

From:
Sent:
To:

Monday, June 17, 2002 5:40 PM

Cunningham, James

Cc:
Subject:

UKUN Follow-up to 06-13 U.S.-UK Bilats on Iraq

I met June 17 with UKUN [redacted] to discuss some of the issues raised during the U.S.-UK bilats in Washington on June 13. [redacted] made the following points:

- London agrees on desirability of moving forward with plans to raise Syrian non-compliance issues in the Council; UKUN hopes we will be able to present at least some declassified information concerning Syria's illicit shipment of Heavy Equipment Trucks (HETs) to Iraq, as well as raise the key problem posed by illicit oil shipments through the Iraq-Syria pipeline;
- UKUN also favors raising the issue of flights, especially those from Damascus to Baghdad, but recognizes doing so risks opening up other related subjects that could prove problematic;
- Concerning cargo illegally loaded on ferries destined for Iraq, UKUN strongly supports MIF boardings, if feasible, and/or stationing Cotecna monitors at Iraq's ports to inspect each arriving ferry (a demand the Iraqi authorities likely would refuse);
- on oil pricing, UKUN reports UN Oil Overseer Michel Tellings has come up with the idea of maintaining retroactive pricing for companies currently authorized to lift Iraqi crude oil, while also simultaneously creating a new list of legitimate oil traders and end users, including U.S. refiners, who would be offered ten-day pro-active pricing based on mandatory lift obligations; I believe Tellings' rather creative approach helps focus appropriate attention on legitimate contract-holders and end-users, but leaves open the question of enforcement and whether the UN's MOU with the GOI would have to be modified.

USUN - Sanctions Unit
Tel:
Fax: 4-4271 (212-415-4271)

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.
 Release () Excise () Deny () Declassify
Date 6/17/05 Exemption _____