reiterated the understanding we have on both sides of the aisle with regard to his offering an amendment at a later date on Iran oil or 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 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 try to resolve this in earnest with the hope that we might proceed with some expectation that we can 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. LOTT. 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 an up-or-down vote 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 I have not. I wanted to inform the majority leader that the proposal 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:


The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

The Senator from Maryland.

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

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

Mr. SARBAINES. Mr. President, I thought I would make a very short opening statement. Senator MURKOWSKI here and I can begin 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 21/2 hours allotted for all of that: 1 hour on the bill and 11/2 hours on the MURKOWSKI amendment.

Mr. SCHUMER. Will the Senator yield?

Mr. SARBAINES. 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. SARBAINES. 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. SARBAINES. 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 permits 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 Iranian 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 is said to be the most active country 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 the 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 Flight 103, which I remind my colleagues killed 270 people, including 182 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 (OH), 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, Har-kin, Kohl, Daschle, Bob Graham, Inouye, Thomas, Helms, Brownback.


- 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 Alas-

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, 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 forever.

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 5 years is a very simple one: over the past five years, Iran and Libya have done nothing to show they should be in compliance with the sanctions which benefit from better relations 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 service members.

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 the United States 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, international 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 $500 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 States 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 vanish 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 for ILSA, Iran and Libya, 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. I say that is twisted logic. 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 vaster 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 from 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. ILSA is about more than economic retaliation. It 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 toughness as the terrorists.

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 that the 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.

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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 those that in his judgment "do not constitute a threat 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 CNN, to the world, that the Scottish Parliament, Basset al-Megrahi, of the murder of 270 innocents on Pan Am flight 103.

The Iranian Libyan 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, which was 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 American 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 statute indicates 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 dollars in the Libyan oil industry in violation of the law.

Allowing the 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 disregarding 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 permanently 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 asking diplomatic efforts in the Security Council to further persuade European countries that it is premature to rehabilitate Libya.

I am especially pleased that two modifications to the law are expanding their operations, such as by developing fields adjacent to those in which they made their original investment, and calling for 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:


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 U.N. Security Council’s resolutions and give tacit approval to Qadhafi’s flagrant disregard for international law and human life. It would, in effect, reward Libya’s flagrant actions and stonewalling. It would declare open season on Americans.
We ask that you support two changes to the law to 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 Iran 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 exiguous regulations examining 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 from 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, these rates 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 address the challenges that we face with State-sponsored terrorism, it may make forgetting and not forgiving State-sponsored terrorism around—if we know the United States is going to keep faith with these families, 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 make an 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. The same arguments that India and China have used against sanctions on South Africa should not be made against Libya. The United States 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. 1238 was approved by a vote of 19-2 by the Senate Banking Committee.

I urge my colleagues to approve this legislation without delay.

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?

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.

Mr. MURKOWSKI. I rise on an issue that 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 the way it did do a committee print, is that it 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 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 the manager indicated, my support of the bill.

Mr. SARBANES. I thank the Senator.

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. He has 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 hit a high, a current concern that our national security is threatened by our dependence 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 again 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 underpinning 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 the same restrictions.

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.

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 have 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 $36 billion last year alone for the purchase of oil. What do we 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 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. If I were to spill this water on this desk, it would spill to all four corners of the desk. Is it 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 he has 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 Kuwaiti 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 calling 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, when billions are available to care for the Iraqi people, who are malnourished—some of them are sick; some of them have inadequate healthcare—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 contribute the 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 millions of dollars worth of food from American farmers each year?

I do not personally have a quarrel with the Oil For Food Program. It is
congressional record—senate
July 25, 2001

14430

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 added to Iraqi oil. Saddam has been proven addicted to Iraqi oil. Saddam has been proven right: He does have leverage.

We simply cannot turn our heads and say, on one hand, we stand firm against terrorism, and on the other, we simply cannot ignore this indication. But I think it important to point out we simply cannot ignore this indication. But I think it important to point out we simply cannot ignore this indication.

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.

And by the indication of our increased dependence on Iraqi oil, we 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 Iraqi oil. I think the American people are inclined to take for granted that they can go to the gas station and put it in their automobiles. We have had occasions where individuals have said: I thought that was 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 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.

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. The amendement is as follows:

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 Export Restriction Act of 2001".

(b) FINDINGS.—Congress finds that—

(1) the government of the Republic of Iraq;
(2) the Iraqi people;
(3) the importation of Iraqi-origin petroleum and petroleum products is prohibited, nothwithstanding an order to the contrary.

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

The direct or indirect import from Iraq of Iraqi-origin petroleum and petroleum products is prohibited, notwithstanding 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 of UNSC Resolution 986, complying with United Nations Security Council Resolution 687 by eliminating weapons of mass destruction, or otherwise threatening action 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 organizations within Iraq 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 established by 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 imports of petroleum products from the Government of Iraq pursuant to UNSC Resolution 661.


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. 105, WITHDRAWN

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

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Alaska.

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 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 hearing 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 not selling 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.

I think all members of the committee, although not perfect, is serving a very useful purpose. 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 monies 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 as we look at 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. If 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 Iraq 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 effort 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 oil security.

Mr. SARBANES. Has the amendment been withdrawn?
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 to make that choice. It is up to us 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 change so that we can lift these sanctions some day, and I hope it is soon. But something should 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 our 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 75 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 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. Iran’s behavior constitutes a threat to our 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 Iran 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 state-sponsored terrorism has been 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 and 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 has not established a legal or diplomatic mechanism by which the US can lift sanctions on Iran. This argument would carry weight had we not pursued multilateral means and pressure these entities and countries to desist 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 lifting sanctions.

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
CONGRESSIONAL RECORD—SENATE July 25, 2001

opportunity to review its effectiveness. It is reasonable and prudent policy to review the most effective 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 simplifies 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 hardline 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, we should show some willingness to work with Iran, who 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, its support to understand 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. By extending 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 Pan Am Flight 103 in 1988. Brian Flynn, from New York City, recalled driving 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 bombings 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. 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 nomination before 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.

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

Mr. WELLS. 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. I just 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 assistant legislative clerk proceeded to call the roll.

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. I just 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.

Mr. WELLS. Madam President, I am happy to yield.

Mr. WELLS. Madam President, 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.