

Brussels, 31 July 2001

## **EU regrets extension of US sanctions law against Iran and Libya**

### ***Statement by Commissioner for External Relations, Chris Patten***

The European Commission regrets the Congressional decision on 27 July to extend the Iran and Libya Sanctions Act (ILSA) for another five years. As a matter both of principle and policy, the European Union has long opposed unilateral sanctions laws with extraterritorial effects. Such laws, designed to impose US requirements on economic operators of foreign countries, threaten the open international trading system. The European Union has adopted a Blocking Statute<sup>1</sup> which makes it illegal for any European Union company to comply with ILSA. But the US measure still creates uncertainty and expense for European companies. The Understanding reached at the EU-US Summit in London on 18 May 1998 was designed to avoid such consequences.

At the EU-US Göteborg Summit in June the European Union and the United States affirmed their commitment to pursue shared aims under the New Transatlantic Agenda. In particular, they agreed to work together to promote international security, peace and stability, and to pursue the fight against international terrorism and proliferation of weapons of mass destruction. The EU is concerned that this important joint effort could be damaged by continuing US attempts to promote the goal through unilateral extraterritorial laws.

In April 1997 the European Council decided that the EU would request the re-establishment of a WTO panel against the US should any action be taken against EU companies or individuals under the Helms-Burton Act or ILSA. That decision still stands.

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<sup>1</sup> Council Regulation (EC) N° 2271/96. Official Journal of the European Communities n° L 309 of 29 November 1996, page 1.