to Libyan-owned or Libyan-controlled financial institutions. One U.S. individual paid an OFAC penalty for dealing in Government of Libya property.

On October 16, 1998, two Canadian corporations entered a guilty plea acknowledging IEEPA violations charged in a March 8, 1995, indictment. Pursuant to the plea agreement, the defendants each paid \$65,000 in criminal fines and \$10,000 in OFAC civil penalties.

Various enforcement actions carried over from previous reporting periods have continued to be