consent request for the moment that will allow us now to take up the Iran-Libya Sanctions Act. Following that, it will be my intention to move to a couple of the nominations that we agreed yesterday we would take up. There are time requests for debate on both nominees, and we will accommodate those requests as the unanimous consent provided for last night.

With that understanding, I will propound the request.

I ask unanimous consent that following the vote with respect to the Gramm amendment, regardless of the outcome, the Senate proceed to the consideration of Calendar No. 98, S. 1218, the Iran-Libya sanctions bill, and that the bill be considered under the following limitations: that there be a time limitation of 60 minutes for debate on the bill, with the time equally divided and controlled between the chairman and ranking member, or their designees; that the only first-degree amendment in order to the bill be a Murkowski amendment regarding Iraq's oil; that there be 90 minutes for debate with the time divided as follows: 60 minutes under the control of Senator MURKOWSKI, 30 minutes under the control of the chairman and ranking member, or their designees; that upon the use or yielding back of time on the amendment, the amendment be withdrawn; that upon the use or yielding back of all time, the bill be read the third time, and the Senate proceed to vote on passage of the bill, with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Reserving the right to object, Mr. President, from the standpoint of clarification, the amendment that I am prepared to offer, according to the statement by the majority leader, would be withdrawn. It had been my request of both leaderships that the condition on withdrawing the amendment would be the assurance that I would have an opportunity for an up-or-down vote at a future time on the issue of oil imports from Iraq. I request consideration, if indeed the leadership will consider that, associated with the appropriate opportunity—maybe on one of our trade agreements that will come before this body—that I would be allowed at least not more than an hour and a half or 2 hours to debate that and have the assurance of an up-or-down vote. I ask the leadership for that consideration.

Mr. DASCHLE. Mr. President, if I may respond, Senator Murkowski has reiterated the understanding we have on both sides of the aisle with regard to his offering an amendment at a later date on Iraq oil on another bill. I will certainly provide him with a vote in relation to that amendment when that time comes.

The PRESIDING OFFICER. Is there objection?

Mr. MCCAIN. Reserving the right to object, are the intentions, after disposition of the nominations, to return to the pending legislation?

Mr. DASCHLE. In answer to my colleague from Arizona, the intention would be that we go right back to the Transportation appropriations bill. What I am hoping, frankly, is that over the course of the next several hours we can continue our discussions. Our staff has indicated again that they are willing to begin the discussions in earnest, with the hope that we might proceed with some expectation that we find some resolution. It is our hope that while our colleagues debate these other matters, that will free up those people who have been involved in this issue to talk, and it would be our intention to come back to this.

Mr. MCCAIN. Further reserving my right to object, we have just established 35 votes, which is sufficient to sustain a Presidential veto, which has been threatened on this bill. I hope it will motivate the other side to engage in a meaningful negotiation, which has not happened so far, so that we can resolve the situation.

I reiterate my commitment to remain through a series of cloture votes, if necessary, until we get this issue resolved to the satisfaction of those who are concerned about it, including the President of the United States.

Mr. MURKOWSKI. Reserving the right to object, just for clarification from the leader, the Senator from Alaska requested specifically the assurance of an up-or-down vote, and I believe the majority leader indicated a reference ''in relation to.'' I don't want to mischaracterize the intent. I wanted to have an understanding I would be afforded an opportunity for an up-or-down vote.

Mr. DASCHLE. I will have no objection to an up-or-down vote.

Mr. LOTT. Reserving the right to object, and I will not object, I want to say that I appreciate the majority leader's comments about the need for us to have a serious effort to find a compromise on this issue that is still pending on the Transportation bill. I thank him for the assurances given to Senator MURKOWSKI.

As I understand it now, we will go to the Iran-Libya Sanctions Act and have 60 minutes on that bill. Senator MURKOWSKI will have his time, and we will go to final passage. Then after some debate time, we will have one or two votes on nominees. Did the Senator clarify that?

Mr. DASCHLE. Mr. President, in answer to the Republican leader's question, the answer is, we would provide for the debate allotted under the unanimous consent that we were able to arrive at last night. In regard to the Horn nomination and the nomination for the Administrator of the SBA, in both cases, as I understand it, rollcalls have been requested. So it is my intention that we would have debate on the two nominees and then the votes on those yet tonight. Then we will revert back to Transportation.

Mr. LOTT. I thank the Senator. Further reserving the right to object, I know there are strong feelings on the question of the U.S.-Mexican truck crossing at the border, a lot of ramifications, and making sure it is NAFTA compliant, and making sure the trucks come into the country in a safe way after being inspected. I understand all of that.

This is an appropriations bill and this language should not even be on this bill. Clearly, though, this can be resolved.

While everybody is in a position of wanting to get dug in, let me point out that this issue could go on for days. It is really not necessary. I have never seen an issue that is more clearly in the realm of having an agreement worked out. We ought to do it. I urge both sides to do their very best to accomplish that.

I thank Senator DASCHLE for giving these answers. I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

The Senator from North Dakota.

Mr. DORGAN. Reserving the right to object, and I shall not, I wanted to inform the majority leader that the proposition of discussions about the Murray language, in my judgment, should not just be among those who support the language and those who wish to weaken it. Others wish to strengthen it. While there is a disagreement on this issue, it is not just on one side. I hope if discussions ensue in the coming hours on this subject, they include those of us who believe the Murray language is not strong enough.

Mr. DASCHLE. Mr. President, I say to Senator DORGAN that I don't think we ought to exclude anybody. Clearly, no one has devoted more time to the issue and has been more eloquent on the floor with regard to safety and the importance of recognizing the issue of safety than Senator DORGAN. Senator MURRAY has accommodated everybody, and I know in these discussions that would be her intent as well. I appreciate the Senator's interest in being involved in these discussions. I want to say that we hope to include anybody that has an interest in it.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ILSA EXTENSION ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill, S. 1218, by title.

The assistant legislative clerk read as follows:

A bill (S. 1218) to extend the authorities of the Iran and Libya Sanctions Act 1996 until 2006.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

The Senator from Maryland.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is beginning consideration of S. 1218. The Senator from Maryland controls 30 minutes; the Senator from Texas controls another 30 minutes.

Mr. SARBANES. Mr. President, I thought I would make a very short opening statement. Senator MURKOWSKI is here and wants to launch into the debate of his amendment. We want to move along, and I am hopeful we will be able to yield back a considerable amount of time on the bill itself and time with respect to the Murkowski amendment. Altogether, there is 2½ hours allotted for all of that: 1 hour on the bill and 1½ hours on the Murkowski amendment.

Mr. SCHUMER. Will the Senator yield?

Mr. SARBANES. I yield.

Mr. SCHUMER. Mr. President, I ask that after the Senator speaks, I be recognized for a short period of time before we begin the discussion of Senator MURKOWSKI's amendment.

Mr. SARBANES. Fine. I will hold my time down because I do want to get to the Murkowski amendment and the Senator from Alaska is in the vicinity.

Mr. President, I rise in strong support of S. 1218, the renewal authorization legislation for the Iran-Libya Sanctions Act, commonly known as ILSA. This legislation was reported favorably out of the Committee on Banking, Housing, and Urban Affairs by a vote of 19–2. We made some modifications. Therefore, a committee print served as the vehicle for the committee markup, but this committee print paralleled closely with the renewal legislation introduced by Senator SCHUMER of New York and Senator SMITH of Oregon which garnered 79 cosponsors.

I am including in the RECORD the full list of the 79 cosponsors. I ask unanimous consent that the list be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. Mr. President, I especially thank Senators SCHUMER and SMITH for their leadership on this issue. We are very appreciative of the very vigorous effort they mounted with respect to this issue. The existing ILSA legislation expires on August 5 of this year. Therefore, we need to move quickly to approve this legislation. This will extend ILSA for another 5 years. It will lower the threshold for foreign investment in the Libyan energy sector from $40 million to $20 million to trigger sanctions. That puts Libya on a par with Iran at the existing requirement, and it closes a loophole in the existing legislation making it clear that modification or addition to an existing contract would be treated as a new contract for purposes of evaluating whether such amendment or modification would invoke the sanctions. There has been a loophole with respect to companies operating in Libya, and we need to address that.

With respect to the Iran portion of ILSA I wish I could come to the Chamber and report there has been a significant change in Iranian conduct that warrants a response from the Congress in terms of when we consider whether to extend these sanctions forward. Unfortunately, Iran's support for terrorism continues unabated. The latest State Department Report on Patterns of Global Terrorism 2000 states:

> Iran remains the most active state sponsor of terrorism in 2000. Its revolutionary guard corps, the IRGC, and the Ministry of Intelligence and Security, MOIS, continue to be involved in the planning and execution of terrorist acts and continue to support a variety of groups that use terrorism to pursue their goals.

Iran is also stepping up efforts to acquire weapons of mass destruction. The latest unclassified CIA report to Congress on worldwide weapons of mass destruction acquisition notes:

> Iran remains one of the most active countries seeking to acquire weapons of mass destruction and advanced chemical weapons technology from abroad. In doing so, Iran is attempting to develop an indigenous capability to produce various types of weapons—chemical, biological, and nuclear—and their delivery systems.

In June of this year, when the Justice Department handed down indictments in the Khobar Towers bombing case, a case in which 19 of our airmen in Saudi Arabia were killed in 1996, the Attorney General stated publicly that Iranian officials ''inspired, supported, and supervised members of Saudi Hezbollah,'' which is the group that carried out the attack.

As for Libya, very briefly, it has fulfilled only one aspect of the U.N. Security Council resolutions relating to the Pan Am 103 bombing; namely, the handing over of the suspects for trial. Libya has not fulfilled the requirement to pay compensation to the families of the victims, to accept responsibility for the actions of its intelligence officers, and to renounce fully international terrorism.

In fact, President Bush on April 19 of this year stated:

> We have made it clear to the Libyans that sanctions will remain until such time as they not only compensate for the bombing of the aircraft, but also admit their guilt and express remorse.

Because Iran and Libya have not clearly fulfilled the requirements of ILSA, I believe that not to extend ILSA for a full 5 years would send the wrong signal. Failure to do so would be seen as a sign of lack of resolve on the part of the United States.

I also believe that placing Libya on a par with Iran with regard to ILSA's conditions sends a strong signal to Libyan leader Qadhafi that the pressure will be kept on until he fulfills all relevant U.N. Security Council resolutions concerning the bombing of Pan Am flight 103, which I remind my colleagues killed 270 people, including 189 Americans.

This legislation had overwhelming support in the committee in being brought before the Senate. It has been endorsed by a clear majority—a very substantial majority—of Members of this body, and I urge my colleagues to support the legislation.

I yield the floor.

EXHIBIT 1

ILSA COSPONSORS

Senators Schumer, Smith (OR), Hollings, Rockefeller, Reed, Levin, Durbin, Carnahan, Johnson, Gregg, Cleland, Campbell, Murray, Allard, Mikulski, Ensign, Collins, Bob Smith, Lieberman, Harry Reid.

Senators Corzine, Sessions, Kyl, McConnell, Boxer, Santorum, Shelby, Voinovich, Breaux, Torricelli, Clinton, Stabenow, Harkin, Kohl, Daschle, Bob Graham, Inouye, Thomas, Helms, Brownback.

Senators Feinstein, Kennedy, Grassley, Craig, Warner, Biden, Bingaman, McCain, Sarbanes, Bennett, Wyden, Hutchinson, Bunning, Dorgan, Crapo, Bill Nelson, Edwards, Kerry, Hatch, Lott.

Senators Cochran, Frist, Akaka, Conrad, Bayh, Dayton, Allen, Snowe, Miller, Wellstone, Landrieu, Dodd, Cantwell, Ben Nelson, Leahy, Bond, Lincoln, DeWine, and Murkowski.

Mr. SARBANES. I yield 7 minutes to the Senator from New York, after which it is the intention we go to the amendment of the Senator from Alaska.

The PRESIDING OFFICER (Mr. REED). The Senator from New York is recognized.

Mr. SCHUMER. I thank the Chair, and I thank the chairman of our Banking Committee, the Senator from Maryland, for bringing this matter to the Chamber with such alacrity. I thank him on behalf of Senator SMITH and myself who have been the lead sponsors of this legislation, as well as the 78, now 79, cosponsors.

As has been said, time is of the essence. With the original ILSA law set to expire on August 5, the Senate needs to swiftly pass this bill to get our version approved by the House and then over to the President for his signature within the next 10 days. I again thank Senator SMITH for working so hard with me on bringing this bill forward so quickly. It is a bipartisan bill. We have garnered 79 cosponsors and the support of both the chairman of the Banking Committee, as you just heard, and most of the membership of the Banking Committee as well.

Mr. President, I rise today to urge my colleagues to support the Iran and Libya Sanctions Extension Act of 2001, a bill originally introduced by Senator GORDON SMITH and me, currently supported by 79 cosponsors.

Time is of the essence. With the original ILSA law set to expire on August 5, the Senate needs to swiftly pass this bill, get our version approved by the House, and then over to President Bush for his signature within the next 10 days.

I know time for debate is limited, but I just want to say a few words in support of this important bill which extends U.S. sanctions against foreign companies which invest in Iran and Libya's oil sector for five more years.

First, I would like to thank Senator SMITH for his invaluable leadership on

this bill. I would also like to thank Senator SARBANES for giving this bill his utmost consideration and following through with a hearings and markup schedule which got the bill reported out of the Banking Committee last week on a 19–2 vote.

Everyone in Congress is well acquainted with ILSA; it passed unanimously in both Houses in 1996.

And today it is vitally important for Congress to once again speak out loudly and strongly in support of maintaining a hard line on two of the world's most dangerous outlaw states.

In fact, the argument in support of reauthorizing ILSA for another five years is a very simple one: over the past five years, Iran and Libya have done nothing to show they should be welcomed into the community of nations and benefit from better relationships with the United States and our allies.

Quite the contrary.

Despite the election of so-called ''moderate'' President Mohammad Khatami in 1997, Iran remains the world's most active state sponsor of terrorism, and has been feverishly seeking to develop weapons of mass destruction.

Just last month, a U.S. Federal grand jury found that Iranian government officials ''supported and directed'' the Hezbollah terrorists who blew up Khobar Towers in Saudi Arabia in 1996, an act which killed 19 brave American servicemen.

And Iran proudly supports the Hamas terrorist group, whose most recent claim to fame was sending a suicide bomber into a crowded disco in Tel Aviv killing 21 Israeli teenagers.

As far as Libya is concerned, we recently learned beyond a doubt that the Libyan government was directly involved in the bombing of Pan Am 103—one of the most heinous acts of terrorism in history.

Yet Libya still refuses to abide by U.N. resolutions requiring it to renounce terrorism, accept responsibility for the Libyan officials convicted of masterminding the bombing, and compensate the victims' families.

These actions by Iran and Libya are not actions worthy of American concessions. They are actions worthy of America's most supreme outrage, and worthy of U.S. policy that does everything possible to isolate these nations in hopes of preventing them from doing further harm to America and our allies.

Some in the Administration argue that the United States should lift or ease sanctions on rogue states like Iran and Libya first, and decent, moral, internationally-acceptable behavior will follow.

I say that is twisted logic.

If these states are serious about entering the community of nations, and seeing their economies benefit from global integration, they must change their behavior first.

They must adapt to the world community, the world community should not adapt to them.

I have spoken to people on all sides of the issue of sanctions, particularly with respect to sanctions on Iran. And even those most opposed to sanctions on Iran cannot tell me any viable alternative to ILSA.

The idea that United States concessions to Iran through ending or watering down ILSA would bring about change for the better in Iran, and moderation in its foreign policies, is not simply misplaced speculation, it would be prohibitively dangerous policy.

An Iran emboldened and enabled by billions more in foreign investment leading to hundreds of millions more in oil profits would simply mean a more potent threat to America and our allies. Plain and simple.

The truth is ILSA has been very harmful to Iran—over the past five years, the threat of sanctions has successfully dissuaded billions in foreign investment, causing the Iranian government to invest in its own oil fields rather than in terrorism and weapons programs.

In fact, since ILSA was enacted, Iran has promoted more than 55 foreign investment opportunities in its energy sector and landed only eight contracts worth a total of roughly $2.5 billion—earning Iran barely half of what its tiny Persian Gulf neighbor, Qatar, netted in foreign investment during the same period.

With ILSA firmly in place, Iran cannot hope to fulfill its goal of attaining $60 billion in foreign investment over the next decade which it needs to rehabilitate and modernize its oil sector.

But ILSA is not simply about harming Iran and Libya's ability to do business and accrue greater oil revenues. It is about American leadership in the world in doing what's right.

Mr. President, the United Sates stands in the international community as a beacon of freedom—a beacon of what's right. Our great nation is about much more than economic might. It is about moral leadership, and combating those who wish to vanquish the principles of liberty and freedom which Americans have fought and died over the centuries to uphold.

An overwhelming vote today in support of ILSA reauthorization will send a strong signal that the United States is not prepared to relinquish the moral high ground when it comes to dealing with the worst renegade states—those who wish to disrupt our way of life.

Although some of the administration would like to water down ILSA, a veto-proof vote here in the Senate today would say to the Administration and the world that sanctions against the world's worst rogue states will remain firmly in place.

After all, the alternative is unthinkable: What would the international community think should the world's greatest power relax sanctions on two rogue states that have shown themselves to be so outside the family of nations, and engaged in some of the most dastardly acts the world has ever seen?

Mr. President, don't get me wrong, I fully support the Bush administration's desire to review U.S. sanctions policies to make sure they are working effectively.

But ILSA is as close as we have come to a perfect sanctions regime. First, it is highly flexible: It grants the President full waiver authority on a case-by-case basis, and it contains a menu of sanctions options ranging form a slap on the wrist, to more serious economic retaliation.

Second, its sunset provisions are profoundly reasonable: Libya needs to simply own up to its responsibility for Pan Am 103; Iran simply needs to stop its support for international terrorism and end its obsessive quest for weapons of mass destruction.

So for those who argue for eliminating or weakening ILSA, I say this: Only two states can eliminate the need for ILSA, Iran and Libya.

For Iran that means an unconditional end to its support of international terrorism, and its dangerous quest for catastrophic weapons. Let Iran prove it is moderate before America rewards it.

For Libya, it means full acceptance of responsibility for the Pan Am 103 bombing, and full compensation for the families of the victims.

If the day arrives that Iran and Libya fulfill these reasonable international obligations, ILSA will no longer be needed and it will be terminated.

Unfortunately, that day is not yet in sight.

I urge my colleagues, in the strongest possible terms, to vote yes for ILSA reauthorization.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, I will yield 5 minutes to the Senator from Massachusetts. I thank the Senator from Alaska for his courtesy. I say to other colleagues who want to speak on the bill itself, we will still reserve some time and they can speak later, but Senator MURKOWSKI has been waiting for quite a while to bring up his amendment. I yield 5 minutes to Senator KENNEDY, and then I assure the Senator from Alaska, we will go to his amendment.

Mr. MURKOWSKI. I am happy to accommodate Senator KENNEDY.

Mr. KENNEDY. Mr. President, I thank the Senator from Alaska for his courtesy. I will take just a moment. I know I speak for the 13 families from Massachusetts who lost loved ones; and they continue to be strongly supportive of this legislation. I thank the Senator from Maryland for all of his work and for his timeless energetic leadership on this extremely important issue.

We are reminded every day that we live in a dangerous world. As a member of the Committee on Armed Services, we have been listening to the proposal of the administration about anti-ballistic missile systems. We have been

watching the leaders of the great industrial nations meeting in Europe. We have seen President Bush and President Putin meeting to talk about nuclear weapons.

As a member of the Committee on Armed Services, all of us are convinced the great threat to the United States is in the form of terrorism: nuclear proliferation, bioterrorism, computer terrorism, but it is terrorism. That is the principal threat to the safety and security of the people of the United States and our allies.

We are relentless in dealing with the state of terrorism around the world. We spend a great deal of money doing that. The best way we can deal with the issue of terrorism is to show persistence, consistency, and as much tough-mindedness as the terrorists. The way to do that is to not forget and not forgive the brutal attacks and killings and assassinations of the Americans and citizens of 22 other countries in the Pan Am 103 disaster.

Members of Congress, and those who talk about wanting to deal with terrorism, ought to be here every single day. Unless we are going to be persistent and unless we are going to be tough-minded and unless we are going to deal with this and demonstrate to the world we are serious about dealing with the problems of state-sponsored terrorism, no matter how much we are going to spend on ballistic systems, no matter how much we will spend on the nonproliferation of weapons, how much we spend on intelligence, it will undermine our effectiveness.

The matter before the Senate sends a clear message, that we have not forgotten about state-sponsored terrorism in Libya. It is as clear as that.

According to the State Department, Iran continues to be ''the most active state sponsor of terrorism.'' Sanctions should continue on that nation.

There is also a compelling foreign policy rationale for extending sanctions on Libya. Easing sanctions on Libya by allowing the law to expire would have a far-reaching negative effect on the battle against international terrorism and the 12-year pursuit of justice for the 270 victims of the bombing of Pan Am flight 103.

Current law requires the President to impose at least two out of six sanctions on foreign companies that invest more than $40 million in one year in Libya's energy sector. The President may waive the sanctions on the ground that doing so is important to the U.S. national interest. For Libya, the law terminates if the President determines that Libya has fulfilled the requirements of all U.N. resolutions relating to the 1988 bombing of Pan Am flight 103. Those conditions, which were imposed by the international community, require the Government of Libya to accept responsibility for the actions of its intelligence officer, disclose information about its involvement in the bombing, provide appropriate compensation for the families of the victims of Pan Am flight 103, and fully renounce international terrorism.

President Bush has emphasized his support for these conditions. As he stated on April 19, ''We've made it clear to the Libyans that sanctions will remain until such time as they not only compensate for the bombing of the aircraft, but also admit their guilt and express remorse.'' Yet the Government of Libya continues to refuse to meet the conditions of the international community. Until it does, both the United States and the international community should continue to impose sanctions on the regime.

Despite the conventional wisdom that economic sanctions do not work, they have been effective in the case of Libya. As a result of the United Nations sanctions, the U.S. sanctions, and diplomatic pressure, the Libyan Government finally agreed in 1999 to a trial by a Scottish court sitting in the Netherlands of two Libyans indicted for the bombing. Last January 31, one of the defendants, a Libyan intelligence agent, was convicted of murder for that atrocity.

The court's decision clearly implicated the Libyan Government. The conviction was a significant diplomatic and legal victory for the world community, for our nation, which was the real target of the terrorist attack, and for the families of the victims of Pan Am flight 103.

The Iran Libya Sanctions Act is also intended to help level the playing field for American companies, which have been prohibited from investing in Libya by a Presidential order issued by President Reagan in 1986. The statute enacted in 1996 imposed sanctions on foreign companies that invest more than $40 million in any year in the Libyan energy sector. The objective of the 1996 law is to create a disincentive for foreign companies to invest in Libya and help ensure that Amercian firms are not disadvantaged by the U.S. sanctions. Since the sanctions on U.S. firms will continue, it is essential to extend the sanctions on foreign firms as well.

The administration has indicated that it has no evidence of violations of the law by foreign companies. But some foreign companies are clearly poised to invest substantially in the Libyan petroleum sector, in violation of the law. A German company, Wintershall, is reportedly considering investing hundreds of millions of dollars in the Libyan oil industry in violation of the law.

Allowing current law to lapse before the conditions specified by the international community are met would give a green light to foreign companies to invest in Libya, putting American companies at a clear disadvantage. It would reward the leader of Libya, Colonel Qadhafi, for his continuing refusal to comply with the U.N. resolutions. It would set an unwise precedent of disregard for U.N. Security Council Resolutions. It would undermine our ongoing diplomatic efforts in the Security Council to prevent the international sanctions from being permanently lifted until Libya complies with the U.N. conditions. And it would prematurely signal a warming in U.S.-Libyan relations.

Our European allies would undoubtedly welcome the expiration of the U.S. sanctions. European companies are eager to increase their investments in Libya, but they do not want to be sanctioned by the United States. They are ready to close the book on the bombing of Pan Am flight 103, and open a new chapter in relations with Libya.

But the pursuit of justice is not only for American citizens. Citizens of 22 countries were murdered on Pan Am flight 103, including citizens of many of our allies. The current sanctions were enacted on behalf of these citizens as well. Our government should be actively working to persuade European countries that it is premature to rehabilitate Libya.

I am especially pleased that two modifications to the Libya section make by the House International Relations Committee are included in this legislation. I commend Chairman SARBANES for his leadership by including these provisions in his mark.

The first modification reduces the threshold for a violation in Libya from $40 million to $20 million. Under current law, a foreign company can invest $40 million in Libya before sanctions kick in, but it can only invest $20 million in Iran. When the law was originally drafted, the threshold for both Iran and Libya was $40 million. When it was reduced for Iran, it was not reduced for Libya. It should have been. The threshold for a violation should be $20 million for both Iran and Libya.

The other modification closes a loophole in the law that allows oil companies to expand upon contracts that were signed before the current law was enacted. A number of companies which signed contracts before ILSA became law are expanding their operations, such as by developing fields adjacent to those in which they made their original investment, and calling this expansion a part of the original contract.

The law should cover modifications to existing contracts and agreements. Even if the original contract pre-dates ILSA, subsequent investments that expand operations should be treated as a new contract. This point should be clarified in the law, and the administration should aggressively seek the information necessary to enforce it.

I ask unanimous consent that a letter written by the President of the Victims of Pan Am flight 103, Inc. asking the Congress to make these modifications to existing law be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VICTIMS OF PAN AM FLIGHT 103, INC.,
Cherry Hill, NJ, 23 May, 2001.

Subject: Iran-Libya Sanctions Act.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: The members of our organization, the Victims of Pan Am Flight 103, Inc. urge you to vote to extend the Iran-Libya Sanctions Act

The Scottish court in the Netherlands convicted a Libyan intelligence agent, Abdel Basset al-Megrahi, of the murder of 270 innocents on Pan Am flight 103. The judges also found that Megrahi was acting ''in furtherance of the purposes of Libyan Intelligence''. Within a few hours, President Bush declared on CNN, to the world, that the Scottish Court's decision proved the Libyan government was responsible for the murders of our loved ones.

U.N. Security Council resolutions 731 and 748 require that Libya turn over the suspects for trial, cooperate in the international investigation, pay appropriate compensation to the families and end support of international terrorism. The Libyan Regime must be made to comply fully with the UN Resolutions.

Allowing ILSA to lapse would undermine President Bush's statements the day of the verdict, the intent of the UN. Security Council's resolutions and give tacit approval to Quadhafi's flagrant disregard for international law and human life. It would, in effect, reward Libya's murderous actions and stonewalling. It would declare open season on Americans.

We ask that you support two changes to the law. The first would reduce the threshold for a violation from $40 million to $20 million. The threshold for a violation for investment in Iran is $20 million. There is no compelling reason why the threshold for investment in Libya should not be the same.

The second change would close a loophole in the law that enables oil companies to expand existing contracts and avoid being examined for violations. We understand that a number of European companies which signed pre-ILSA contracts are expanding operations by, for example, developing fields adjacent to the fields in which they had their original investment and portraying this expansion as part of the original contract. Our organization believes such investment should always be investigated for ILSA violations. Even if the original contract pre-dates ILSA, any post-ILSA investment, no matter how large or remote form the original contract, should be treated as the entry of a new contract and investigated for an ILSA violation.

We respectfully suggest that if ILSA is not renewed, the United States will have failed in one of the most important challenges it faced in the 2nd half of the twentieth century.

Our organization strongly supports an extension of ILSA, which has worked well to deter significant new investment in the Libyan oil sector and look forward to working with you toward that extension.

Sincerely,

ROBERT G. MONETTI,
President.

Mr. KENNEDY. These families, as all families, are enormously important. Many have been out there at Arlington and had Presidents of the United States meet with them. Many have followed closely the developments that have taken place regarding the trial. Many of us have spent a good deal of time with these families. If we are going to keep faith with these families, if we are going to be serious about dealing with State-sponsored terrorism, if we are going to at least be able to have some impact on countries that may be thinking a little bit about sponsoring some terrorism around—if they know the United States is going to continue to lead the world in not forgetting and not forgiving State-sponsored terrorism, it may make some difference and it may result in the saving of American lives. It certainly can help move us so hopefully someday we get a sense of justice out of the loss of lives as we know them in the Pan Am 103 tragedy.

Extending the law that requires sanctions on foreign companies that invest in Libya for another five years is in both the security interest of the United States and the security interest of the international community. Profits in Libya should not come at the expense of progress against international terrorism and justice for the families of the victims of Pan Am flight 103.

Seventy-eight Members of the Senate have cosponsored legislation to extend the Iran Libya Sanctions Act for five years, and S. 1218 was approved by a vote of 19–2 by the Senate Banking Committee.

I urge my colleagues to approve this legislation without delay.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the floor manager, my good friend, Senator SARBANES, and Senator KENNEDY.

First, let me speak to the underlying bill. I very much appreciate the leadership bringing it up at this time. The bill before the Senate, as I understand it, has only one cosponsor, Senator SARBANES, the chairman of the Banking Committee, which reported this as an original bill. However, there are 79 cosponsors of the underlying bill sponsored by Senators SMITH and SCHUMER. I want the record to note I am on that bill.

Mr. SARBANES. Will the Senator yield on that point?

Mr. MURKOWSKI. It is of no consequence to me, but I think it is——

Mr. SARBANES. It is important. The list of cosponsors was sent to the desk and the Senator is included in the list. The reason the bill came out of the committee this way, when you do a committee print, is that is how it had to be presented. We did a committee print instead of the original bill that was introduced because there were some relatively minor changes that were made, and we laid down a committee bill, as it were, for markup purposes.

Mr. MURKOWSKI. I certainly understand and appreciate that. I just wanted the record to note why I was not seen as a cosponsor on it. Obviously, not being a member of the committee, and understanding the intention of the chairman—as former chairman, I understand the procedure and I do not take issue with it. But I wanted the record to note, as the floor manager indicated, my support of the bill.

Mr. SARBANES. I thank the Senator.

AMENDMENT NO. 1154

Mr. MURKOWSKI. I rise on an issue of grave concern. Clearly, I stand with my colleagues and those who have spoken on the justification of extending the sanctions timeframe for another 5 years on both Iran and Libya.

I hope the Chair will notice that there is another country that is excluded from this list, and that is Iraq. The presumption is that it is taken care of under the U.N. sanctions.

I have come to this floor to speak of inconsistencies before in our foreign and energy policy. I come today to address an inconsistency in relationship to what this particular bill addresses. It addresses the attitude prevailing in the Senate that we are going to stand against terrorism.

Clearly and appropriately that attitude should be directed to Iran and Libya. But the same moral question is applicable to our relationship with Iraq. I am not going to go into great detail on the prevailing attitude in Iraq with regard to terrorists, but I think the prevailing attitude of Saddam Hussein is known to all Members—his continued criticism of Israel. I think it is fair to say he concludes almost every address with the words ''death to Israel,'' or quotes to that effect.

I am not going to stand here and take a contrary position on the issue of condemning those that foster terrorism, Iran and Libya, which this amendment addresses, and an extension of the sanctions for another five years. But I do want to raise awareness of an inconsistency here. I am referring, of course, to our growing dependence on imported petroleum from Iraq.

Let me show the reality of what is happening in this country. I know many Members have, since the price of gasoline has gone down, an indifferent attitude that the question of our national security has had little impact on this debate. But I think it has every relevance to this debate because our national security is threatened by our escalating dependence on foreign imports. You have to separate energy sources. You have to separate the energy that comes from our conventional sources, whether they be nuclear, hydro, natural gas, wind alternative—from oil because oil moves America. Oil moves the world. You do not generate much electricity with oil, but you move everything and everybody. We are becoming more dependent on imported oil, particularly from disturbing sources.

Many in this body will remember in 1973 we had the Yom Kippur war. We had gas lines around the block in this country. We were 37-percent dependent on imported oil.

The public was outraged. How could this happen? We created a Strategic Petroleum Reserve. We said this country will never ever approach or exceed 50-percent dependence on imported oil.

We are 56-percent dependent now. The Department of Energy has indicated we are going to be 66-percent dependent by the year 2010, approximately 65-percent dependent in the year 2008.

This dependence is very real and there is no relief in sight. I want to make it again clear I support this underlying bill. There is no justification in my mind for allowing the Iran-Libya Sanction Act to lapse. I have talked to many people, many interest groups on this subject. But I want to go on record to recognize that we have not imported more than a drop of oil from Iran in 20 years or, for that matter, Libya.

On the other hand, do you have any idea what we are importing from Iraq today? You should, because it is a million barrels a day. Yet Iraq is not included in these sanctions.

I am not going to go into the reason, but I am going to point out the obvious. This chart was made not so very long ago, when we were importing 750,000 barrels a day. Now this figure should read 1 million barrels a day; the Persian Gulf, 2.3 million; OPEC, 5 million barrels a day.

Make no mistake about it, OPEC is a cartel. Cartels are illegal in the United States. They are antitrust violations. But we have become addicted to oil. We don't produce enough in this country. We are increasing our dependence and also, if you will, compromising our national security. What did we see as late as 3½ weeks ago? Our friend Saddam Hussein, in a beef with the United Nations, decided to curtail his production. He took 2½ million barrels a day off the world market. We were led to believe OPEC would increase production 2½ million barrels a day and there would be no shortage. That didn't happen. Saddam Hussein curtailed for a month 2½ million barrels a day. A little over 60 million barrels didn't get to the market. OPEC didn't increase the production. The price stabilized. It went up a little bit.

Make no mistake about it, blood is thicker than water, if I can use that expression, in the sense of OPEC making a determination that while the United States is one of their largest customers, they also had an obligation to respond to what Saddam Hussein was attempting to do; that was to get more flexibility from the U.N.

I go into this in some detail because I don't think my colleagues or the American public really understand the significance of what this means to the national security of this country.

When we take his oil, he takes our money. We gave Saddam Hussein $6 billion last year alone for the purchase of oil. What does he do with that money? He pays his Republican Guard to take care of his safety and other personal needs. He develops a missile capability, a delivery capability, and a biological capability. At whom does he aim it? He aims it at our ally, Israel.

I don't know about you, Mr. President, but that bothers me. It shows a grave inconsistency in our foreign policy.

Mr. President, my amendment attempts to address that by requiring that we terminate our purchase of oil from Iraq.

What does that mean? If I were to spill this water on this desk, it would spill to all four corners of the desk. That is the way the oil market works. There is so much oil out in the world, and there is so much consumption. If we choose not to buy —when I say ''we,'' I am talking about America's oil companies—from Iraq, that will relieve Iraq of oil to be purchased by somebody else, and that somebody else can relieve their purchaser. So we can basically purchase the oil from someone other than Iraq. But obviously Iraq has it for sale. The terms are probably favorable in the competitive market.

I am not going to go too far down that pipeline other than to suggest that we don't necessarily short ourselves a million barrels a day if we don't buy our oil from Iraq. There are other places to buy that oil.

But I want to remind the American people that since the end of the Gulf War in 1991 we have enforced a no-fly zone, flying over 250,000 sorties. Those sorties have specifically been initiated to prevent Saddam Hussein from threatening our allies in the region. Every time we fly a sortie, we are putting American men and women in harm's way, because he attempts to take down our aircraft.

It is pretty hard to get an estimate of how much we have expended to keep Saddam Hussein in his box since the 1990 invasion of Kuwait. It has been estimated, as near as we can determine, that it is some $50 billion.

That war was in early 1991. Saddam invaded Kuwait in the summer of 1990. What was his objective? We know the war was, at least in part, over oil. His objective was to go through Kuwait, and then on into Saudi Arabia, and control the world's supply of oil—the life's-blood of the world.

Every day we place our service men and women in harm's way. We lost 147 American lives, we had 450 American wounded and 23 American prisoners of war in the 1991 Gulf War.

I said this before on this floor. I think I have it right. We take Iraqi oil, we put it in our airplanes, and send our pilots to go after Iraqi artillery and return to fill up with Iraqi oil again.

Mind you, there is a sanctions bill on the floor against Iran, and sanctions against Libya. Where is Iraq? Some say that is covered by the U.N. sanctions. Come on, let's not kid each other. We know he is black-marketing a significant amount of oil outside the sanctions because we have no enforcement of the sanctions. The U.N. doesn't have ready access to his country, and only limited control over what he does with the money. We know he is not taking care of the needs of his people with the money he gets from oil sales.

Again, through this entire presentation, I appeal as we consider the bill before us, where is Iraq? Why aren't we initiating meaningful sanctions against Iraq at the same time?

Last week, Iraq fired a surface-to-air missile into Kuwait airspace for the first time since the 1991 Gulf War. The missile was aimed at a United States unarmed surveillance aircraft on routine patrol several miles inside the Kuwait border with Iraq. That is reality. But it is hardly makes the newspaper. It is not news anymore. We take it for granted.

Saddam Hussein is heating our homes in the winter, gets our kids to school each day, gets our food from the farm to the dinner table, and of course we pay him to do that.

What does he do with the money he gets for the oil? As I indicated, he pays his Republican Guard to keep him alive. He also supports international terrorist activities. We have heard from our colleagues regarding Iran and Libya. I agree with them. This issue on Iran and Libya is a moral stance against those countries that foster terrorism. But again, where do we stand on Iraq? Saddam funds a military campaign against American service men and women and against those of our allies. He builds an arsenal of weapons of mass destruction. The threat is real to our men and women and our allies in the Persian Gulf.

You may recall, as I do, the hundreds of Kuwaitis who remain unaccounted for since the Gulf War and who were kidnapped from Kuwait on Saddam's retreat in 1991. Hundreds of thousands of Iraqi lives have been lost. Countless Iraqis are suffering due to Saddam's continuing tyranny.

I find this extraordinary. I find it outrageous that the Senate has been silent. We seem to have our heads buried in the sand. We are all for extending unilateral sanctions against Iran and Libya, but where is Iraq? What is different here? Is it because of our increased dependence on his oil? How did we allow ourselves to get into such a situation?

For a number of years the United States has worked closely with the United Nations on the Oil for Food Program.

The program allows Iraq to export petroleum in exchange for funds which can be used for food, medicine, and other humanitarian products. But despite more than $15 billion available for these purposes, Iraq has spent only a fraction of that amount for the people's needs. Instead, the Iraqi Government spends the money on items of questionable and often suspicious purposes. Why?

Why, when billions are available to care for the Iraqi people, who are malnourished—some of them are sick; some of them have inadequate health care—would Saddam Hussein withhold the money available and choose, instead, to blame the United States for the plight of his people? He does.

Why is Iraq reducing the amount it spends on nutrition and prenatal care when millions of dollars are available from the sale of oil?

Why does $200 million worth of medicine from the U.N. sit undistributed in Iraqi warehouses?

Why, given the urgent state of humanitarian conditions in Iraq, does Saddam Hussein insist that the country's highest priority is the development of sophisticated telecommunications and transportation infrastructure?

Why, if there are billions available, and his people are starving, is Iraq only buying $8 million worth of food from American farmers each year?

I do not personally have a quarrel with the Oil For Food Program. It is well-intentioned. I do, however, have a problem with letting Saddam Hussein manipulate our growing dependency on Iraqi oil.

Where are we on this issue? We are silent. Three times since the beginning of the Oil For Food Program, Saddam Hussein has threatened or actually halted oil production, disrupting energy markets, and sending oil prices skyrocketing. Why?

Why does he do this? He does it to send a message to the United States. Do you know what the message is? The message is: I have leverage over you. And by the indication of our increased imports, as I indicated, the figure is one million barrels a day now. It seems he is pretty much right on target there.

Every time he has done this, he has had his way. We have proven ourselves addicted to Iraqi oil. Saddam has been proven right: He does have leverage over us.

Last month, in a display of displeasure over U.S. attempts to revise the sanctions regime, as I indicated, he withdrew 2.5 million barrels a day from the market for 30 days. OPEC did not make it up. Now we are importing over a million barrels a day. Ten percent of our oil imports come directly from Saddam Hussein.

Am I missing something? Is this really acceptable to this body? We have placed our energy security in the hands of this individual.

The administration has valiantly attempted to reconstruct a sensible, multilateral policy towards Iraq. Attempts have, unfortunately, not been successful. I think that before we can construct a sensible U.S. policy towards Iraq, we need to end the blatant inconsistency between our energy policy and our foreign policy. We need to get our heads out of the sand. We need to end our addiction to Iraqi oil. We need to basically find another alternative.

To that end, in the amendment that I have at the desk, I am offering language to prohibit imports from Iraq, whether or not under the Oil For Food Program, until it is no longer inconsistent with our national security to resume those imports.

I have had a colloquy with the leadership and the floor manager, and I agreed to submit my amendment to the desk, to speak on it, and withdraw it, with the proviso that I would receive an up-or-down vote at a later time on my amendment which would prohibit the purchase of Iraqi oil into the United States until certain conditions have been filled. And that is my intention. But I think it important to point out we simply cannot ignore this inconsistency in foreign policy.

We simply cannot turn our heads and say, on one hand, we stand firm against terrorism associated with Iran and Libya and simply not mention Iraq, turn a blind eye towards our increased dependence on Iraqi sources as a supply of oil, and not make a connection somehow that if there is justification for sanctions against Iran and Libya, there certainly is justification for equivalent sanctions against Iraq.

The bill that my good friend, the senior Senator from Maryland, has proposed addresses, obviously, the issue of extending the sanctions on Iran and Libya. I support that, as I have indicated. I recognize the various interests and the number of Members who are already in favor of the underlying bill. I respect that. But I would implore our colleagues to recognize that we are on a very dangerous, slippery slope with Iraq as we simply take for granted their willingness to sell us oil, and we take for granted our continuing dependence—an increasing dependence—on that source and seem to be totally unconcerned about it.

We are legitimately concerned about Iran and Libya, but Iraq sanctions terrorism as well. Is it because we have allowed ourselves to become more dependent on Iraq? This is almost like an examination of conscience—the conscience of our country, the recognition of our national security imperatives.

My good friend from Maryland may expect me to go into a long-winded explanation of other alternatives for our increased dependence on oil. I believe that many alternatives can come domestically from the United States. However, America's environmental community that suggests we cannot do it here at home.

But that environmental community isn't concerned with the national security consequences of our increased dependence on Iraq. I think the American people are inclined to take for granted that they can go to the gas station and simply pick up the hose and put it in their automobiles. We have had occasions where individuals have said: I thought that is the way it came. I forgot all about the reality that somebody had to find it, recover it, refine it, ship it, and make it available. Do we care about the fact that so much of it is coming from Iraq—a place with which we are in a virtual state of war?

We stand against terrorism from Iran and Libya. But where do we stand on the imminent threat from Iraq?

As we again address the reality of whether Americans should care where their oil comes from, it is fair to state there seems to be little concern about how environmentally compatible the development of Saddam Hussein's oil fields are. We do not seem to care about that. It is too far away. We want his oil. We will pay for it. End of discussion.

But should we care where it comes from? Yes, we should, just as we should care very much about allowing terrorism to flourish in Iran and Libya. We should care about how we are contributing through our addiction to Iraqi oil to Saddam Hussein's campaign of terror.

We should stand against the environmental degradation that is associated with some of the exploitation of resources in other countries that ultimately are bound for the United States.

What about our economy? The greatest single contributor to the deficit balance of payments is the price of imported oil. We send our dollars overseas; we send our jobs overseas. We have the resources here at home, not to totally relieve but to a degree lessen our dependence. Do we have the fortitude to recognize the alternatives are here?

This is a message that I don't think is very complex. It is a message based on simple but indisputable facts. That reality is, we move America and we move the world on oil. We are becoming more and more committed to that oil coming from Iraq, and Iraq has more and more leverage on the United States as a consequence of that. Again, I ask myself: Where is Iraq in the bill that is before this body?

I have agreed to withdraw my amendment with the provision that the floor leadership has assured me of an up-or-down vote on my amendment at a later time. I want the administration, the State Department, and the domestic oil industry in this country that imports this oil from Iraq to get the message that I mean business. We are going to have in this body an up-or-down vote to either terminate our imports from Iraq and find our oil someplace else until such time as the administration and the President satisfies us that the inconsistencies associated with our relationship with Iraq are adequately addressed.

Iraq should be part of this bill before us. However, in accordance with my agreement with the Leadership, I will withdraw the amendment, and unless there are other Members who want to speak on this on my time, it would be my intention, if there are no others, with the agreement of the floor manager, I would consider yielding back the time.

The PRESIDING OFFICER. The clerk will report the amendment for the information of the Senate.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 1154.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To make the United States' energy policy toward Iraq consistent with the national security policies of the United States)

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This Act can be cited as the ''Iraq Petroleum Import Restriction Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) the government of the Republic of Iraq:

(A) has failed to comply with the terms of United Nations Security Council Resolution 687 regarding unconditional Iraqi acceptance of the destruction, removal, or rendering harmless, under international supervision, of all nuclear, chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities, as well as all ballistic missiles with a range greater than 150 kilometers and related major parts, and repair and production facilities and has failed to allow United Nations inspectors access to sites used for the production or storage of weapons of mass destruction.

(B) routinely contravenes the terms and conditions of UNSC Resolution 661, authorizing the export of petroleum products from Iraq in exchange for food, medicine and other humanitarian products by conducting a routine and extensive program to sell such products outside of the channels established by UNSC Resolution 661 in exchange for military equipment and materials to be used in pursuit of its program to develop weapons of mass destruction in order to threaten the United States and its allies in the Persian Gulf and surrounding regions.

(C) has failed to adequately draw down upon the amounts received in the Escrow Account established by UNSC Resolution 986 to purchase food, medicine and other humanitarian products required by its citizens, resulting in massive humanitarian suffering by the Iraqi people.

(D) conducts a periodic and systematic campaign to harass and obstruct the enforcement of the United States and United Kingdom-enforced ''No-Fly Zones'' in effect in the Republic of Iraq.

(E) routinely manipulates the petroleum export production volumes permitted under UNSC Resolution 661 in order to create uncertainty in global energy markets, and therefore threatens the economic security of the United States.

(2) Further imports of petroleum products from the Republic of Iraq are inconsistent with the national security and foreign policy interests of the United States and should be eliminated until such time as they are not so inconsistent.

SEC. 2. PROHIBITION ON IRAQI-ORIGIN PETROLEUM IMPORTS.

The direct or indirect import from Iraq of Iraqi-origin petroleum and petroleum products is prohibited, nothwithstanding an authorization by the Committee established by UNSC Resolution 661 or its designee, or any other order to the contrary.

SEC. 3. TERMINATION/PRESIDENTIAL CERTIFICATION.

This Act will remain in effect until such time as the President, after consultation with the relevant committees in Congress, certifies to the Congress that:

(1) the United States is not engaged in active military operations in enforcing ''No-Fly-Zones'' in Iraq, supporting United Nations sanctions against Iraq, preventing the smuggling by of Iraqi-origin petroleum and petroleum products in violation of UNSC Resolution 986, complying with United Nations Security Council Resolution 687 by eliminating weapons of mass destruction, or otherwise preventing threatening action by Iraq against the United States or its allies; and

(2) resuming the importation of Iraqi-origin petroleum and petroleum products would not be inconsistent with the national security and foreign policy interests of the United States.

SEC. 4. HUMANITARIAN INTERESTS.

It is the sense of the Senate that the President should make all appropriate efforts to ensure that the humanitarian needs of the Iraqi people are not negatively affected by this Act, and should encourage through public, private, domestic and international means the direct or indirect sale, donation or other transfer to appropriate non-governmental health and humanitarian organizations and individuals within Iraq of food, medicine and other humanitarian products.

SEC. 5. DEFINITIONS.

(a) 661 COMMITTEE.—The term ''661 Committee'' means the Security Council Committee established by UNSC Resolution 661, and persons acting for or on behalf of the Committee under its specific delegation of authority for the relevant matter or category of activity, including the overseers appointed by the UN Secretary-General to examine and approve agreements for purchases of petroleum and petroleum products from the Government of Iraq pursuant to UNSC Resolution 986.

(b) UNSC RESOLUTION 661.—The term ''UNSC Resolution 661'' means United Nations Security Council Resolution No. 661, adopted August 6, 1990, prohibiting certain transactions with respect to Iraq and Kuwait.

(c) UNSC RESOLUTION 986.—The term ''UNSC Resolution 986'' means United Nations Security Council Resolution 986, adopted April 14, 1995.

SEC. 6. EFFECTIVE DATE.

The prohibition on importation of Iraqi origin petroleum and petroleum products shall be effective 30 days after enactment of this Act.

AMENDMENT NO. 1154, WITHDRAWN

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Maryland.

Mr. SARBANES. Mr. President, I wanted to take a few minutes to address some of the comments of the Senator from Alaska. We have time on the amendment. Then I would be happy to yield back the time. I assume the Senator would yield back his time on the amendment. Then we would just be left with completing the bill. If I may now be recognized to speak on the time allotted with respect to the amendment.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I say to the Senator from Alaska, there is much in what he said. I certainly agree with his condemnation of Saddam Hussein. He asked, why isn't Iraq in this bill?

I think there are two reasons. One is, the bill was addressed to do a very simple, straightforward thing, and that was to extend the Iran-Libya sanctions. We did not undertake, either with hearings or in any other way, to examine the Iraqi situation.

Secondly, the Senator has given Members of this body a lot of food for thought with respect to the Iraq situation. Let me add a couple of observations which Members should keep in mind. This goes back to the administration's efforts now to tighten sanctions at the United Nations with respect to Iraq and the fact that the United States is part of an effort, through the U.N., to constrain Saddam Hussein.

Iraq is able to sell oil to foreign companies, including American companies, but legally only under the guidelines of the U.N. Oil For Food Program.

It is true they are bootlegging oil, and they have some middlemen at work. Of course, they are trying to tighten the regime in order to preclude those two possibilities. But the money that is being paid for the oil under the U.N. Oil For Food Program goes into a U.N.-controlled escrow account. The expenditures of that money out of the escrow account, the disbursement is subject to our review and our veto.

This is all an effort to try to ensure that the money goes in for humanitarian purposes involving the Iraqi people and not for Saddam Hussein's purposes.

The fact that we have been able to work through U.N. Security Council resolutions means that there is a program in place barring companies from making energy investments in Iraq. That is now being followed by the United States and by other countries as well. We are trying to monitor this program to alleviate the humanitarian situation and to ensure that the moneys do not go into the coffers of Saddam Hussein.

We are in a sensitive situation at the United Nations because we just got the existing sanctions regime extended. We were unable to get the sanctions regime altered, as we ran into difficulties in the end from Russia. We have to be very careful how we move on this situation so we don't risk losing the existing multilateral sanctions regime which, although not perfect, is serving a very useful purpose.

Obviously, if the U.S. companies are barred under the U.N. Oil For Food Program, other companies will fill the gap. I am more concerned about the fact that if we start playing this unilateral game on Iraq where we have multilateral sanctions in place, we may erode and undermine the multilateral sanctions.

As we consider this proposal, and as the Senator from Alaska has indicated, he anticipates it will be back before us at some future time, we have to keep in mind this very difficult situation we have at the U.N.—Secretary Powell's efforts to sharpen the sanctions and to focus them in a more direct way. I don't think we want to jeopardize that.

I think Members need to keep that in mind as we consider the Iraqi situation.

Mr. MURKOWSKI. If I may respond to the floor manager.

The PRESIDING OFFICER. Who yields time?

Mr. MURKOWSKI. I yield myself a minute or so.

It is not the intention nor the wording of my amendment to in any way alter the Oil For Food Program. That stays. My amendment does not jeopardize that. Let me make a couple of points in response.

What I wish to emphasize is our increasing dependence on this source. It is now 10 percent of the total oil that we import. The significance of that is that, as the Senator from Maryland pointed out, is that the Oil-for-food program is kind of like a sieve. There are these sanctions, but as the Senator from Maryland noted, the oil seeps out through other routes than the U.N. Unfortunately, it doesn't have an adequate safeguard.

So he is able to fund a significant amount of oil outside of the U.N. sanctions. And then the last point I want to make is that this is a unique situation. We should remind people that we are flying sorties, enforcing a no-fly zone over a country that we are allowing ourselves to become more dependent upon. I think that is very dangerous from the standpoint of national security.

Obviously, Saddam Hussein himself and his record of terrorism speaks for itself. We rightly condemn Iran and Libya for harboring and sponsoring terrorists. I think Saddam Hussein fits into that category as well. In addition, we should not forget that have a growing dependence on an individual who, at virtually every opportunity, concludes major speeches with ''death to Israel.''

Clearly, we are almost at war with this individual. These are the inconsistencies that need to be brought out and recognized for what they are and addressed in some responsible manner. The efforts by the Senator from Alaska to address this—first, to bring it to the body, which I have done today, and I have a commitment for an up-or-down vote from leadership, and I hope that the conscience of America reflects to some degree on each of our colleagues the fact that this is not, by any means, the best situation we could have in our foreign policy, nor our national security, by increasing dependence on this particular source. I would feel much better getting it from the OPEC nations rather than Saddam Hussein. That concludes my remarks. I thank my friend for his courtesies.

Mr. SARBANES. Has the amendment been withdrawn?

The PRESIDING OFFICER. Yes.

Mr. SARBANES. I yield back the time we had on the amendment.

Mr. MURKOWSKI. I yield back my time, too.

Mr. GRAMM. Will the Senator yield 3 minutes?

Mr. SARBANES. I think the Senator from Texas has time.

The PRESIDING OFFICER. Yes.

Mr. GRAMM. I yield myself such time as I might consume.

Mr. President, first of all, I congratulate Chairman SARBANES on this bill. This is a bipartisan bill. I think it is a good bill. I think it is justified. I am not unaware of the fact that things are happening in Iran. I continue to hope that a great country with a very proud history, with 67 million people, will have an awakening of freedom, and that Iran will rejoin the community of nations at some point. But while our committee is not unaware of the fact that there are some promising signs in Iran, the policy of the Government is still a policy that we find objectionable. Therefore, I support this bill.

If something changes in Iran, if there is a change in policy, produced either by a change in the Government or a change in the policy of the Government, I think there is strong support in our committee, in the Congress, and in the country to change the current policy. But it is up to Iran and its people as to what course they are going to follow, whether they are going to be one of the responsible nations in the world or whether they are going to support terrorism.

Let me also say that I see no sign that any similar hope is present in Libya. The bottom line is that we have to judge nations as we judge people, based on how they behave. When they behave irresponsibly, we can take note of it if we want to discourage that behavior.

I hope we will get a strong vote. I have to say that when our committee debated this issue, while there was an overwhelming vote of support, we had a very good debate. Many important points were raised, and I was quite proud of how seriously we took this issue.

I don't have any intention to use my 30 minutes. I don't know if anyone else on my side wishes to speak, so maybe for the time being I will reserve my time and see if anybody comes over. Let me conclude my remarks and see if there is anyone on the Democrat side who wants to speak. I hope my colleagues will vote for the Iran-Libya Sanctions Act. I believe that, unfortunately, it is needed. I hope things will change so that we can lift these sanctions some day, and I hope it is soon. But something has to change to make that happen.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. I will yield the Senator from Oregon as much time as he might require.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH of Oregon. I thank Senator GRAMM. I will be brief. Mr. President, I compliment the ranking member and the chairman of the Banking Committee for bringing this legislation to the floor. It has been my privilege to introduce it to their committee with Senator SCHUMER, the Senator from New York—a Republican and a Democrat.

Senator SCHUMER and I came together on this bill in the belief that, as America pursues its national interests abroad, we should not forget our national values at home. One of the national values that I believe we have is our commitment to the State of Israel to defend it in its existence. This is a commitment that continues today in some very troubled waters. But the truth is, if you examine the globe and try to evaluate where America could be drawn into a conflict, surely the Middle East is one of those.

Some of the actors in the Middle East, it seems to me, have made it clear in recent days that their intention is not to make peace with Israel but to eliminate Israel from the map. To that end, we see in Iran a nation that is pursuing its petroleum business in order to buy its munitions, its weapons business, to build weapons of mass destruction and the rocketry to deliver them, to engage in this deadly trade—all aimed at the State of Israel.

What can we do about that? Well, one of the things this Congress and the American people have done as an expression of our commitment is to establish the Iran-Libya Sanctions Act. We need to renew that before August 5 or it will lapse. It will now be renewed, I believe, for an additional 5 years. It is very important that we do this because, currently, Iran is giving $100 million a year to finance the activities of Hezbollah, Islamic Jihad, and Hamas. They are supplying them with the deadliest of munitions, and we are seeing their work played out on the streets of Jerusalem.

Further, now we know that Iran is proliferating all kinds of weapons of the deadliest kind. So the only peaceful means we have to respond is with our dollars and with these sanctions, which try to thwart the development of petroleum projects in Iran—by the way, they have been very effective in that interruption—the profits from which can be spent on weapons of mass destruction.

Where does Libya come in? Libya still refuses to abide by U.N. Security Council resolutions regarding Pan Am flight 103, which require that Tripoli formally renounce terrorism, accept responsibility for the actions of its Government officials convicted of masterminding the bombing, provide information about the bombing, and pay appropriate compensation to the families of the victims. Further, Libya is a prime suspect of many of the past terrorist actions that have rocked the Middle East.

ILSA threatens the imposition of economic sanctions against foreign entities investing in Iran and Libya. Again, as we look at how effective it has been, of the 55 major petroleum projects in Iran that have sought foreign investment, I am only aware of a half dozen or so that have received foreign investment. This is the best and most peaceful way we have to respond to a buildup of weaponry that could threaten Israel's existence and draw the United States into conflict as well.

I believe ILSA has proven it works. I believe it reflects our national values,

and I believe it restates in the clearest of terms our commitment to the security of Israel and its place in the world.

I am pleased over 78 of our colleagues have signed on as original cosponsors of this bill.

I thank the chairman of the committee and the ranking member for bringing it to the floor today and to a vote, I assume, very soon.

I yield back the remainder of my time.

Mr. SARBANES. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Maryland has 10 minutes remaining, and the Senator from Texas has 21½ minutes remaining.

Mr. SARBANES. There is a total of 31 minutes remaining?

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. Mr. President, I am going to put in a quorum call and alert my colleagues if there is anyone else who wishes to speak on this bill, they should let us know and come to the floor promptly. Otherwise, we will yield back all of our time and schedule this matter to go to a vote at 6:30 this evening. I will get further guidance on that, but for the moment I will put in a quorum call with the alert to other colleagues, if there is anyone else who wishes to speak on this bill, they should let us know and come at once. Otherwise, we are going to draw this debate to a close.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. LINCOLN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Madam President, I join my colleagues in support of renewing the Iran-Libya Sanctions Act to protect American interests in the Middle East. Despite promising changes within Iranian society, Iran's external behavior remains provocative and destabilizing. Iran continues to aggressively foment terrorism beyond its borders and develop weapons of mass destruction as a matter of national policy. Consistent calls from its leaders for Israel's destruction, and the Iranian government's bankrolling of murderous behavior by Hezbollah, Hamas, and other terrorist groups, should make clear to all friends of peace where Iran stands, and what role it has played, in the conflagration that threatens to consume an entire region.

Nor has Iranian-sponsored terrorism targeted only our Israeli ally. According to Attorney General Ashcroft, Iranian government officials ''inspired, supported, and supervised members of Saudi Hezbollah'' responsible for the 1996 terrorist attack on Khobar Towers, which took the lives of 19 U.S. service men. According to former FBI Director Freeh, that chain of responsibility extends to Iran's most senior leadership.

Critics of our Iran sanctions policy make two arguments. The first is that these sanctions are ineffective. But according to the Iranian government itself, in a 1998 report to the United Nations, ILSA caused ''the disruption of the country's economic system,'' a ''decline in its gross national product,'' and a ''reduction in international investment.'' As Lawrence Kaplan points out in this week's edition of The New Republic, since ILSA was enacted in 1996, Iran has promoted over 50 investment opportunities in its energy sector but has secured only eight oil contracts. Sanctions have a deterrent effect on international investors, notwithstanding the foreign policies some of their national governments pursue.

The second argument of sanctions critics is that ILSA renewal would stifle American-Iranian rapprochement, in which we hold a strategic interest. This argument would carry weight had our government not repeatedly sought to initiate an official dialogue on normalization with Iran. But our highest leaders have extended the olive branch on several occasions. Each time, the Iranian government has rejected it. In June 1998, then-Secretary of State Albright called for mutual confidence-building measures that could lead to a ''road map'' for normalization. The Iranian government rejected this unprecedented overture. In March 2000, Secretary Albright gave another speech in which she expressed regret for American policy towards Iran in the past, called for easing sanctions on some Iranian imports, and pledged to work to resolve outstanding claims disputes dating to the revolution. Iran's government deemed this offer insufficient to form the basis for a new dialogue. In September 2000, then-President Clinton and Secretary Albright went out of their way to attend President Khatami's speech at the United Nations an important diplomatic symbol of our interest in a new relationship. But the Iranians again balked. I ask: whose policy is static and immovable America's, with our repeated diplomatic entreaties for a more normal relationship, or Iran's, which rejects all such overtures even as it steps up the very behavior we find unacceptable?

Nor is it time for the United States to lift sanctions on Libya. The successful conclusion of the Lockerbie trial, which explicitly implicated Libya's intelligence services in the attack, does not absolve Libya of its obligations to meet fully the terms of the U.N. Security Council resolutions governing the multilateral sanctions regime against it. Libya has not done so. Libya's support for state terrorism, as certified again this year by our State Department, and its aggressive efforts to develop chemical and potentially nuclear weapons, exclude Libya from the ranks of law-abiding nations.

Lifting sanctions now on Iran and Libya would be premature and would unjustly reward their continuing hostility to basic international norms of behavior. I support extension of ILSA in the knowledge that it is not American sanctions policy but unacceptable behavior by these rogue regimes that precludes a new policy toward them at this time.

Mr. ENZI. Madam President, I rise to express my concerns about the lack of review and reporting requirements for S.1218, the reauthorization of the Iran-Libya Sanctions Act, known as, ILSA. I believe that a renewal of any sanctions law should accompany a full review and report to the Congress on the effectiveness of the sanctions policy it imposes.

First, I want to express my support for the goals of ILSA. All of us want to prevent terrorist organizations from carrying out their terrible activities and we want to stop the dangerous proliferation of weapons of mass destruction, (WMD), technology. We must work with our allies and friends to use multilateral means and pressure these entities and countries to depart from these dangerous activities and work to encourage them to behave in a manner consistent with international norms. In the case of Libya, multilateral agreement on the course of action has been largely reached. Libya must take full responsibility for the despicable terrorist act resulting in the downing of Pan Am flight 103. In the case of Iran, however, the level of multilateral agreement is less consistent, in part because Iran has made some changes, albeit very small.

The Banking Committee recently reported, by a 19 to 2 margin, the Iran-Libya Sanctions Act. I was one of those who could not support the bill at the time because it failed to require a report on the results of ILSA. I believe that this Congress has neither taken adequate time to examine the effectiveness of ILSA, nor the consequences of renewing ILSA for 5 years.

At the Banking Committee markup, I supported Senator HAGEL's amendment, which would have reauthorized ILSA for two years, and more importantly, required the President to report to the Congress on the effectiveness of the Iran-Libya Sanctions Act. The administration also requested a 2-year reauthorization so it could have a better opportunity to review its effectiveness. It is reasonable and prudent policy to review sanctions laws on a periodic basis. It would help ensure that the administration and Congress work together to forge an effective, commonsense policy which promotes our national security and foreign policy goals. We are living in a complex and more globalized world, so periodic review is necessary to keep pace with new developments. I also encourage a review of all of our sanctions statutes specifically relating to Iran to ensure a simplified approach to U.S. sanctions policy toward Iran.

The current ILSA does not sanction Iran and Libya. Instead, it sanctions those who engage in certain levels of investment in Iran's and Libya's petroleum sectors. In addition, it does not

appear to me that the Congress fully considered the few positive developments that have occurred in Iran since the 1996 when ILSA was first passed. I fully understand that the hard-line clerics still control many of Iran's policies. However, we must not turn a blind eye toward Iran's election of Khatemi and the desire of young Iranian people to liberalize Iran's policies. Instead of showing some willingness to work with Iran, we are demonstrating our own inflexibility.

The United States has direct national security interests in maintaining the stability of the Middle East. Israel is an island of stability within this turbulent region. It deserves the support of the United States. In doing so, however, we must do everything possible to avoid making enemies for both the United States and Israel in that region. The U.S. must remain strong, but willing to revisit issues of such importance to the security of both the United States and Israel. It is my hope that despite the lack of a reporting requirement in S.1218, the Bush administration will conduct a thorough review of the effectiveness of ILSA and other sanctions laws.

Mrs. CLINTON. Madam President, I rise today to speak in support of S. 1218, the Iran Libya Sanctions Extension Act of 2001. This legislation will extend for another five years the Iran Libya Sanctions Act of 1996, which would otherwise expire on August 5, 2001.

In 1996 Congress unanimously enacted ILSA in response to Iran's emergence as the leading state sponsor of international terrorism, its accelerated campaign to develop weapons of mass destruction, its denial of Israel's right to exist, and its efforts to undermine peace and stability in the Middle East.

Five years later, the U.S. State Department's ''Patterns and Global Terrorism,'' reported that Iran still remains ''the most active state-sponsor of terrorism'' in the world, by providing assistance to terrorist organizations such as Hezbollah, Hamas, and the Islamic Jihad.

Eleven short days from now, ILSA is set to expire. That is why we must act today to renew this important legislation to deter foreign investment in Iran's energy sector—its major source of income. By doing so we can continue to undermine Iran's ability to fund the development of weapons of mass destruction and its support of international terrorist groups.

In February of this year, I met with families of the American victims of the bombing of Pam Am Flight 103 in 1988. Brian Flynn, from New York City, recalled driving to John F. Kennedy airport to retrieve the body of his brother, J.P. Flynn, who had perished in the bombing. Brian remembered: ''There was no flag, no ceremony, no recognition that he was killed simply for being an American.''

Earlier this year, once again Brian drove to John F. Kennedy airport, this time, to go to the Netherlands to listen to the verdict against two Libyan nationals indicted for the bombing. A Libyan intelligence officer was found guilty of murder in the bombing, in the words of the court, ''in furtherance of the purposes of . . . Libyan Intelligence Services.'' Yet Libya continues to refuse to acknowledge its role and to compensate the family members of 270 victims of the bombing. The State Department reports that Libya also remains the primary suspect in several other past terrorist operations. Brian and so many family members of the dozens of New Yorkers killed in the bombing, have written to me and conveyed how important it is for the United States to continue to hold Libya accountable for its support of international terrorism.

By acting now to renew ILSA, the Senate is sending a clear message to Iran and Libya that their dangerous support for terrorism and efforts to develop weapons of mass destruction are unacceptable and will not be tolerated.

Mr. SARBANES. Madam President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Madam President, I ask unanimous consent that the vote on final passage of S. 1218, the Iran-Libya sanctions bill, occur this evening at 6:30.

Mr. REID. Madam President, reserving the right to object, and I will not object other than to indicate to all of the Senators within the sound of my voice, we are going to attempt to have two, maybe three, votes at 6:30. Senator WELLSTONE will be here at 4:30 to begin the dialogue, the debate on the Horn nomination, and then after that we are going to go to the nominee for the Small Business Administration, Mr. Barreto. We hope we can have those votes also at 6:30.

I appreciate the usual good work of my friend from Maryland.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Madam President, I want to make it clear to colleagues that I am ready to speak on the nomination of Wade Horn to be HHS Assistant Secretary for Family Support. We are moving forward and are trying to get some work done. I am ready to speak. I think there are other Senators who want to speak in favor of the nomination. My guess is that it is a relatively noncontroversial nomination and there will be strong support. It can be a voice vote. It doesn't matter to me. But I want to speak and get this work done now. I am ready to do so.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DASCHLE. Madam President, pursuant to the order of July 24, I now ask that the Senate proceed to executive session to consider the nominations of Wade Horn and Hector Barreto. I believe the time allotted for Mr. Horn is 2 hours and the time for Mr. Barreto is a half hour.

Mr. WELLSTONE. Madam President, will the majority leader yield?

Mr. DASCHLE. I am happy to yield.

Mr. WELLSTONE. I do want to say to the majority leader, I do not think we will need anywhere near that much time. So I say it can probably be done in an hour with people speaking on both sides.

Mr. DASCHLE. Madam President, for the information of our colleagues, it may be that we will have one rollcall vote on the Iran-Libyan Sanctions Act at some point. Currently, it is scheduled for 6:30. I understand that vote has been scheduled for 6:30 to accommodate some Senators who are attending a memorial service. I would suggest we proceed now to the nomination of Mr. Horn. And we will provide our colleagues with more information as it is made available to us. I yield the floor.

NOMINATION OF WADE F. HORN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant legislative clerk read the nomination of Wade F. Horn, of Maryland, to be Assistant Secretary for Family Support, Department of Health and Human Services.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, again, for the sake of my colleagues' schedules, I do not think this will take that much time. I know there are some Senators who want to speak. I think it is a relatively noncontroversial nomination. I certainly do not need 2 hours.

I do want to speak on the nomination of Dr. Wade Horn to the position of Assistant Secretary for Family Support at the Department of Health and Human Services.

This is a very important position. Once confirmed for this position, Dr.