CONGRESSIONAL RECORD—HOUSE

July 24, 2001

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(Rept. No. 107–158) on the resolution (H. Res. 206) providing for consideration of the bill (H.R. 2596) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2002, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 21

Mr. GREEN of Wisconsin. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 21.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the Chair announces that he will postpone further proceedings today on the motion to proceed to H.R. 1954. Mr. Speaker, I ask unanimous consent that my request, pursuant to clause 8, rule XX, be treated as the entry of an agreement or modification that is made, on or after June 13, 2001, to an agreement or contract shall be treated as the entry of an agreement or contract.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1954.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1954, the ILSA Extension Act. The Iran-Libya Sanctions Act requires that the executive branch consider sanctions against foreign firms that invest in the energy sectors of Iran and Libya. Its aim is to deprive those countries of revenues that they can use to foment terrorism against our Nation and its allies and to develop weapons of mass destruction. The act, which was initially passed in 1996, which I was pleased to sponsor, will expire on June 13, 2001.

On May 9, the Subcommittee on the Middle East and South Asia held hearings on the bill in draft form. On May 23 I introduced a bill, the ILSA Extension Act, together with my colleagues, the gentleman from California (Mr. Berman), that would renew the act for an additional 5 years. On June 13, the Committee on International Relations favorably reported H.R. 1954 by a record vote of 41 ayes and 3 nays. On July 13, the House Committee on Ways and Means unanimously adopted to adopt a 5-year renewal extension as well.

Bipartisan support for renewing ILSA is strong in the Congress. At the present time, we have 252 cosponsors in the House of Representatives, and in the Senate 74 Senators. Support for extension remains strong because Iran continues to threaten our national security by developing weapons of mass destruction and by supporting radical groups that support terrorism. Iran’s supreme leader, Ayatollah Khamenei, calls Israel “a cancerous tumor.”

As for Libya, although Libyans stand convicted of killing Americans, Britons and others by bringing down Pan Am Flight 103, the Libyan Government has failed to take responsibility for its actions in this matter as required by the U.N. Security Council and to pay compensation to the victims’ families.

Thus, we remain firm in our opposition to both countries.

Moreover, there is ample evidence that ILSA has delayed exploitation of Iran and Libya’s energy resources and made their development more difficult and more expensive. As a result of this act, few major energy companies want to jeopardize their ties to the huge U.S. market in exchange for the difficult investment conditions that now prevail in both Iran and Libya.

Finally, ILSA does not affect any American companies. It is aimed solely at foreign companies that take advantage of our executive-order ban on U.S. investment in Iran and in Libya.

To prevent Iran and Libya from doing further harm, I respectfully urge my colleagues to vote for H.R. 1954 to renew ILSA for an additional 5 years.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1954.

Mr. Speaker, let me first pay tribute to my good friend, the gentleman from New York (Chairman GILMAN); the bipartisan leadership of the House of Representatives, Mr. leider, the gentleman from Texas (Mr. ARMLEY), and the Democratic Leader, the gentleman from Missouri (Mr. GEPHARDT); my good friend and colleague, the chairman of the Committee on International Relations, the gentleman from Illinois (Mr. HYDE); and over 250 colleagues who have seen fit to cosponsor this most important legislation.

The Iran-Libya Sanctions Act imposes sanctions on foreign companies that invest in either Iran or Libya’s energy sector. It, therefore, limits those
two nation’s oil profits, which each of those countries is using to bankroll weapons of mass destruction and terrorism.

Now, the initial reasons for applying sanctions on Iran and Libya are as compelling today, Mr. Speaker, as they were 5 years ago when this body saw fit to impose these sanctions on these 2 dictatorial, terrorism-supporting nations.

Iran continues to support terrorism. Iran continues to develop weapons of mass destruction, including nuclear weapons, and it is fanatically opposed to the peace process in the Middle East and to the very existence of the only democratic nation in the Middle East, our ally, the State of Israel.

Let me say a word regarding Iran’s record of terrorism, Mr. Speaker. In its most recent annual edition entitled Patterns of Global Terrorism, our Department of State describes Iran, “as the most active State sponsor of terrorism on the face of this planet.” Even since ILSA, the Iran-Libya Sanctions Act, took effect, Iran has continued to assist terrorists in the murder of Americans. In announcing the indictments for the Khobar Towers tragedy, the 1996 bombing in Saudi Arabia that took the lives of 19 of our service men and women, Attorney General John Ashcroft said, “Elements of the Iranian government inspired, supported, and supervised” members of the Saudi Hezbollah, the group thought to be primarily responsible for the attack. The indictment makes clear Iran’s deep involvement with the suspects themselves.

Iran also provides aid and training and resources to the most blood-thirsty terrorists in the world, Hamas, Palestinian Islamic Jihad, and Lebanon’s Hezbollah, all of which share totalitarian goals. Iran’s patronage of these Middle Eastern terrorist groups has been demonstrated repeatedly by scholars, by journalists, and by our own judiciary.

In 10 cases, Mr. Speaker, in recent years, U.S. courts have ruled in favor of U.S. citizens seeking damages from Iran as victims, or family members of victims, for Iran-backed terrorism. One of these cases involved a direct attack by a Revolutionary Guards. The other nine involved attacks by Hezbollah, Hamas, and the Palestinian Islamic Jihad, which were proven to our courts’ satisfaction to be dependent on Iranian training, money, and arms.

Mr. Speaker, there is no sign of a letup. According to the highly respected military affairs correspondent, writing just a few days ago on July 17, “Iran has transferred hundreds of tons of weapons, ammunition and other materials to Hezbollah through Syria in recent days.” This highly respected journalist writes, “Iranian assistance via Hezbollah to Palestinian terrorist organizations that attack Israel is increasing and Hezbollah in turn is training Palestinian terrorists in Hezbollah bases in Lebanon.”

The list of murderous and terrorist actions carried out by Iranian-backed terrorists is endless. Sixty-three people killed, including 17 Americans, in the April, 1993 U.S. embassy bombing in Beirut. Mr. Speaker, 241 U.S. Marines killed in the barracks bombing in October 1983. I might mention parenthetically some of us visited with those Marines just days before they lost their lives because of Iranian-supported terrorism.

Mr. Speaker, 29 were killed in the 1992 bombing of the Israeli embassy in Buenos Aires. Sixty-six innocent men, women and children were killed in the 1994 bombing of the Jewish Community Center in Buenos Aires. Even in 1996, it seems the very face of terrorism was not even done to exhaust the most infamous incidents. What about all the kidnap, torture, and murders that are the daily fare of these groups, the casual incidents. What about all the kidnapping, torture, and murders that are the daily fare of these groups, the casual violence that barely makes the headlines? All of this, Mr. Speaker, has occurred with active support of the Islamic Republic of Iran.

This disgrace has been going on for more than 2 decades now. It is quite a tradition that Iran has established, and the very least we can do is answer. That is what ILSA, the Iran-Libya Sanctions Act, does. It is our response to murder, our attempt to dry up some of the monies that nourishes this terrorist monster.

Last year, Mr. Speaker, Iran successfully tested an 800-mile range missile capable of delivering these catastrophic weapons of mass destruction against its neighbors, including potentially Turkey, Egypt, Jordan, and Israel. Now, Iran recently held an election for President and the winner was in the hands of the Ayatollah. The security organizations, the judiciary, the media, and the military are all under the control of the Ayatollah.

As my colleagues know, Mr. Speaker, one cannot just run for office in Iran. One must have the good housekeeping seal of approval of the ruling Ayatollah. The President in Iran is far less powerful than Iran’s chief clerical official, the supreme leader. Real control in Iran is in the hands of the clergy. The security organizations, the judiciary, the media, and the military are all under the control of the Ayatollah.

Now, I have spoken mainly of Iran, but there is a lot to be said of Libya. This country, which for so long has been run in a dictatorial fashion, still refuses to accept responsibility for the Downing of Pan Am 103 and refuses to provide compensation for the families of the terror victims.

I would like to say a word, Mr. Speaker, about the effectiveness of the Iran-Libya Sanctions Act. Some argue that ILSA has not had an impact on the Iranian economy. That, Mr. Speaker, is demonstrably false. Even Iranian officials, including the President of Iran, have acknowledged that our legislation has had an enormous economic impact. In a 1998 report to the United Nations, Iran complained that ILSA had caused “disruption of its economy, decline in its petrochemical product, and contributed significantly to the reduction of international investment in oil projects and cancellation of some contracts.” That is precisely what we are after.

As the obvious example of ILSA’s impact, I would like to point to the energy resources of the Caspian Sea. For several years now, Mr. Speaker, Iran, Russia, and Turkey have been vying to host the main export pipeline for newly discovered oil and gas in Azerbaijan.

Several of the international energy companies involved in the region prefer to pipe their product through Iran to the Persian Gulf. Economically and geographically, clearly, that would be the way to go. The United States has chosen not the Iranian route is our legislation. Amoco, Exxon, and others do not want to risk the sanctions imposed by this body.

Recently BP Amoco agreed to export Azerbaijani gas through Turkey, a member of NATO, rather than Iran. No major pipeline for Azerbaijani oil has been built yet, but when it is, it will go through Turkey and not Iran, all of that thanks to our legislation.

I am very proud of the fact, Mr. Speaker, that our Committee on International Relations, with an overwhelming bipartisan vote of 41 to 3, saw fit to expand our legislation for an additional 5 years. The Bush administration attempted to cut the length of time of this extension to 2 years, and overwhelmingly, on a bipartisan basis, our committee rejected the Bush administration’s proposal, as will this House, tomorrow morning when we vote on this matter.

This piece of legislation is one of the most important items we will pass during the current Congress directly related to our national security. I want to again thank all of my colleagues who have worked on this in the various committees where this legislation has been carefully considered.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Illinois (Mr. KIRK), a former staff associate on our House Committee on International Relations. Mr. KIRK. Mr. Speaker, I rise in strong support of this legislation to extend the Iran-Libya Sanctions Act. I want to applaud the leadership of the gentleman from New York (Mr. OILMAN), my former boss and now colleague, and the gentleman from California (Mr. LANTOS), our ranking Democratic member, who is a leader for us all on the issue of human rights.
Mr. Speaker, Iran claims that it has a new moderate status, but all we see is the perpetuation of the Baha’is and Jewish massacre in Iran. We see terrorist bombings from the Beirut bombing to Khobar Towers. I want to make a special note for the life of John Phillips, a U.S. Marine from Wilmette, Illinois, that was lost his life in the Beirut bombing.

Iran sponsors terrorism through its intelligence service, the MOIS. We saw that over 200 days ago the MOIS’s wholly owned subsidiary, Hezbollah, kidnapped three Israeli soldiers.

For 200 days we have had no proof of life. For 200 days we have had no word on their condition. That is the current record of Iran today, a record added to by the launch of the Shahab-3 missile, a long-range missile with components from North Korea that we know is pointed straight at U.S. forces in the Persian Gulf and at Jerusalem.

Mr. Speaker, with this extension we send a message that a state that sponsors terrorism, that proliferates weapons of mass destruction, cannot do business as usual. I applaud the committee and urge adoption of this measure.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the previous speaker for his powerful and eloquent statement.

Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Maryland (Mr. CARDIN), the distinguished senior ranking member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, let me first thank the gentleman from California (Mr. LANTOS) and the gentleman from New York (Mr. GILMAN) for their leadership Gulf and at the Beirut bombing, in bringing the extension bill to the floor but also in their work on the original bill in passing the Sanctions Act. It has been an extremely important tool that we have had available to us, and it has helped us enforce the sanctions against these two terrorist countries.

There is no mistaking that Iran and Libya both are countries that harbor terrorists and terrorist activities and have been involved in the production of arms of mass destruction.

I am very pleased, Mr. Speaker, that on the Committee on Ways and Means, on which I have the honor of serving, we were able to also agree to a 5-year extension, I think the 5-year extension is a very important part of this legislation. It gives us the continuity of foreign policy against terrorist countries that extends beyond any one administration, that it is clear that this is not a matter that is of one administration’s concern but this is our concern, our Nation, and one policy that we want to be able to continue.

It is a tool that is available to the administration. It is a tool where the administration has plenty of flexibility under this statute, as we want the administration to have. But we want to make it clear that if one does business with terrorist states we do not want them doing business with us. We do not want our people supporting terrorist activities. That is what this legislation does. It speaks to our priorities. It speaks to what we believe in as a nation.

I am very proud to have joined my colleagues in this effort. It is a very important bill. It is one that I am sure will enjoy strong support in this body and has enjoyed strong support in both the committees that considered it.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from New York (Mr. ENGEL), from the Committee on International Relations.

Mr. ENGEL. Mr. Speaker, I thank the gentleman from California for yielding time to me. He spoke eloquently that there is nothing left to say, because he so thoroughly covered the reasons why this bill ought to be supported.

I want to also commend my colleague, the gentleman from New York (Mr. GILMAN), for his hard work and energy on this issue. I have no doubt that when we vote tomorrow it will overwhelmingly pass, because it deserves to pass. It is an important bill.

I am delighted to be back on the Committee on International Relations, where I voted for this bill, as did virtually the entire committee.

Mr. Speaker, the Iran-Libya Sanctions Act is an act that is very, very important. We must roundly say no to the terrorists wherever it rears its ugly head in any place in the Earth.

Iran and Libya are two countries that have been at the forefront of exporting terrorism. No one can deny that. Actions speak louder than words. Time and time and time again various countries, including our own, have felt the brunt of their terrorist activities. They also have weapons of mass destruction that they sell to rogue states, and they work hard to undermine anything that is decent throughout the world.

I am also delighted that this bill has been extended for 5 years, as was pointed out by the gentleman from California (Mr. LANTOS). That had been questioned, and it is right to be extended for 5 years, because anything less would be a retreat.

We must be unequivocal. This Congress must be unequivocal, this Nation must be unequivocal, and our world must be unequivocal in saying no to terrorism.

I would have taken it one step further, if I had my total way. I would have included Syria on the list of nations that export terrorism and would have covered Syria with similar sanctions, but that was not to be. There will be other resolutions and other legislation covering Syria, which has a stranglehold on Lebanon, and Syria needs to get out of Lebanon.

But Hezbollah, which operates in Lebanon, is backed by the Iranians. They could not function if we were not for Iran and Syria, so it is important that we tell Iran that we are not going to tolerate their terrorism or their weapons of mass destruction.

The same with Libya. The world looks to the United States. We are the last remaining superpower in the world. If we stand for anything, it should be for human rights andsquarely against terrorism.

Mr. Speaker, I am very proud to join my colleagues in supporting ILSA, the Iran-Libya Sanctions Act, and let this Congress send a strong message to the world that terrorism and weapons of destruction used in a terrorist way will not be tolerated.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield my remaining time, 2 minutes, to my colleague, the gentleman from California (Mr. SHERMAN), a distinguished member of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, since we have additional time, I am pleased to yield 3 more minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I commend the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. BERMAN) for authoring this statute. It is a strong bill. It is a distinction of the gentleman from California (Mr. LANTOS) for standing so strong against efforts to weaken this bill, standing as strong as the Athenians at Marathon after attack after attack to try to water down, weaken, or shorten this important act.

I want to associate myself with the comments of all previous speakers, because this bill is critical to American values and to our allies. But I want to point out that this is the most important thing we can do here in Congress to protect American national security, because in this century the greatest threats to our security are terrorism, and as the gentleman from California (Mr. LANTOS) and others pointed out, much of that originates in Tehran, and nuclear proliferation.

Iran is the country hostile to the United States most likely to develop nuclear weapons. It is the combination of those two threats, nuclear terrorism, that poses the single greatest continuous threat to the safety of Americans.

What this bill does is it focuses on Iran’s economy. Iran is not a small
country with a huge amount of oil. It is not Abu Dhabi. It is a country with an increasingly large population and an economy that is not doing well. Iran will become a net importer of oil if it does not get western capital and western technology to expand and improve its oil fields.

Largely as a result of our actions here today and the actions taken by this Congress 5 years ago, Iran has not been able to obtain that capital and technology, and the vast majority of requests for proposals and requests to contract with western oil companies have been denied.

One can only imagine the nuclear weapons program that Iran could have financed if this bill had not been passed 5 years ago, and we must focus on extending it now for another 5 years. So far, we have been successful, both in dealing with Iran and in dealing with Sudan. As to Libya, yes, we have not achieved the change of policy we would like, but why did Libya turn its two murderers over to international justice, or the two accused of murder, who was convicted? Only because this Congress was merely considering sanctions, namely, delisting from the New York Stock Exchange. Mr. Speaker, there are those who wonder whether our sanctions are successful. The gentleman from California (Mr. LANTOS) quoted the statement of President Bush to approach the Italian foreign minister himself defiantly stated when making his visit last week that he had not achieved his goal. I am referring to major oil investment deals that both the Italian national oil company, ENI, and Japan's national oil company have recently announced. As we know, the Italian company recently agreed to invest $550 million in an Iranian oil field in a deal that will ultimately be worth over $1 billion. This deal is the first time that a foreign concern has been allowed to invest in an onshore Iranian oil field. It is also uniquely structured as a buyback deal that could, if realized, serve as a model for future oil developments in Iraq.

Mr. LANTOS. Mr. Speaker, if I may continue our colloquy, I would like to raise issues concerning recent developments of direct relevance to our discussion of ILSA. I am referring to major oil investment deals that both the Italian national oil company, ENI, and Japan's national oil company have recently announced. As we know, the Italian company recently agreed to invest $550 million in an Iranian oil field in a deal that will ultimately be worth over $1 billion. This deal is the first time that a foreign concern has been allowed to invest in an onshore Iranian oil field. It is also uniquely structured as a buyback deal that could, if realized, serve as a model for future oil developments in Iraq. It is now apparent, Mr. Speaker, that a number of foreign oil companies have been watching the Italian national oil company's growing investment in Iran, now totalling over $2.5 billion, to determine whether it will elicit a U.S. response under the Iran-Libya Sanctions Act.

In addition, Mr. Speaker, Japan made a commitment last week through its oil company to invest in a gas field in Iran, indicating that foreign companies and their governments are increasingly confident that the United States will not impose the sanctions that Congress mandated, should these companies invest in Iran. In fact, the Japanese trade minister himself defiantly stated when signing the deal in Tehran that Japan is not affected by ILSA.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I want to thank the gentleman from California (Mr. LANTOS) for his statesmanship in addressing this issue and his willingness to be a cosponsor. As a ranking member of our committee, he has been an eloquent speaker and has been a long-time supporter of human rights in our committee and making certain that the world of nations abide by peaceful principles. Mr. SHERMAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. Mr. Speaker, I yield such time as I may consume, and I want to thank the gentleman from California (Mr. LANTOS) for his statesmanship in addressing this issue and his willingness to be a cosponsor. As a ranking member of our committee, he has been an eloquent speaker and has been a long-time supporter of human rights in our committee and making certain that the world of nations abide by peaceful principles.

Mr. SHERMAN. Mr. Speaker, I want to associate myself with the comments made in this colloquy and say that to those two companies, in addition to all of the sanctions outlined in ILSA, we should come back, if necessary, in this Congress, and mandate that those who violate ILSA's strict provisions are denied all access to American capital markets and that their stocks and bonds will not be listed on NASDAQ or the New York Stock Exchange.

We are studying those types of provisions in the Committee on Financial Services, and I am confident that we will have the votes to make sure that this access to American capital markets, which is increasingly important...
to Japanese and European companies, will not be available to those companies that invest significantly in the Iranian petroleum sector.

Mr. PAUL. Mr. Speaker, there are a number of problems with this move to extend the Iran-Libya Sanctions Act.

First, the underlying Act places way too much authority both to make determinations and to grant waivers, in the hands of the President and the Executive Branch. As such, it is yet another unconstitutional delegation of authority which we ought not extend.

Moreover, as the Act applies to Libya, the authority upon which the bill depends is a resolution of the United Nations. So, any member who is concerned with UN power should vote against this extension.

Furthermore, the sanctions are being extended from a period of five years to ten years. If the original five year sanction period has not been in place in allaying the fears about these governments why do we believe an extra five years will be effective? In fact, few companies have actually been sanctioned under this Act, and to the best of my knowledge no oil companies have been so sanctioned. The sanctions in the Act are not against these nations but are actually directed at "persons" engaged in certain business and investments in these countries. There are already Executive Orders making it illegal for US companies to undertake these activities in these sanctioned countries, so this Act applies to companies in other countries, mostly our allied countries, almost all of whom oppose and resent this legislation and have threatened to take the kinds of retaliatory action that could lead to an all out trade war. In fact, the former National Security Advisor Brent Scowcroft recently pointed out how these sanctions have had a significant adverse impact upon our Turkish allies.

Mr. Speaker, I support those portions of this bill designated to prohibit US financing through the World Bank. I also have no problem with guarding against sales of military technology which could compromise our national security. Still, on a whole, this bill is just another plank in the failed sanctions regime from which we ought to loosen ourselves.

The Bush Administration would prefer this legislation to expire and, failing that, they prefer taking a first step by making the extension last for a shorter period. In this I believe the Administration has taken the correct position. For one thing, there have been moves, particularly in Iran, to liberalize. We warned them about these governments why do we believe an extra five years will be effective? In fact, few companies have actually been sanctioned under this Act, and to the best of my knowledge no oil companies have been so sanctioned. The sanctions in the Act are not against these nations but are actually directed at "persons" engaged in certain business and investments in these countries. There are already Executive Orders making it illegal for US companies to undertake these activities in these sanctioned countries, so this Act applies to companies in other countries, mostly our allied countries, almost all of whom oppose and resent this legislation and have threatened to take the kinds of retaliatory action that could lead to an all out trade war. In fact, the former National Security Advisor Brent Scowcroft recently pointed out how these sanctions have had a significant adverse impact upon our Turkish allies.

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