# Withdrawal/Redaction Sheet
## Clinton Library

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|---|---|---|---|
| 001a. memo | Samuel Berger to Strobe Talbott, et al., re: Iran E.O. (2 pages) | 05/25/1996 | P1/b(1) |
| 001b. memo | Alan Kreczko to Samuel Berger, re: Iran Executive Order (3 pages) | 05/24/1996 | P5 1499 |
| 001c. email | Alan Kreczko to Kristen Cicio, re: Iran E.O. (3 pages) | 05/18/1996 | P5 1500 |
| 002. list | Handwritten list [partial] (1 page) | n.d. | P6/b(6) |
| 003. list | Handwritten list [partial] (1 page) | n.d. | P6/b(6) |
| 004. list | Attendees at Iran Trade Sanctions Meeting [partial] [National Security Act] (1 page) | ca. 1995 | P3/b(3), P6/b(6) |
| 005. memo | Iain Baird to Ellen Laipson, et al., re: Iran Embargo (4 pages) | 07/25/1995 | P5 1501 |
| 006. paper | Re: Iran Embargo (2 pages) | 07/19/1995 | P1/b(1), P5 |
| 007a. memo | Shaun Donnelly to Ellen Laipson, re: [Iran Embargo] (4 pages) | 07/19/1995 | P1/b(1), P5 |
| 007b. paper | State Department Proposal (3 pages) | ca. 07/1995 | P1/b(1), P5 |
| 007c. paper | Detailed DOS Objections to USDOC Proposal (2 pages) | ca. 07/1995 | P1/b(1), P5 |
| 007d. memo | R. Richard Newcomb to Shaun Donnelly, re: Implementation of Executive Order 12959 (2 pages) | 07/14/1995 | P5 1502 |

**COLLECTION:**

Clinton Presidential Records
National Security Council
Near East and South Asian Affairs (Grummon, Stephen)
OA/Box Number: 723

**FOLDER TITLE:**

Implementing the E.O. [Executive Order] on Iran [1]

Kara Ellis
2009-1438-F
ke1674

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3679

May 24, 1996

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM: ALAN KRECZKO AK

SUBJECT: Iran Executive Order

Attached at Tab II is a new Iran E.O. prepared by interagency lawyers (Commerce, State, Treasury, Justice, NSC) to implement the two decisions you and Dan Tarullo made concerning interpretation of the existing E.O: (1) exports from the U.S. to third countries, if specifically known that the export will be incorporated into foreign-made products for re-export to Iran, are prohibited, and (2) U.S. expatriates cannot deal in exports to Iran.

On the former, it is understood by all agencies that you and Dan endorsed the State Department proposed 10% de minimis exception -- exports will be permitted, even for knowing incorporation overseas into goods destined for Iran, where U.S. content will be less than 10% of final value of product. This would be implemented through a Treasury regulation. It is also understood that there is an inventory exception -- exports sent to a European company known to have dealings with Iran are allowed as long as that company does not predominantly deal with Iran. Also, it is understood by all that the rule concerning re-exports by foreigners that existed under the prior E.O. is unchanged. (This is very important to Reinsch).

Agency lawyers made clear they would need to secure their policy concurrence after you cleared off on our work. I suggest as a next step that you send the E.O. with a short explanatory note to Reinsch, Talbott and Summers seeking their concurrence (Tab I). Thereafter, we can put the E.O to the President through OMB.

There is continued grumbling at the working level about three second-tier issues. I do not know whether a principal will see them as significant enough to raise with you, but you should be aware of them.

First, Treasury/OFAC questioned the wisdom of the 10% de minimis exception on knowing re-exports. They said it sends confusing signals to US companies -- what's the message, that a little bit of business with Iran is OK?" (Both State and Commerce support the 10% exception on the understanding that this is intended to keep U.S. companies from being cut out of supplying inputs to European manufacturers who export throughout Europe and the Middle East.)

Second, OFAC questioned continued reliance on a "one-stop" shopping approach to licensing. OFAC licensing is complicated by the fact that the order has been (and remains) structured so that OFAC cannot grant a license for something which Commerce would have been precluded from licensing. The intention is to make clear that the USG will not use a shift in licensing (from Commerce to Treasury) to avoid the legal prohibitions on certain trade with Iran imposed in the NDAA. The problem, apparently, is that the NDAA is very complicated to apply. When Treasury tries to apply it, they end up having to work closely with Commerce. Treasury has suggested that it would be better for license applicants to go directly to Commerce for the license. Commerce replies that most license applications only partially affect the NDAA. Directing such exporters to Commerce would require them to get part of their license from Commerce and part from Treasury, and generate industry confusion.

Both Commerce and Treasury agree that the system should be chosen which is most industry friendly since we are talking here only about process and not licensing result. Commerce believes strongly that the "one-stop shopping" procedure followed the past year is most efficient. Treasury, at least at the OFAC level, seems to disagree. Again, however, it is not clear that an issue like this will rise to the Summers level. (I would leave the system at "one stop shopping," have Treasury continue in the lead, and just tell Treasury and Commerce to improve their consultative process within it.)

In any event, the resolution of this issue is unaffected by the E.O., which by its terms can accommodate either outcome.

Third, Commerce working level continues to grumble about the fact that you decided (see E-mail at Tab III) that the provis re-exports would apply to in-country transfers as well. Rienscn asked me to confirm that you had considered the E.T. aspects of this, which I did. State argues that the risks of diversion would be significant if the E.O. permitted a French company to transfer a terrorism- or proliferation-controlled item to an Iranian-controlled entity, just because the Iranian-controlled entity was located in France.

Concurrence by: Steve Grummon by AK and Helen Walsh by AK (subs)



RECOMMENDATION

That you sign the memo at Tab I forwarding the new E.O. to Commerce, State and Treasury.



Attachments

| | |
|---|---|
| Tab I | Memorandum for Reinsch, Talbott and Summers |
| Tab II | Draft E.O. |
| Tab III | E-mail |

cc: Dan Tarullo

## Kreczko, Alan J.

**From:** Cicio, Kristen K.
**To:** Kreczko, Alan J.
**Cc:** /R, Record at A1; Bass, Peter E.; Cicio, Kristen K.; Grummons, Stephen R.; Poneman, Daniel B.; Veit, Katherine M.; Walsh, Helen C.; Wiley, Mary C.; @LEGAL - Legal Advisor
**Subject:** FW: Iran E.O. [UNCLASSIFIED]
**Date:** Saturday, May 18, 1996 10:35AM



1580

SB — (see next page.)

Alan:

SB initialed "agree" in each case and circled "clarify" in para A.

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From: Kreczko, Alan J.
To: @UP - APNSA Special Assistants
CC: /R, Record at A1; Grummons, Stephen R.; Poneman, Daniel B.; Walsh, Helen C.; @LEGAL - Legal Advisor
Subject: FW: Iran E.O. [UNCLASSIFIED]
Date: Thursday, May 16, 1996 12:15 PM

Please pass to SB:

You asked for a status report on Iran EO, and in particular whether Bill Riensch now accepted the decisions you and Terullo made.

We had a follow-up drafting meeting on the EO yesterday, and expect to conclude the redraft on Tuesday of next week.

Commerce lawyers said Reinsch was relieved to here what you had not addressed (the 10% rule in the re-export context). They were not categoric that Reinsch therefore accepted the decision, saying Reinsch wanted to see the actual E.O. before pronouncing. However, that was the implication.

In drafting the new E.O. three policy issues have arisen. Please provide guidance:

A. How to "present" the new E.O. - is this a clarification of the old E.O. or an extension of it?

My impression from conversations with you is that you saw your decision as merely confirming what we believed POTUS to have decided last year, in face of an ambiguity in the text of the E.O. That is State Department's preferred characterization as well. Commerce and Treasury will defer, but did want me to flag to you whether it would be useful on the Hill to portray this as a new anti-Iran action. I'm proceeding in the drafting on the "clarify" rather than "extend" basis.

_____ Agree                _______ Disagree

B. The 10% insubstantial content rule.

As noted in last week's E-amil (below), the State Department, in a spirit of accomodation with Commerce, modified its own position to suggest that exports from the USG would not be prohibited, even if known that they will be incorporated in a third country into a product destined for Iran, provided the final product is less than 10% US content. Although Treasury had not objected to this proposal, they are now saying it presents enforcement difficulties -- how will a US exporter know whether the content in a third country produce will exceed 10% US? I agree there may be enforcement difficulties, but that is always the case with a "knowing standard" and if the exporter doesn't know, the export isn't precluded. This will be important to Commerce. I would therefore intend to tell Treasury that we're sticking with this part of the decision, notwithstanding possible enforcement difficulties.

_______ Agree ___________ Disagree.

3. Reexports

As indicated below, Reinsch was relieved to learn that we are not changing the rule regarding "reexports". That is the situation where a US exporter sends an export (e.g. a computer modem) to a third country (e.g. France), without any advance knowledge that the item would be incorporated into an item to be reexported to Iran. Under existing rules, the French importer must only get a license to send the final product (e.g. a computer) to Iran, if (1) the computer is a controlled item and (2) the US content (here, the modem) exceeds 10% of value and the US content is US-controlled items. This is the agreed position on reexports. The question is whether a transfer within France to an Iranian owned or controlled entity is a "reexport", or whether it is only a "re-export" if it leaves France.

State Department says such an intra-state transfer should be considered a re-export, since whole purpose of order is to preclude benefit to Iran. They argue it makes no policy sense to preclude a transfer from a French company in France to an Iranian controlled company in Germany (which all agree would be precluded), but to permit the French company to transfer the same item to an Iranian controlled company in France. (All agree that if the Iranian controlled company in France sought to remove the item from France, it would be caught).

Commerce agrees that Iran policy would suggest treating the intra and inter State transfer the same. However, they argue that the Europeans see reexport controls as extraterritorial. While they have come to acquiesce in them with respect to inter-State transfers, they will not like extension of this doctrine to intra-State transfers. (Commerce does acknowledge, however, that on a case-by-case basis, they currently catch such intra-State transfers when licensing particularly sensitive exports). They therefore would not read "re-export" to catch intra-State transfers.

This is an issue of first impression. Our other IEEPA embargoes (Haiti, FRY) apparently did not need to address the issue of re-exports because UN Sanctions prohibited trade with the targeted country and its entities.

I lean to the State view, and would include intra-State transfers within the prohibition on re-exports.

_________ Agree __________ Disagree

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From: Kreczko, Alan J.
To: @UP - APNSA Special Assistants
CC: /R, Record at A1; Poneman, Daniel B.; Grummons, Stephen R.; Walsh, Helen C.; @LEGAL - Legal Advisor
Subject: Iran E.O. [UNCLASSIFIED]
Date: Friday, May 10, 1996 08:50 PM

Please pass to SB:

SUMMARY

I met with inter-agency lawyers on implementation of decisions you and Dan Turullo made concerning the Iran E.O. We will meet again on Wednesday. Discussions with Commerce lawyers reassured them that your decision did not implicate what they thought was Reinsch's major concern. They will report back to him, and let me know whether Reinsch still wants to engage you.

DISCUSSION

Commerce lawyers explained that Reinsch letter was written blind -- while NSC staff had informed State of decisions taken, they said no one had informed Commerce policy side. Treasury lawyers said ditto for their policy side. I expressed surprise and apologized, if true.

To understand Reinsch's possible concerns, you need to understand that there are two quite different "10%" rules:

-- what rule applies to U.S. persons who want to export something to a third country, knowing it will be incorporated into an item for re-export to Iran. This is the issue you addressed.

-- what rule applies to NON-US PERSONS overseas, who want to export to Iran an item that includes US products. This is an item you did not address.

Both State and Commerce have agreed (and the existing E.O. is clear) with respect to the second matter, that exports to Iran by NON US PERSONS overseas of items including US components are caught by the E.O. only if the item itself is controlled for export to Iran and if the controlled US content exceeds 10% of the item. This rule was not at issue in the decision memo to you.

Instead, your decision only addressed exports from the US. While Commerce wanted to apply the same 10% rule here as in the above issue, State wanted to preclude all exports from the US where the US exporter knew that his product would be incorporated into a product going to Iran. State subsequently modified this absolute approach to suggest they would be willing to live with a 10% rule for such exports from the US. However, this is a different 10% rule -- it applies whether or not the final product is controlled and whether or not the US content is "controlled" content.

Commerce lawyers thought Reinsch's letter was primarily driven by a concern that you had decided to apply the State Department 10% rule not to US exports, but to foreign firms seeking to re-export US items. They thought he would be reassured to learn that we not what you had decided. They also thought he would be reassured to learn that we had not changed existing guidance on two issues related to exports from the U.S.

-- the inventory rule: It is OK for a US firm to export to a European firm which sells the US product to various buyers, including Iran. Only exports for incorporation into items known to be going to Iran were at issue.

-- the substantial transformation rule. Even if US content surpasses 10%, the Order will not prohibit export to a third country for re-export to Iran, if the US component will be "substantially transformed".

Commerce lawyers will get back to me to let me know whether this explanation alleviates Reinsch's concerns, or whether Reinsch really was taking issue with the issue which you and Dan Turello did resolve. (If the latter, many of the points made in Reinsch's letter are wrong, or at least misleading. For example his letter asserts a concern that the decision "would modify the way this department has calculated de minimis US content in foreign manufactured products for the past ten years". Misleading at best. While it may be different than the rule Commerce generally applies, the decision you and Dan made is consistent with the way Treasury applies other IEEPA sanctions, such as Bosnia, Haiti and Iraq. Moreover, your decision concerned exports from the US and did not "further extraterritorial application of US law", as his letter suggests.)

Here's hoping that when Commerce lawyers convey to Reinsch what you did and, more importa[illegible] not decide, you won't need to engage Reinsch.

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230



July 25, 1995

MEMORANDUM FOR ELLEN LAIPSON
ALAN KRECZKO
MIKE FROMAN
RICK NEWCOMB
SHAUN DONNELLY

FROM: IAIN BAIRD

SUBJECT: IRAN EMBARGO: 10 PERCENT DE MINIMIS

This is a follow-up our recent meetings and the subsequent July 19 memorandum from State. I understand that we will be meeting on this subject in Rick's office at 10:00 a.m. on Wednesday, July 26.

We agree with Shaun that the Administration must avoid implementing the provisions of the EO in a way that would undermine the policy objectives of the embargo. We also agree with Rick that failure to provide guidance to U.S. industry and foreign entities on certain issues seventy-five days into the embargo is not good government. Therefore, rather than respond to all points in State's letter, some of which incorrectly characterize the Commerce position, I suggest we focus on the objectives of the embargo and propose an interpretation of the 10 per cent de minimis exception that satisfies those objectives.

Objectives

As they affect the 10 percent de minimis rule, I believe the Administration's objectives in implementing the Executive Order are:

-- to support the President's comprehensive measures regarding limiting trade and investment with Iran,

-- to minimize the extraterritorial impact of the embargo, and

-- to minimize the "designing out" of U.S.-origin parts, components, and materials in foreign-manufactured products.

We have agreed to use the current practices for Libya, to the extent applicable, as guidance for implementing the Iran embargo. Traditionally, OFAC embargoes have not dealt with reexports, but have focused on direct exports and US person activities. Reexports to embargoes countries have been covered by Commerce's regulations. For Libya, OFAC permits US exporters to knowingly ship items to foreign manufacturers when the US person reasonably believes the goods will be substantially transformed or incorporated into a foreign product. Foreign manufacturers then apply to Commerce for authorization to reexport products that 1) are controlled for reexport purposes and 2) contain more than 10 percent US controlled content.

Interpretation of de minimis exception to parts and components rule

In reading State's July 19 memo, it strikes me that there are three issues that need deciding.

First, will we permit US exporters to ship items to foreign manufacturers, if they know that the items will be incorporated into foreign produced products destined for Iran--the so-called "See-Through" provision?

Second, what items will be considered as "controlled" and subject to the 10 percent de minimis rule?

And, third, how will we treat uncontrolled foreign manufactured items when they contain more than 10 percent controlled US content?

The Iran embargo, as all the other embargoes, has unique features that must be taken into account as we decide these issues, most notably the continued authorization to reexport certain items to Iran, even though their export directly from the US to Iran is precluded.

First, the "See Through" provision.

Though State has proposed some limitation to this provision based on percentage of US content and other conditions, which will be discussed under the second point below, it appears that we all agree that US exporters can export some controlled items for incorporation into foreign manufactured items, even when they know that the end product will be shipped to Iran. So,, in principle, we all seem to recognize the validity of the "See Through" provision.

<u>Second, the 10 percent de minimis calculation.</u>

For Libya, all items except informational materials and food, medicine, medical items and agricultural commodities require written authorization prior to export . Commerce applies its long-standing interpretation of the <u>de minimis</u> rule which requires written reexport authorization only if the percentage of "controlled" U.S. content is more than 10 percent. As most items are controlled to Libya, this calculation is fairly easy.

For Iran under the new EO, all items except informational materials and items donated to meet human needs now require written authorization prior to export. However, the EO made an important modification with respect to Iran to limit its extraterritorial application (a provision that does not exist for Libya), by excluding most items from needing any reexport authorization, if they had not been controlled for export purposes prior to May 7, 1995.

As foreign entities (and perhaps some US persons, as well, depending on the outcome of our policy review on the application of the Iran embargo to US persons engaged in reexporting activity) can reexport many US-origin items to Iran with no control being exercised by the USG, it seems silly to require US exporters and foreign manufacturers to include such items in their calculations of US controlled content. This seems especially silly, as we all agree that those same US-origin items would not be included in the parts and components calculation if obtained from outside of the US by the foreign manufacturer.

Commerce recommends that we exclude from the 10 percent <u>de minimis</u> calculation items that the EO excluded from US reexport control. Uniquely, the Iran EO makes a distinction between US controls on direct exports and reexports of those same products. This is a significant and intended difference from prior embargoes, including the Libyan embargo. Therefore, it seems unreasonable that we should blindly follow the Libyan model in this specific instance.

<u>Third, treatment of uncontrolled foreign manufactured items.</u>

For Libya, if the foreign manufactured product is not a "controlled" item, in and of itself, (<u>e.g.</u>, medical equipment or agricultural commodities), no amount of U.S. content will trigger the reexport authorization requirement. This has been Commerce's long-standing practice. To change the application of this aspect of the parts and components rule in the Iran embargo would remove stability and predictability for this and any future embargoes. Foreign manufacturers would simply deal with the uncertain application of US rules by designing out US components and materials from their products.

So for Iran, Commerce recommends adapting the long-standing practice that foreign manufacturers be permitted to ship uncontrolled foreign manufactured goods (those not at the reexport control level) to Iran, even when the U.S. controlled content is 10 percent or more.

Interpreting Section 1(c) more restrictively will have incongruous and undesirable results. For example, an individual could legally reexport a totally US-origin product that is not controlled for reexport purposes from a third country to Iran. A restrictive interpretation of US rules would prohibit the comparable foreign-origin product containing 10 percent or more of US controlled parts.

In addition, a foreign manufacturer could purchase US-origin controlled parts and components from outside the US and legally incorporate more than 10 percent in a finished product being shipped to Iran. On the other hand, a restrictive interpretation of U.S. rules would prohibit the comparable foreign-origin product containing 10 percent or more of U.S. controlled parts purchased from the US.

Such interpretations would have the result of favoring US-origin low-level products located in third countries over comparable foreign produced products, which is contrary to current policy objectives.

Accordingly, Commerce strongly recommends the continuation of its established interpretation of the parts and components rule which permits the US content to exceed the 10 percent de minimis level, when such items are incorporated into "uncontrolled" foreign manufactured items.

We look forward to discussing this with you on Wednesday.

Tab3

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

14 JUL 1995

FAC No. IA-145905

MEMORANDUM FOR SHAUN DONNELLY
DEPUTY ASSISTANT SECRETARY
ENERGY, SANCTIONS, AND COMMODITIES
BUREAU OF ECONOMIC AND BUSINESS AFFAIRS
DEPARTMENT OF STATE

FROM: R. Richard Newcomb RNewcomb
Director
Office of Foreign Assets Control



SUBJECT: Implementation of Executive Order 12959

This responds to your memorandum of June 30, 1995, concerning our request for policy guidance made on May 23, 1995. That request dealt with a draft General Notice on the exportation of goods or technology from the United States with the knowledge that the goods or technology would be substantially transformed or incorporated into foreign products destined for Iran, and, in the case of incorporation, would constitute less than 10% of the value of the foreign product. You suggested that the General Notice be redrafted to allow such exportations to third countries provided that five conditions are met.

As we discussed at the NSC on Tuesday, we have serious misgivings as to whether your proposal could be successfully administered, and believe it would unnecessarily complicate an already complex program that must be comprehensible to the exporting public as well as the Customs Service and our office. Especially difficult to administer at the ports would be the conditions requiring (1) altering the already familiar formula for determining the 10% controlled U.S. content ceiling on reexports to a target of sanctions, and (2) determination that an exportation is part of an established business relationship, not specific to Iran, between the U.S. person and the importing foreign entity. It is unclear whether the resources demanded to administer the State proposal and the confusion created for the exporting public would be justified in terms of its sanctions impact on Iran.

Instead, as noted Tuesday, we believe clarity to the public, detriment to Iran, and program efficiency are all well served by adoption of the Commerce Department's proposal to utilize standing practice in determining the extent of U.S. content in foreign products for purposes of section 1(c) of Executive Order 12959 (the "Order"). Similarly, we see no reason to pre-select the U.S. beneficiaries of otherwise unlimited export trade tied to permissive third-country reexports to Iran by requiring proof of a pre-zero trading relationship with the third-country importer.

We favor a simpler program that would (1) adopt your first condition (that the U.S. export is tied to a third-country reexport not prohibited under section 1(c) of the Order), (2) substitute for your second condition the Commerce Department's standing formula for determining compliance with the 10% ceiling on <u>de minimis</u> U.S. content in controlled reexports, and (3) dispense with the final three proposed conditions in your memorandum. Adopting those rules would, we believe, provide the entire public, with clear, simple, and understandable guidance as to how to comply with the Order.

As a final matter, we must find a faster and more efficient means of obtaining foreign policy advice on sanctions programs. As the government office that most closely interacts with the public in explaining the scope and impact of the sanctions, we must be able to respond to its concerns in a timely fashion. A seven-week delay in response on issues of policy that are central to implementation of sanctions disserves all of our interests. If, indeed, there is policy interest in broadening the scope of these sanctions, then we believe it would best serve the policy goals of the program and the public to capture these ideas in a new Executive order. Not only would we be in a better position to withstand legal challenge, but our public relations would be enhanced considerably. We would be happy to work with you on devising a more streamlined method to meet our common needs and goals.

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| 001a. statement | Re: [Iran] (2 pages) | ca. 1995 | P1/b(1) |
| 001b. statement | Re: [Iran] (2 pages) | ca. 1995 | P1/b(1) |
| 002a. memo | Robert Kyle to Sandy Berger, Dan Tarullo, and Nancy Soderberg, re: [Iran-Libya Legislation] (4 pages) | 04/10/1996 | P1/b(1), P5 |
| 002b. paper | Legislative Strategy for Iran/Libya Sanctions Bill (2 pages) | ca. 1996 | P5 1503 |
| 003. memo | Robert Kyle to Laura Tyson, Anthony Lake, Sandy Berger, Dan Tarullo, and Nancy Soderberg, re: Iran Sanctions Bill (3 pages) | 03/16/1996 | P1/b(1) |
| 004a. memo | Robert Kyle to Sandy Berger, Dan Tarullo, and Nancy Soderberg, re: [Iran-Libya Legislation] (4 pages) | 04/10/1996 | P1/b(1), P5 |
| 004b. paper | Legislative Strategy for Iran/Libya Sanctions Bill (2 pages) | ca. 1996 | P5 (DUP. OF 002b) |

**COLLECTION:**

Clinton Presidential Records
National Security Council
Staff Director (Soderberg, Nancy)
OA/Box Number: 1405

**FOLDER TITLE:**

Iran-Sanctions, 1996

Kara Ellis
2009-1438-F
ke1726

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

P1 National Security Classified Information [(a)(1) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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**Freedom of Information Act - [5 U.S.C. 552(b)]**

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# LEGISLATIVE STRATEGY FOR IRAN/LIBYA SANCTIONS BILL

OBJECTIVES:

- Push at every opportunity throughout remaining House actions to improve bill as much as possible (recognizing opportunities for dramatic change will be limited)

- In Conference, seek compromise/alternative language that will gain Administration support

House

- 4/12 - meet with Ways & Means Committee staff to share areas of concern and suggested changes

- 4/15 - W&M Committee meets with HIRC staff to discuss changes

- Treasury continues to work with Banking Committee staff to draft letter from Chairman Leach and ranking minority member Flake to HIRC Chairman Gilman; support indications made by staff that Leach and Flake will write letter asking Gilman to drop the financing aspect of the trade trigger

- high level Treasury official (Summers) should meet with Leach and Flake

- State (Tarnoff, Welch) continue to work with HIRC staff, Chairman Gilman, and Rep. Hamilton to determine their willingness to accept changes from W&M, Banking, Rules, and during floor consideration

- sound out Rules Committee staff and Chairman Solomon on positions on the legislation and willingness to alter it or make important amendments in order during floor debate

- State Under Secretary Tarnoff to meet with Gejdenson and Berman to impress upon them need to improve bill in conference and determine what further action is needed (depending upon changes made by other House Committees)

- share information on our positions with AIPAC and interested members of the business community

- 5/1 - deadline for W&M and Banking to complete action

- work with OMB through inter-agency process to develop SAP for floor debate

- week of 5/8 - potential floor action

Senate

- work with Senate Banking Committee staff (majority and minority) to determine willingness to alter bill in conference

- high level calls to Sarbanes and D'Amato to make sure they are aware of our concerns and determine their goals for conference

- continue to work with Sen. Kennedy and his staff to resolve compensation issue for PAN AM families to clear way for compromise in conference

Conference

- draft letter to conferees from appropriate official

- concentrate on potential compromises

- continue contacts with key members (Gilman, Gejdenson, Berman, D'Amato, Sarbanes) from high level Administration officials via phone calls or meetings