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106th Congress, 2d Session – – – – – – – – – – – – – House Document 106–275

SIX MONTH PERIODIC REPORT WITH RESPECT TO THE NATIONAL EMERGENCY DECLARED IN LIBYA

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA, PURSUANT TO 50 U.S.C. 1641(c)

SEPTEMBER 6, 2000.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
79–011 WASHINGTON : 2000

To the Congress of the United States:

As required by 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), I transmit herewith a 6-month periodic report on the national emergency with respect to Libya that was declared in Executive Order 12543 of January 7, 1986.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 27, 2000.*

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA

I hereby report to the Congress on the developments since my last report of January 7, 2000, 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).

On December 30, 1999, 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.

There have been no amendments to the Libyan Sanctions Regulations, 31 CFR Part 550 (the "LSR"), since my last report.

During the current 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 authorizations (24) involved types of financial transactions that are consistent with U.S. policy. Most of these licenses authorized remittances between persons, who are not blocked parties, to flow through Libyan banks located outside Libya. Thirty-one applications to unblock funds transfers were denied due to a Government of Libya interest. Eight licenses were issued to authorize certain travel-related transactions and two authorized certain legal services. As of May 18, 2000 a total of 42 licenses were issued during the reporting period.

OFAC continues 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. OFAC worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the current reporting period, 183 transactions potentially involving Libya, totaling nearly $60 million, were interdicted.

Since my last report, OFAC has collected eight civil monetary penalties totaling nearly $120,000 for violations of the U.S. sanctions against Libya from four financial institutions, three U.S. companies, and one individual. The violations involved dealings in property in which the Government of Libya had an interest, including funds transfers and letters of credit.

On April 26, 2000 a federal grand jury in Houston, Texas, returned a 23-count criminal indictment against a Houston-based

corporation and its two principal officers. The indictment charges violations of IEEPA and other federal statutes involving the illegal exportation to Libya of pipe coating material for use in the Great Man Made River Project. Other enforcement actions carried over from previous reporting periods continue and new reports of alleged violations are being aggressively pursued.

The expenses incurred by the federal government in the six-month period from January 7 through July 6, 2000 that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $630,000. 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.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986 has not yet been resolved. Despite the UN Security Council's suspension of UN sanctions against Libya upon the Libyan government's handover of the Pan Am 103 bombing suspects in April 1999, Libya has not yet complied with UN Security Council Resolutions 731 (1992), 748 (1992), and 883 (1993). Therefore, Libya continues to pose an unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. U.S. unilateral sanctions will, therefore, 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.

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