



U.S.-LIBYA RELATIONS: A NEW CHAPTER?

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The end of the Lockerbie trial provides an opportunity to close a particularly violent chapter in U.S.-Libyan relations. This chapter was characterized by a 30-year pattern of confrontations, terrorist bombings, air strikes and severed communications, including diplomatic relations and trade. More recently, Libyan behavior appears to have changed in positive ways, especially with regard to international terrorism and support for Palestinian groups hostile to the peace process. Most dramatically, Libya turned over two suspects for the Pan Am 103 trial which led to the conviction of a Libyan intelligence agent in January 2001. These changes in Libyan behavior led to the indefinite suspension of UN sanctions against Libya. Several European countries have restored full diplomatic and economic relations.

Libya would still have to pay appropriate compensation to victims' families and accept responsibility for the actions of its officials in order to come into full compliance with UN Security Council resolutions and clearly articulated U.S. demands. Moreover, the coercive value of the U.S. travel ban and comprehensive unilateral sanctions that prohibit most commercial and financial transactions with Libya has been greatly diminished by recent developments. There is a compelling case for lifting these remaining sanctions which can easily be reinstated if Libyan behavior regresses, preferably in conjunction with other countries. We should look toward the future and move prudently to realize the potential of improved U.S.-Libyan relations while not having any illusions about the nature of Qaddafi's regime.

Cycle of Violence

U.S.-Libyan confrontations date back to 1801 when U.S. Marines attacked the Barbary pirates on the "shores of Tripoli." The current chapter in this difficult relationship, however, can be traced to the 1969 revolution that brought Colonel Mu'ammar Qaddafi to power. In one of his early steps, Qaddafi demanded that the United States and Britain withdraw from the military bases in Libya they had used since World War II. Despite Qaddafi's clear anti-Western sentiments, it was not until 1973 that the United States withdrew its ambassador from Tripoli, citing Libya's widespread support for international terrorism.

Relations turned worse in 1979 when a mob stormed the U.S. embassy marking the end of an already reduced diplomatic presence. Two years later, Qaddafi further antagonized the United States when he declared the entire Gulf of Sidra a closed bay and threatened death to any violators of his "red line". This edict – a clear violation of international law – was challenged on

multiple occasions by the United States, often ending in direct military engagement. Over the course of the next five years, these confrontations resulted in the downing of several Libyan fighter planes and the loss of Libyan coastal patrol boats.

Up to this point, Libyan support of terrorism affected U.S. interests only indirectly. However, the 1985 explosions at the Rome and Vienna airports and the 1986 bombing of the LaBelle discotheque in Berlin, which killed two U.S. servicemen, dramatically raised the stakes. Citing strong evidence of Libyan involvement in these acts, President Reagan launched an air strike on Libyan military installations that killed 70 people, including Qaddafi's daughter.

In 1988, Pan Am flight 103 exploded over Scotland, killing 270 people, 189 of whom were U.S. citizens. Less than a year later, a French airliner was downed over Niger. In both cases, investigations pointed to Libyan involvement.

Qaddafi's aggressiveness was not confined to Western targets; he also mounted attacks on his neighbors, including Tunisia, Sudan and Chad. In addition, Libya provided funding and support for terrorists and dissident groups from Latin America to Asia. Of particular concern to the United States was Qaddafi's support for HAMAS and other organizations opposed to Arab-Israeli peace negotiations. After the 1986 U.S. air attack, he retaliated by providing arms to the Irish Republican Army (IRA) on the grounds that the strike had been launched from British air bases.

Given this pattern of violence, by the mid-1980s, Qaddafi was viewed in Washington and elsewhere as a clear and present danger. In the process, Qaddafi also made many enemies at home and abroad and several attempts on his life were reported.

Recent Libyan Behavior

Since 1998, however, trends in Libyan international behavior have been generally positive. By all accounts, including U.S. government assessments, Libya's support for international terrorism has declined substantially. Libya eventually cooperated with the Pan Am 103 investigation and trial by surrendering two suspects, one of whom was found guilty. Libya also renounced terrorism and expelled the Abu Nidal terrorist organization. The country no longer provides a safe haven for revolutionary forces and has instituted visa restrictions to prevent terrorists from entering Libya. All training camps for these elements have apparently been closed.

According to U.S. government officials, Libya has also transferred support from the Palestinian rejectionists to Yasser Arafat and the Palestinian Authority. Palestinians residing in Libya have been required to halt any political or propaganda activities and work only through the local PLO office. Libya is also playing a more constructive role in Africa. It improved relations with its neighbors and has sought to bring conflicts in the Horn region, the Democratic Republic of the Congo, and Sierra Leone to peaceful settlement.

Concerns about Libyan efforts to acquire weapons of mass destruction have subsided. For more than fifteen years, Libya has been a signatory to the Non-Proliferation Treaty in good standing with the International Atomic Energy Agency. Libyan chemical capabilities remain the top concern, mainly because Libya constructed two large chemical weapons production plants. Attempts to acquire long-range

missiles also continue; in January 2001, SCUD missile parts were discovered at London's Gatwick airport in transit to Libya. Nonetheless, the general picture is one of successful efforts by the international community to frustrate Libyan efforts to acquire weapons of mass destruction and missile delivery systems.

Developments with regard to compensation for the Pan Am 103 victims' families also are somewhat encouraging – Libya privately expressed an interest in reaching a financial settlement before the trial verdict. In addition, Libya paid compensation to the family of a British police officer killed in 1984 and to the families of the victims of the French airliner only three months after a French court found six Libyans guilty (in absentia) of that horrendous act. Offers to U.S. families may have to await the outcome of the appeals process launched by Libya in the wake of the January verdict. Libyan officials may believe that a financial settlement now would weaken the likelihood of successful appeal by the defendant.

While these international trends are encouraging, Qaddafi remains in tight control of domestic developments in Libya. Public criticism of government policies is not countenanced; the press is carefully monitored and labor organizations are restricted. Any political opposition is intimidated, imprisoned, or forced into exile. In short, there are no viable pathways for political reform in Libya.

International Responses

Based largely on the two airliner bombings, Libya came under a wide range of multilateral and unilateral sanctions in the early 90s. The three UN Security Council (UNSC) resolutions (731, 748 & 883) passed in 1992 and 1993 demanded that Libya "cooperate fully in establishing responsibility" for both bombings, "cease all forms of terrorist action and all assistance to terrorist groups" and demonstrate, "by concrete actions," its renunciation of terrorism. Introduced in a non-binding annex to the first resolution, the U.S. demand that Libya pay compensation and accept responsibility was adopted into the second resolution by reference.

The resolutions banned both Libyan aircraft flights and the sale of oil equipment to Libya and froze Libya's foreign assets. In the final resolution, provisions for suspending the sanctions were included if Libya ensured the appearance of the suspects before a British or U.S. court. Additional U.S. efforts to prohibit the purchase of Libyan oil were unable to generate sufficient UNSC

support. Thus U.S. trade and travel bans were imposed in 1993, along with the 1996 Iran and Libya Sanctions Act (ILSA) which, together, were designed to impose unilaterally, the sanctions that the UNSC had refused.

The combination of these multilateral and unilateral sanctions seems to have been effective, judging from the changes in Libyan international behavior. The ban on international commercial air travel to Libya, in particular, underscored the isolation of Tripoli by the international community. Based on the positive changes in Libyan behavior, many European countries have moved to restore relations.

Key Issues for the United States

The Pan Am 103 tragedy will continue to be the main obstacle to improving U.S. relations with Libya. To put this issue to rest, Libya must pay compensation and accept responsibility. This will require that the United States and Libya find an acceptable mechanism for resolving the compensation problem in a timely manner and one that allows Qaddafi an appropriate way to put this problem behind him. Nevertheless, some of the victims' family members will probably never be fully satisfied that justice has been served unless Qaddafi himself is indicted.

U.S. interests in Libya go beyond the immediate problem of resolving the Pan Am 103 problem. Geopolitical, economic and energy security issues also are at stake. How the United States deals with Libya will have a wider impact, particularly in the Middle East and in the Muslim world more broadly. One of the main lessons that other states are likely to take from this case is that the United States can mobilize considerable international support to deal with the kinds of egregious behavior undertaken by Libya. This support, however, and the efficacy of the measures implemented under UNSC auspices, is owed in large measure to the explicit linkage of the suspension or lifting of sanctions to specified Libyan behavior. Having largely met the established conditions, the multinational sanctions against Libya have been suspended. U.S. unilateral sanctions, however, remain.

Therefore, one might now argue that the United States is out of step with the internationally established process. Furthermore, should the United States now seek to move the goal post by placing additional conditions on the removal of sanctions, it could undermine the prospects for future multinational cooperation against state-

sponsored terrorism and reinforce the perception among countries already home to considerable anti-U.S. sentiment, that U.S. "hegemony" is real and a threat to be resisted.

Apart from these international considerations, any change in U.S.-Libya policy must be justified on the basis of overall U.S. interests. A strong case can be made that it is time to begin a new chapter in the relationship. Libya has made significant changes and the value of unilateral sanctions has been rapidly declining since the suspension of UN sanctions in 1999. The "extraordinary threat to the national security and foreign policy of the United States" that justified the imposition of U.S. sanctions in 1986 no longer exists. There is almost no chance that the other Security Council permanent members would consent to the re-imposition of the currently suspended sanctions. Indeed, barring negative developments, the possibility of multilateral support for punitive or coercive action is nil.

Important U.S. energy security interests are also at stake. Over the next few decades, global energy demands are expected to outpace significantly the development of additional resources. The extent to which this demand is met will have a major impact on the interdependent world economy, particularly for the United States and the other leading economic powers. Most observers agree that in the absence of substantial investment, serious shortages are likely to result.

Libya can play an important role in meeting this challenge. It is ranked as the top exploration prospect in the world, according to a survey of international oil companies. Libya reached a "standstill" agreement in 1986 with several U.S. oil companies that enables local management of frozen assets which include rights to about one-third of Libya's oil production. If unilateral U.S. sanctions are retained, Libya will almost certainly market to foreign competitors these oil and gas reserves that it has been holding for U.S. companies.

A related issue is the congressionally mandated ILSA, which requires the president to impose mandatory and discretionary penalties on entities – presumably including U.S. companies – that invest more than \$40 million in Libya's energy sector. As an instrument of policy, the threat of these unilateral and extraterritorial sanctions antagonizes our European allies and does little to discourage foreign investment in either Iran or Libya. ILSA, due to expire in August 2001, is up for renewal.

While doing so at this time would continue to emphasize U.S. dissatisfaction with Libya's international behavior, the practical effect would be limited, at best.

Another issue is the travel ban that was initiated in 1981 because U.S. travelers were thought to be at risk or in "imminent danger" if they visited Libya. In March 2000, a State Department delegation visited Libya and concluded that this was no longer the case. Nevertheless, congressional pressure – mainly related to the Pan Am 103 issue – precluded any change in this policy. The ban comes up for annual review in November. In view of the State Department's assessment, the case for renewing is not compelling.

Finally, diplomatic relations must be considered. Since relations were severed in 1979, U.S. interests have been handled by the Belgian Embassy in Tripoli, while Libyan interests are handled by the United Arab Emirates' Embassy in Washington. U.S. and Libyan diplomats do have limited contact at the UN in New York; however, this is an unsatisfactory arrangement that inhibits communications and makes progress on the remaining issues of concern very difficult. A useful early

step would involve establishing interest sections in each capital. For its part, the United Kingdom has already normalized diplomatic relations with Libya.

Conclusion

The reaching of a verdict in the Lockerbie trial provides an opportunity to open a new chapter in U.S.-Libyan relations and break the cycle of violence. A preliminary overview of U.S. interests and Libyan behavior suggests that overall U.S. interests would be well served by moving to improve relations. The several positive developments that have come out of Tripoli should be encouraged.

Some caution, however, is also appropriate. Qaddafi has repeatedly proved himself highly unpredictable and will need to be monitored closely. More engagement, especially with diplomatic relations, should facilitate this. While Libyan international behavior has changed for the better, we should not assume that Qaddafi has fundamentally changed his anti-Western views. If Libyan international behavior regresses, sanctions and other consequences should be re-imposed, preferably in conjunction with other countries.

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The author's views presented herein do not necessarily represent those of the Atlantic Council.

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