

Order 2004-4-9  
Served: April 8, 2004



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Issued by the Department of Transportation  
on the **8th day of April, 2004**

In re:

**SUSPENSION OF OPERATIONS BETWEEN  
THE UNITED STATES AND LIBYA**

Docket OST-2004-17526

ORDER GRANTING EXEMPTION

By Order 86-2-23, served February 13, 1986, the Department imposed conditions on the authority held by U.S. and foreign air carriers that prohibited certain transactions relating to transportation to and from Libya. The Department issued the order to carry out Executive Order 12543, which had directed the imposition of certain economic sanctions against Libya.

Pending further order of the Department, Order 86-2-23 prohibited U.S. and foreign air carriers from selling in the United States any transportation by air that included a stop in Libya and prohibited them from engaging in foreign air transportation to or from the United States with any aircraft of Libyan registry. The order also prohibited U.S. air carriers from engaging in any transaction relating to transportation to or from Libya and prohibited foreign air carriers from engaging in such transactions in the United States.

Pursuant to Executive Order 12543, on February 26, 2004, the U.S. Treasury Department's Office of Foreign Asset Control (OFAC) issued a General License, as amended on April 2, 2004, which, in part, authorizes U.S. persons to engage in transactions related to travel to, from, and within Libya. The General License states that "[t]ravel-related services, such as the booking of travel . . . for U.S. persons by U.S. travel service providers are authorized." Such transactions had been prohibited by 31 CFR Part 550. OFAC explicitly notes in the General License that it is not authorizing flights to or from Libya by U.S. air carriers, code sharing involving flights to or from Libya, or flights to or from the United States by Libyan air carriers.

We therefore have decided to grant a blanket exemption from the conditions imposed by Order 86-2-23 to the extent consistent with the OFAC General License, attached as Appendix A.

ACCORDINGLY,

1. We grant a blanket exemption from the certificate, permit and exemption conditions imposed by Order 86-2-23 to the extent consistent with the attached OFAC General License;
2. This order shall be effective upon issuance; and
3. We will serve a copy of this order upon all U.S. and foreign air carriers holding certificates of public convenience and necessity, foreign air carrier permits, or exemption authority, the Federal Aviation Administration, and the U.S. Department of State.

By:

Karan K. Bhatia  
Assistant Secretary for Aviation and  
International Affairs

(SEAL)

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DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF FOREIGN ASSETS CONTROL

LIBYAN SANCTIONS REGULATIONS  
31 CFR PART 550

AMENDED GENERAL LICENSE

(Granted under the authority of 50 U.S.C. §§ 1701-06, 22 U.S.C. §§ 2349aa-8 and 2349aa-9, 22 U.S.C. § 287c, Executive Orders 12543, 12544 and 12801, and 31 C.F.R. Parts 501 and 550.)

§ 550.574 Travel and residence transactions authorized.

(a) *General License.* Except as provided in paragraphs (b) and (c) of this section, U.S. persons are authorized to engage in transactions relating to travel to, from, and within Libya, and residence and maintenance within Libya, that are otherwise prohibited by § 550.207 of this part. Travel-related services, such as the booking of travel to, from or within Libya and of accommodations within Libya for U.S. persons by U.S. travel service providers are authorized.

(b) *Form of Payment.*

(1) Except as provided in paragraphs (b)(2) and (b)(3), below, payment for transactions authorized by paragraph (a) of this section must be in cash, or by debit or credit to accounts held at banks that are not in Libya and not entities of the Government of Libya, provided that such accounts are not the accounts of banks that are entities of the Government of Libya. Any such payments that are routed through the U.S. financial system should reference this general license to avoid the blocking or rejection of the payment. In addition, U.S. persons may not use U.S.-issued credit cards to pay for these transactions, with the exception of transactions with non-Libyan carriers.

(2) U.S. persons in Libya are authorized to open and maintain accounts at a financial institution in Libya to pay for their maintenance, residence and travel-related expenses while in Libya. Such accounts may be funded only in cash or from accounts maintained at banks that are neither U.S. persons nor entities of the Government of Libya.

(3) The form of payment to U.S. travel service providers for bookings authorized by paragraph (a) of this section is not restricted.

(c) *Transactions not authorized by this section.*

(1) Except as expressly authorized above, this section does not authorize any transactions prohibited by § 550.203 of this part, including, but not limited to, flights to or from Libya by U.S. air carriers, code-sharing involving flights to or from Libya, or flights to or from the United States by Libyan air carriers. These transactions remain prohibited.

(2) This section does not authorize any debit to a blocked account or transfer of blocked property.

(d) *Libyan-origin personal effects.* The general license in paragraph (a) of this section authorizes the importation into the United States of Libyan-origin personal effects, including gifts limited in value to \$400 per person per trip, provided that such items are not intended for resale or otherwise prohibited from importation.

(e) *Effective date.* This section is effective February 26, 2004.

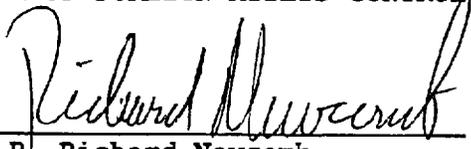
**NOTE 1 TO § 550.574:** The U.S. Department of State has lifted restrictions on the use of U.S. passports for travel to Libya. Accordingly, validation of U.S. passports by the Department of State for travel to Libya is no longer required.

**NOTE 2 TO § 550.574:** This section supersedes § 550.560, Transactions related to travel to, and residence within, Libya by immediate family members of Libyan nationals.

Issued by direction and on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By

  
R. Richard Newcomb  
Director

Dated:

4/2/04