

Congress of the United States
Washington, DC 20515

September 1, 2011

The Honorable Hillary R. Clinton
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

Dear Madam Secretary:

We represent constituents who are victims, or survivors of victims, of terrorist acts sponsored by the regime of the Libyan leader Moammar Qadhafi. We are concerned that the amount of money not yet distributed from the \$1.5 billion Libya Claims Program, which was established pursuant to the Libyan Claims Resolution Act (P.L. 110-301), the Claims Settlement Agreement between the United States and Libya, and Executive Order 13477, may be insufficient to fairly compensate some victims. As you know, in response to the Qadhafi regime's unreasonable use of force against Libyan civilians, the United States has frozen billions of dollars in assets belonging to the Libyan government and the Qadhafi family. While we strongly support efforts to use these assets to benefit the people of Libya and to promote a transition to democracy in that country, we also believe it is appropriate to set aside a small fraction of those assets to make up for any shortfall in the Settlement Fund.

The Libyan Claims Resolution Act (LCRA), which was signed into law on August 4, 2008, authorized the Secretary of State to provide compensation to U.S. victims of Libyan-sponsored terrorism, pursuant to an agreement to be reached between the United States and Libya. The LCRA immunized Libya from pending and future terrorism-related lawsuits, upon certification by the Secretary of State that Libya had provided funds that were "sufficient to ensure . . . fair compensation" for U.S. victims.

Ten days after the enactment of the LCRA, the United States and Libya entered into a Claims Settlement Agreement, whereby the parties agreed to authorize the establishment of a "humanitarian settlement fund as the basis" for terminating existing lawsuits and precluding future lawsuits. In the Annex to the Claims Settlement Agreement, Libya agreed to deposit \$1.5 billion in the Settlement Fund.

It now appears that the \$1.5 billion figure negotiated with the Qadhafi regime in 2008 does not reflect the number of American victims of terrorist acts sponsored by Libya or the extent of the harm they suffered. More than 200 victims of Libyan-sponsored terrorism still have claims pending before the Foreign Claims Settlement Commission within the U.S. Department of Justice. According to a letter recently sent to at least one of those victims, the Treasury Department has indicated that it will pay only \$1,000 plus 20% of the amount recommended by the State Department for the claim in question. We are deeply concerned that our constituents and other victims, who can no longer seek relief in court under the terms of the LCRA and the

Settlement Agreement, will not be paid the full amount they deserve and which the State Department has recommended they receive.

This result would be unjust and would contravene Congress' expressed intent in the LCRA "to provide fair compensation to all nationals of the United States who have terrorism-related claims against Libya." If there is a funding shortfall, as it now appears there will be, it is likely that victims of one or more of the following Libyan-sponsored terrorist acts will not receive adequate compensation:

- the 1972 Lod Airport terrorist attack in Tel Aviv, Israel, where 16 Americans—all of them residents of Puerto Rico—were killed and dozens more were wounded;
- the 1983 car bombing in London, England, where at least one American was killed and others were injured;
- the 1984-1985 kidnappings and murders of Peter Kilburn and Alec Collett in Lebanon;
- the 1985 hijacking of Egypt Air Flight 648, where at least two Americans were killed and at least one more was seriously wounded;
- the 1985 terrorist attacks at the Rome and Vienna airports, where numerous Americans were killed or injured;
- the 1986 hijacking of Pan Am Flight 73, where at least three Americans were killed and dozens were wounded or held hostage;
- the 1987 detention of at least one American aboard the yacht Carin II; and
- the 1989 bombing of UTA Flight 772, where seven Americans were killed.

At your earliest convenience, we respectfully ask that you provide answers to the following questions:


1. Can you confirm that there will be a shortfall in the Settlement Fund and that, as a result, American victims of Libyan-sponsored terrorism will not receive compensation at the level recommended by the State Department? If so, how great do you estimate this shortfall to be?
2. What contingency plans, if any, are there in the event of a shortfall?
3. Does the State Department foresee any legal or other obstacles that would preclude the use of a portion of the frozen assets to offset any shortfall in the Settlement Fund? What precise legal authorities, if any, does the State Department believe are needed to enable those assets to be used to fairly compensate American victims of Libyan-sponsored terrorism?

We urge you to undertake every effort to ensure that sufficient funds are available to compensate American victims at the levels recommended by the State Department and, if necessary, to utilize a small percentage of the assets frozen by the U.S. government for that purpose. This would fulfill the federal government's responsibility to victims without the use of taxpayer funds, promote strong U.S.-Libya relations going forward, and ensure that the individual who bears ultimate responsibility for these terrorist acts—Qadhafi himself—is held accountable. It is our view that the United States must fulfill its solemn obligation both to the courageous men and

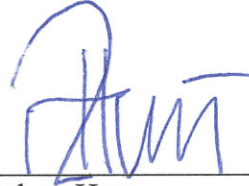
women of Libya who have fought for their freedom and to innocent American victims of Qadhafi's brutal regime.

Thank you in advance for your timely response.

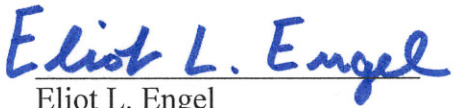
Sincerely,



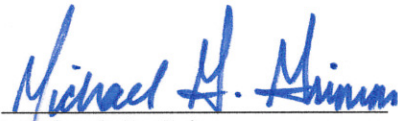
Pedro R. Pierluisi
Member of Congress



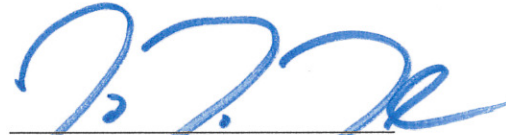
Robert Hurt
Member of Congress



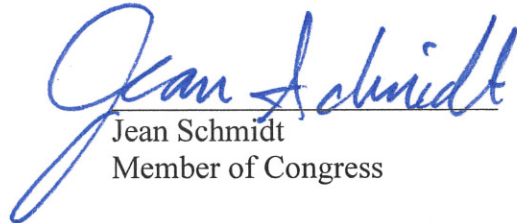
Eliot L. Engel
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