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SIX-MONTH PERIODIC 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. 1641(c)

<GRAPHIC(S) NOT AVAILABLE IN TIFF FORMAT>

June 22, 2000.--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) 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, June 21, 2000.

President's Periodic Report on the National Emergency With Respect to
the 1979 Iranian Emergency and Assets Blocking

I hereby report to the Congress on developments since the last Presidential report of November 16, 1999, concerning the national emergency with respect to Iran that was declared in Executive Order 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, 2000. My last report, dated November 16, 1999, covered events through September 30, 1999.

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 596, the majority of which have been in favor of U.S. claimants. As of March 31, 2000, the value of awards to successful U.S. claimants paid from the Security Account held by the NV Settlement Bank was \$2,509,361,102.01.

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, 2000, the total amount in the Security Account was \$99,718,258.36, and the total amount in the Interest Account was \$36,929,024.67. 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. A hearing on this case was conducted before the full Tribunal on November 17-19, 1999, at which the United States presented its claims and responded to Iranian defenses.

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, 2000, the Department has authorized payment to U.S. nationals totaling \$17,661,117.94 for 57 claims against Iranian banks. In addition, since November 1998, the Department has authorized transfer of \$5,592,165.00 to the Tribunal for payment of Iran's share of the Tribunal's operating expenses. The Department has also authorized payments to surviving family members of 243 Iranian victims of the aerial incident, totaling \$60,900,000.00.

4. U.S. nationals continue to pursue claims against Iran at the Tribunal. Since my last report, the Tribunal has issued awards in three private claims. On October 7, 1999, Chamber Two issued an award in Gulf Associates, Inc. v. Iran, AWD No. 594-385-2, determining that the claimant company was a national of the United States; finding that Iran was responsible for

certain debts owed to the claimant by companies that had subsequently been nationalized; and requiring those companies to pay the claimant \$1,931,180.00, plus interest accrued since May 1979.

On November 16, 1999, Chamber Three issued an award in *Bank Markazi Iran v. Federal Reserve Bank of New York*, AWD No. 595-823-3, dismissing on their merits Bank Markazi's contract-based claims for a higher return on its assets.

On February 24, 2000, Chamber One issued a partial award on agreed terms in *Frederica Lincoln Riahi v. Iran*, AWD No. 596-485-1. Giving effect to a partial settlement agreement between the parties, this award required Iran to deliver to the claimant the contents of a safe deposit box at Bank Mellat, Tehran.

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 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.