

pertain to foreign direct investment. The bill enables CFIUS to unilaterally initiate a review where an national security issue is raised; any foreign government backed deal would be subject to review; both the Secretaries of Treasury and Homeland Security must sign off on reviews, while the Homeland Security Secretary would be vice-chair of the Committee; and all reviews are subject to review by the Director of National Intelligence.

Most importantly, everyone knows that transparency and accountability were, in part, at the heart of Congress' uproar over the Dubai World Ports deal. H.R. 5337 requires that CFIUS report bi-annually to Congress on its activities, which should prevent Congress from being alerted to such deals after the fact. I would submit that this is strong legislation that will only make Congress' job less difficult on the issue of national security and foreign direct investment. Therefore, I urge my Colleagues to support this major reform bill.

Mr. BACA. Mr. Speaker, I rise in strong support as a cosponsor of H.R. 5337, National Security Foreign Investment Reform and Strengthened Transparency Act of 2006.

This legislation clarifies and strengthens the authority of the Committee on Foreign Investment in the United States to ensure that foreign acquisitions of U.S. companies or assets do not threaten national security.

As the tragic events of September 11, 2001 demonstrate, the threats to the security of the United States have increased and evolved in ways that could not have been anticipated when Congress enacted the Exon-Florio provision in 1988. As a result, we can no longer view national security only through the lens of conventional military threats. We must also guard against other types of threats that could seriously harm our Nation such as a disruption of U.S. energy supplies.

With global energy supplies tight, and oil and gas prices skyrocketing, a major disruption of U.S. energy supplies would pose a grave danger to the Nation's economy and the safety and security of the American people. This bill recognizes this fact and includes strong measures to ensure that foreign takeovers of U.S. energy companies or assets do not threaten the energy security of the United States.

The Committee's Report states: "H.R. 5337 makes clear that national security encompasses threats to critical U.S. infrastructure, including energy-related infrastructure. The Committee expects that acquisitions of U.S. energy companies or assets by foreign governments or companies controlled by foreign governments will be reviewed closely for their national security impact. If such acquisitions raise legitimate concerns about threats to U.S. national security, appropriate protections as set forth in the statute should be instituted including potentially the prohibition of the transaction."

Russia is a perfect example. Russia has made it clear that it wants to acquire pipelines and natural gas conversion facilities in the United States. I strongly believe, however, the United States should tread very carefully before permitting such acquisitions. Here's why.

In 2003, Russian President Vladimir Putin reasserted government control over Russia's energy industry through the expropriation of Russia's largest privately-owned energy company, Yukos, without paying any compensation to its owners, including U.S. shareholders who lost approximately \$6 billion.

As a result, Russian energy companies such as Gazprom and Rosneft are controlled by friends and associates of Putin, including individuals who occupy high level positions in the Putin Administration. Putin appears to be using these companies to implement his strategy of using Russia's oil and gas exports as an instrument of political and economic coercion to advance the interests of the Kremlin. If these Russian government-controlled companies gain control of U.S. energy assets, U.S. energy security could easily be put at risk just as was the case when Russia cut off natural gas supplies to Ukraine in January, and later this spring, when Gazprom not-so-subtly warned European leaders that Russia would sell its natural gas to Asia instead of Europe if they tried to interfere in Russia's plans to control the entire sales and distribution of natural gas throughout Europe.

Mr. Speaker, this would be a disaster for America. We must not let this happen to the United States.

Mr. SHAYS. Mr. Speaker, I rise in strong support of H.R. 5337, the National Security Foreign Investment Reform and Strengthened Transparency Act.

I am an original cosponsor of this legislation, which would require that all transactions involving state-owned companies be automatically subject to a full 45-day investigation. The legislation would also name make the Homeland Security secretary the vice chairman of the Committee for Foreign Investment in the United States (CFIUS), which is chaired by the Treasury Department.

The recent attempt by Dubai Ports World (DP World), a port operations company owned by the government of the United Arab Emirates (UAE), to purchase operating terminals at six U.S. ports, was a clear indicator we must reform the CFIUS process.

Whenever a foreign investment affects homeland security, it deserves greater scrutiny. This legislation strikes the proper balance between strengthening our economy and protecting the American people.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. MORAN of Virginia. Mr. Speaker, I support H.R. 5337, and I would like to applaud the floor managers of the bill for their efforts on the legislation. The CFIUS process is in need of reform, and this bill provides reforms that effectively balance the country's need for strong national security protections with its need for continued foreign investment.

While our national security objectives must be paramount in this area, I do have some concern about the time CFIUS could take under the bill's provisions to review an acquisition that it ultimately determines presents no national security issues. The bill allows for a CFIUS review period of up to 30 days, followed by an investigation of up to 45 days when certain conditions specified in the bill are determined to be present. The investigation period can then be extended under certain circumstances. Notably, there is a mandatory investigation of all acquisitions by state-owned companies even in the absence of any showing of a possible national security concern.

I would prefer to see the process shortened where it is apparent at an early stage that national security is not an issue, and I urge my colleagues to consider changes in this regard in conference. It would be unfortunate if CFIUS resources were diverted from acquisi-

tions with real national security implications to those with no such implications. I am comforted on this point, however, by the fact that the review and investigation provisions would not preclude a person from petitioning CFIUS to dispense with the initial review period and to go directly to the investigative stage, thereby shortening the process in situations that do not present significant security risks. My understanding is that such a petition could be filed under the current CFIUS regime, and I do not read the bill as changing the law in that regard. I would assume that CFIUS would consider any such petition on a case-by-case basis and would decide whether or not to grant it depending on various factors affecting national security. Such factors, I assume, would include whether the acquirer had established its national security credentials in previous CFIUS proceedings or otherwise, whether in the case of a government-owned acquirer the government was a U.S. ally, and many other factors bearing one way or another on national security. I am also encouraged by the fact that the bill's review and investigation provisions prescribe a maximum, not a minimum, number of days.

Mr. Speaker, again I want to compliment the floor managers on a bill that puts national security first but that also will allow our continued need for foreign investment to be satisfied rather than ignored.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 5337, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OXLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES

Mr. SHADEGG. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 454) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 454

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, July 27, 2006, or Friday, July 28, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Wednesday, September 6, 2006, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Thursday, August 3, 2006, Friday, August 4, 2006, or Saturday, August 5, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Tuesday,

September 5, 2006, or such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate if, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRANK of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

UNITED STATES-ISRAEL ENERGY COOPERATION ACT

Mr. SHADEGG. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2730) to establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-Israel Energy Cooperation Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) it is in the highest national security interests of the United States to ensure secure access to reliable energy sources;

(2) the United States relies heavily on the foreign supply of crude oil to meet the energy needs of the United States, currently importing 58 percent of the total oil requirements of the United States, of which 45 percent comes from member states of the Organization of Petroleum Exporting Countries (OPEC);

(3) revenues from the sale of oil by some of these countries directly or indirectly provide funding for terrorism and propaganda hostile to the values of the United States and the West;

(4) in the past, these countries have manipulated the dependence of the United States on the oil supplies of these countries to exert undue influence on United States policy, as during the embargo of OPEC during 1973 on the sale of oil to the United States, which became a major factor in the ensuing recession;

(5) research by the Energy Information Administration of the Department of Energy has shown that the dependence of the United States on foreign oil will increase by 33 percent over the next 20 years;

(6) a rise in the price of imported oil sufficient to increase gasoline prices by 10 cents

per gallon at the pump would result in an additional outflow of \$18,000,000,000 from the United States to oil-exporting nations;

(7) for economic and national security reasons, the United States should reduce, as soon as practicable, the dependence of the United States on nations that do not share the interests and values of the United States;

(8) the State of Israel has been a steadfast ally and a close friend of the United States since the creation of Israel in 1948;

(9) like the United States, Israel is a democracy that holds civil rights and liberties in the highest regard and is a proponent of the democratic values of peace, freedom, and justice;

(10) cooperation between the United States and Israel on such projects as the development of the Arrow Missile has resulted in mutual benefits to United States and Israeli security;

(11) the special relationship between Israel and the United States has been and continues to be manifested in a variety of jointly-funded cooperative programs in the field of scientific research and development, such as—

(A) the United States-Israel Binational Science Foundation (BSF);

(B) the Israel-United States Binational Agricultural Research and Development Fund (BARD); and

(C) the Israel-United States Binational Industrial Research and Development (BIRD) Foundation;

(12) these programs, supported by the matching contributions from the Government of Israel and the Government of the United States and directed by key scientists and academics from both countries, have made possible many scientific breakthroughs in the fields of life sciences, medicine, bioengineering, agriculture, biotechnology, communications, and others;

(13) on February 1, 1996, United States Secretary of Energy Hazel R. O'Leary and Israeli Minister of Energy and Infrastructure Gonen Segev signed the Agreement Between the Department of Energy of the United States of America and the Ministry of Energy and Infrastructure of Israel Concerning Energy Cooperation, to establish a framework for collaboration between the United States and Israel in energy research and development activities;

(14) Israeli scientists and researchers have long been at the forefront of research and development in the field of alternative renewable energy sources;

(15) many of the top corporations of the world have recognized the technological and scientific expertise of Israel by locating important research and development facilities in Israel;

(16) among the technological breakthroughs made by Israeli scientists and researchers in the field of alternative, renewable energy sources are—

(A) the development of a cathode that uses hexavalent iron salts that accept 3 electrons per ion and enable rechargeable batteries to provide 3 times as much electricity as existing rechargeable batteries;

(B) the development of a technique that vastly increases the efficiency of using solar energy to generate hydrogen for use in energy cells; and

(C) the development of a novel membrane used in new and powerful direct-oxidant fuel cells that is capable of competing favorably with hydrogen fuel cells and traditional internal combustion engines; and

(17) cooperation between the United States and Israel in the field of research and development of alternative renewable energy sources would be in the interests of both

countries, and both countries stand to gain much from such cooperation.

SEC. 3. GRANT PROGRAM.

(a) AUTHORITY.—Pursuant to the responsibilities described in section 102(10), (14), and (17) of the Department of Energy Organization Act (42 U.S.C. 7112(10), (14), and (17)) and section 103(9) of the Energy Reorganization Act of 1974 (42 U.S.C. 5813(9)), the Secretary, in consultation with the BIRD or BSF, shall award grants to eligible entities.

(b) APPLICATION.—

(1) SUBMISSION OF APPLICATIONS.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary containing such information and assurances as the Secretary, in consultation with the BIRD or BSF, may require.

(2) SELECTION OF ELIGIBLE ENTITIES.—The Secretary, in consultation with the Directors of the BIRD and BSF, may review any application submitted by any eligible entity and select any eligible entity meeting criteria established by the Secretary, in consultation with the Advisory Board, for a grant under this section.

(c) AMOUNT OF GRANT.—The amount of each grant awarded for a fiscal year under this section shall be determined by the Secretary, in consultation with the BIRD or BSF.

(d) RECOUPMENT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish procedures and criteria for recoupment in connection with any eligible project carried out by an eligible entity that receives a grant under this section, which has led to the development of a product or process which is marketed or used.

(2) AMOUNT REQUIRED.—

(A) Except as provided in subparagraph (B), such recoupment shall be required as a condition for award and be proportional to the Federal share of the costs of such project, and shall be derived from the proceeds of royalties or licensing fees received in connection with such product or process.

(B) In the case where a product or process is used by the recipient of a grant under this section for the production and sale of its own products or processes, the recoupment shall consist of a payment equivalent to the payment which would be made under subparagraph (A).

(3) WAIVER.—The Secretary may at any time waive or defer all or some of the recoupment requirements of this subsection as necessary, depending on—

(A) the commercial competitiveness of the entity or entities developing or using the product or process;

(B) the profitability of the project; and

(C) the commercial viability of the product or process utilized.

(e) PRIVATE FUNDS.—The Secretary may accept contributions of funds from private sources to carry out this Act.

(f) OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY.—The Secretary shall carry out this section through the existing programs at the Office of Energy Efficiency and Renewable Energy.

(g) REPORT.—Not later than 180 days after receiving a grant under this section, each recipient shall submit a report to the Secretary—

(1) documenting how the recipient used the grant funds; and

(2) evaluating the level of success of each project funded by the grant.

SEC. 4. INTERNATIONAL ENERGY ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established in the Department of Energy an International Energy Advisory Board.

(b) DUTIES.—The Advisory Board shall advise the Secretary on—