

(B) In the analysis for chapter 401, add at the end the following:

'40124. Interstate agreements for airport facilities.'.

(C) Clause (76) is repealed.

(D) Clause (79) is amended to read as follows:

'(79) In section 46316(b), strike 'and sections 44701 (a) and (b), 44702-44716, 44901, 44903 (b) and (c), 44905, 44906, 44912-44915, and 44932-44938' and substitute 'chapter 447 (except section 44718(a)), and chapter 449 (except sections 44902, 44903(d), 44904, and 44907-44909)'.

(E) (84) is repealed.

(2) Section 8 of the Act of October 11, 1996 (Public Law 104-287, 110 Stat. 3400), is amended as follows:

(A) In paragraph (1), strike "(77), (78)" and substitute "(77)-(79)".

(B) Paragraph (2) is amended to read as follows:

"(2) The amendments made by section 5(81)(B), (82)(A), and (83)(A) shall take effect on September 30, 1998."

(e) The General Aviation Revitalization Act of 1994 (Public Law 103-298, 108 Stat. 1552) is amended as follows:

(1) In section 2(c), strike "the Federal Aviation Act of 1958 (49 U.S.C. App. 1301 et seq.)" and substitute "part A of subtitle VII of title 49, United States Code,".

(2) In section 3—

(A) in paragraph (1), strike "section 101(5) of the Federal Aviation Act of 1958 (49 U.S.C.

1301(5))" and substitute "section 40102(a)(6) of title 49, United States Code";

(B) in paragraph (2), strike "section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423(c))" and substitute "section 44704(c)(1) of title 49, United States Code,"; and

(C) in paragraph (4), strike "section 603(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1423(a))" and substitute "section 44704(a) of title 49, United States Code,".

(f) The amendments made by subsections (a)-(d) of this section shall take effect as if included in the provisions of the acts to which the amendments relate.

SEC. 4. LEGISLATIVE PURPOSE AND CONSTRUCTION.

(a) NO SUBSTANTIVE CHANGE.—This Act restates, without substantive change, laws enacted before May 1, 1997, that were replaced by this Act. This Act may not be construed as making a substantive change in the laws replaced. Laws enacted after April 30, 1997, that are inconsistent with this Act supersede this Act to the extent of the inconsistency.

(b) REFERENCES.—A reference to a law replaced by this Act, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding provision enacted by this Act.

(c) CONTINUING EFFECT.—An order, rule, or regulation in effect under a law replaced by this Act continues in effect under the corresponding

provision enacted by this Act until repealed, amended, or superseded.

(d) ACTIONS AND OFFENSES UNDER PRIOR LAW.—An action taken or an offense committed under a law replaced by this Act is deemed to have been taken or committed under the corresponding provision enacted by this Act.

(e) INFERENCES.—An inference of a legislative construction is not to be drawn by reason of the location in the United States Code of a provision enacted by this Act or by reason of a caption or catch line of the provision.

(f) SEVERABILITY.—If a provision enacted by this Act is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision enacted by this Act is held invalid in any of its applications, the provision remains valid for all valid applications that are severable from any of the invalid applications.

SEC. 5. REPEALS.

(a) INFERENCES OF REPEAL.—The repeal of a law by this Act may not be construed as a legislative inference that the provision was or was not in effect before its repeal.

(b) REPEALER SCHEDULE.—The laws specified in the following schedule are repealed, except for rights and duties that matured, penalties that were incurred, and proceedings that were begun before the date of enactment of this Act:

Schedule of Laws Repealed Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large		U.S. Code	
			Vol- ume	Page	Title	Section
1996						
Oct. 18	99-500	6001-6012	100	1783-373
Oct. 30	99-591	6001-6012	100	3341-376
1991						
Dec. 18	102-240	7001-7004	105	2197
1996						
Oct. 9	104-264	902-907	110	3274

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. McCOLLUM] and the gentleman from Massachusetts [Mr. DELAHUNT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. McCOLLUM].

GENERAL LEAVE

Mr. McCOLLUM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, H.R. 1086, as amended, is a bill to codify without substantive change laws related to transportation not included in title 49, Transportation, and to improve the United States Code. This bill was prepared by the Office of the Law Revision Counsel under its authority to prepare and submit periodically revisions of positive law titles of the United States Code to keep those titles current.

The Law Revision Counsel has informed us that he is satisfied that H.R. 1086, as amended, makes no substantive changes in the law. Therefore, no addi-

tional costs to the Government would be incurred as a result of the enactment of H.R. 1086, as amended.

I urge my colleagues to support H.R. 1086, as amended.

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

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume. I simply would associate myself with the remarks of the gentleman from Florida [Mr. McCOLLUM], and I would urge that the House support this revision.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. McCOLLUM] that the House suspend the rules and pass the bill, H.R. 1086, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROHIBITION ON FINANCIAL TRANSACTIONS WITH COUNTRIES SUPPORTING TERRORISM ACT OF 1997

Mr. McCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 748) to amend the prohibition of title 18, United States Code, against financial transactions with terrorists, as amended.

The Clerk read as follows:

H.R. 748

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Prohibition on Financial Transactions With Countries Supporting Terrorism Act of 1997".

SEC. 2. FINANCIAL TRANSACTIONS WITH TERRORISTS.

Section 2332d of title 18, United States Code, (relating to financial transactions) is amended—

(1) in subsection (a)—

(A) by striking "Except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, whoever" and inserting "Whoever"; and

(B) by inserting "of 1979" after "Export Administration Act"; and

(2) in subsection (b)(1), by inserting after "1956(c)(4)" the following: ", except that such term does not include any transactions ordinarily incident to—

"(A) routine diplomatic relations among countries;

"(B) an official act by a representative of, or an act which is authorized by and conducted on behalf of, the United States Government;

"(C) the broadcasting or reporting of news by organizations regularly engaged in such activity; or

"(D) the provision or purchase of assistance intended to relieve human suffering, including medical services, supplies, and equipment;

"(E) the receipt of emergency medical services;

"(F) any postal, telegraphic, or other personal communication which does not involve a transfer of anything of value;

"(G) the protection of intellectual property rights of any United States person;

"(H) the performance of any contract or agreement that was entered into before June 12, 1997, but not those renewed after such date;

"(I) the provision of hospitality or transportation services; or

"(J) the payment of a claim to any United States person".

SEC. 3. REPORT ON EFFECTS OF ENACTMENT.

Beginning not later than one year after the date of enactment to this Act, the Secretary of the Treasury, in consultation with the Secretary of State, shall issue an annual report to Congress on—

(1) the impact of this prohibition on United States businesses; and

(2) any means by which a negative impact might be ameliorated.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. McCOLLUM] and the gentleman from Massachusetts [Mr. DELAHUNT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. McCOLLUM].

GENERAL LEAVE

Mr. McCOLLUM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 748, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, this bill, H.R. 748, is an important addition to the Federal Government's battle against international terrorists and particularly those countries which have been identified as supporters of terrorism.

The gentleman from New York [Mr. SCHUMER], the ranking member of the Subcommittee on Crime, and I introduced this bill for the purpose of eliminating overly permissive regulations promulgated by the administration last year which have effectively gutted the provisions he and I offered successfully to the antiterrorism bill in the last Congress.

The amendment the gentleman from New York [Mr. SCHUMER] and I successfully offered to the antiterrorism bill, now known as section 321, prohibited all financial transactions between U.S. persons and governments which have been designated as supporters of terrorism.

Section 321 was drafted with a dual purpose in mind. First, by prohibiting financial support from terrorist countries to terrorist persons, it attempts to prevent the long arm of terrorism from reaching the shores of the United States through domestic entities. Second, the provision was intended to prohibit all financial transactions by U.S. persons with these countries regardless of where these transactions took place. This would have the effect of cutting off terrorist sponsoring governments from economic benefits of doing business with U.S. companies.

We agreed last year to authorize the Department of the Treasury, in consultation with the Department of State, to issue regulations which provided some exceptions to this ban. We intended that these regulations exclude a variety of specific transactions such as those which occur in the course of diplomatic activities and other related official matters.

Instead, in August of last year, the Treasury Department published regulations in relation to section 321 which essentially reversed the effect of the new prohibition. These regulations permit all financial transactions other than those which pose a risk of furthering domestic terrorism. The regulations prohibit U.S. persons from receiving unlicensed donations and from engaging in financial transactions with respect to which the United States person knows or has reasonable cause to believe that the financial transaction poses a risk of furthering terrorist acts in the United States. Thus, these regulations completely ignore the second purpose of the prohibition. They ensure a business as usual policy and represent a step backwards in the effort to isolate countries which provide support to terrorists.

H.R. 748 strips the executive branch of its authority to issue regulations exempting transactions from the prohibition. It establishes instead a legislative exception only for specified transactions. The list of permitted activities and transactions incident thereto include: routine diplomatic relations among countries; official acts by representatives of the U.S. Government; news reporting; humanitarian assistance; emergency medical services and the provision of medical supplies; postal and telephone services; the protection of intellectual property rights; hospitality or transportation services; payments of a claim to U.S. persons; and transactions connected to contracts and agreements entered into before the formal consideration of this legislation.

As a result of sanctions currently in place involving Iran, Iraq, North Korea, Libya, and Cuba, this bill has a more significant impact on transactions between United States persons and the governments of Sudan and Syria. These two countries are the only terrorist-list countries not subject to economic sanctions under other provisions of law.

It has been suggested by some that this legislation comes at a time when peace talks between Syria and Israel are a future possibility. We have all got to hope that that occurs. In fact, I certainly hope that that is true and that such talks will occur and be fruitful. Until such time, however, we must all stand firm on the principle that terrorism will not be tolerated and that countries giving shelter and support to terrorists are acting against the well being of the world community.

If the passage of this legislation would detract from the peace process, as some I think genuinely believe, I however do not, but as some believe, then I would suggest that the peace that is at hand is not really there and that it is a false hope rather than a reality. For all this legislation does is simply say that we are enforcing the laws of this land, that we are interested in making certain that those countries that do engage in supporting terrorism to the extent that they are placed on a terrorist list by our government as countries that support these acts are not going to any longer be able to engage in normal financial transactions with U.S. persons, U.S. citizens, U.S. companies, and all that a country has to do to get off the list, to avoid this sanction, is simply to stop those activities that have gotten them on the list in the first place. While some of the countries listed may engage more openly and more often and more frequently in these acts that make them terrorist-list countries, all of the countries are on the list for a reason. I would submit again that if one or two of these nations are close to the line and only have to take a few steps to come off the list that they proceed to do so. In fact that is indeed the message of this bill.

Mr. Speaker, H.R. 748 is a very important piece of legislation. There should be no higher priority for the United States in the battle against terrorism than the elimination of foreign government support for terrorists. I urge my colleagues to support this bill.

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

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

Mr. Speaker, this bill would replace the existing rules and procedures governing financial transactions with terrorism listed governments with an absolute ban on such transactions unless they fit in one of the 10 express exemptions provided by the bill. I want to commend the gentleman from Florida [Mr. McCOLLUM] for his diligent efforts on behalf of this measure. I want to associate myself with the intent of his legislation.

While I join with him and the rest of the committee in reporting the bill favorably, I do have a concern which I raised during the committee's consideration of the bill as to what effect the bill might have on the embargoes currently in place against 5 of the 7 countries on the terrorism list. Specifically,

I was concerned about whether the bill leaves the executive branch sufficient flexibility to address individual cases as they may arise since it is impossible to fully anticipate all the myriad circumstances which might require private citizens or the government itself to engage in financial transactions in the midst of an embargo. I have since received a letter from the Department of State which indicates that.

The effect on these embargoes would be significant, including in ways that cannot be fully foreseen or assessed at this time.

The letter which I would ask to have included in the RECORD goes on to say that:

If H.R. 748 were adopted, the administration may no longer be able, under the embargo authorities otherwise available to it, to authorize transactions with terrorist-list governments, other than those specifically exempted by H.R. 748. An example might be the repatriation of MIA remains from North Korea."

□ 1545

The department's letter offers many other such examples, including the payment of taxes and other fees to protect property interests in terrorist list countries, payments on claims negotiated before the Iran-United States Claims Tribunal, transactions made in connection with the dismantlement of the Iraqi nuclear weapons program, and transactions associated with humanitarian activities that may not fall within the express exemptions in the bill.

I frankly do not know whether these particular horrors would come to pass if the bill becomes law or not. I am not in a position to know, but I think it should matter to us that those who are in a position to know have raised questions of this magnitude. One thing that I do know is that the gentleman from Florida is a thoughtful and reasonable colleague and that he has attempted to work with the administration to resolve these concerns, and I hope and trust and am confident that he will continue to do so.

U.S. DEPARTMENT OF STATE,
Washington, DC, June 20, 1997.

Hon. WILLIAM D. DELAHUNT,
House of Representatives.

DEAR MR. DELAHUNT: Thank you for your question, raised at the House Judiciary Committee meeting of June 18, whether H.R. 748 would have an effect on the embargoes currently in place against five of the seven terrorism-list countries under the authorities that include the International Emergency Economic Powers Act 50 U.S.C. §1701 et seq. ("IEEPA"), the Trading with the Enemy Act, 50 U.S.C. App. §1 et seq. ("TWEA"), and section 5 of the United Nations Participation Act (22 U.S.C. 287c) ("UNPA"). The five countries are Cuba, Iran, Iraq, North Korea, and Libya. The effect on those embargoes would be significant, including in ways that cannot be fully foreseen or assessed at this time.

The Department of the Treasury regulations (31 C.F.R. §596.503), currently in force under the authority of 18 U.S.C. 2332d, incorporate by reference the exemptions and licensing policies applicable under each individual embargo, so as to preserve the legislative mandates and executive branch policies that apply under each program. H.R. 748

would remove this regulatory authority and thus would appear to have the effect of overriding any statutory or regulatory provisions that may conflict. If H.R. 748 were adopted, the Administration may no longer be able, under the embargo authorities otherwise available to it, to authorize transactions with terrorist-list governments, other than those specifically exempted by H.R. 748. An example might be the repatriation of MIA remains from North Korea.

A further related concern is whether H.R. 748 is meant to take precedence over more specific laws such as the Cuban Democracy Act of 1992, 22 U.S.C. 6001 et seq. ("the CDA or Torricelli Act") which authorizes various forms of support for the Cuban people "notwithstanding any other provision of law," or the Cuban Liberty and Democracy Solidarity Act of 1996, 22 U.S.C. 6021 et seq. ("the Libertad Act" or "the Helms-Burton Act") which codifies the pre-existing Cuban embargo, including licensing authorities.

Your question highlights the difficulty that the Judiciary Committee and the Administration would face in trying to develop a specific and comprehensive list of exemptions that would be necessary if a complete ban on financial transactions with terrorism-list governments were adopted. While the exemptions that have been added to H.R. 748 are helpful, they are by no means adequate. Enclosed is a list of examples that we have developed within the Department of State to identify some of the more obvious and troublesome consequences if H.R. 748, as amended, were enacted into law. (Other Departments and agencies may have additional concerns for their programs.)

We do not know the full range of transactions which U.S. citizens or residents may be required to engage in with the individual terrorism-list governments, nor can we anticipate all the activities, whether governmental or private, that may require some form of financial transaction with a terrorism-list government in the future. No enumeration of specific exemptions would be adequate to meet all the unforeseen circumstances that inevitably arise in the administration of a sanctions regime. Unless the Administration is entrusted with the discretion to address specific circumstances, as in current law, any list of exemptions would necessarily be inadequate to protect the interests of the United States.

We appreciate your consideration of these views.

Sincerely,

BARBARA LARKIN,
Assistant Secretary, Legislative Affairs.

H.R. 748 AS AMENDED DESCRIPTION

H.R. 748, as amended by the House Judiciary Committee, prohibits financial transactions with terrorism-list governments, unless specifically exempted by its terms. The ten exemptions included thus far, however, are inadequate to alleviate a wide range of adverse consequences for American citizens and the civilian population of the countries concerned, as well as for the conduct of foreign policy and other governmental and intergovernmental functions. It strips the Executive Branch of all regulatory and licensing flexibility now contained in section 321 of the 1996 Antiterrorism Act and other embargo authorities. By so doing, its potential impact would exceed that of any existing embargo.

We appreciate the effort made by the Judiciary Committee to accommodate certain limited concerns; however the minimal exemptions reflected in the H.R. 748, as amended, are inadequate. We do not know the full range of incidental transactions which

Americans may be required to engage in with individual terrorism-list governments, nor can we anticipate all the activities, whether governmental or private, that may require some form of financial transaction with a terrorism-list government in the future. As a result, it is impossible to provide a comprehensive list of cases that could serve as the basis for developing exemptions to this provision.

Unless the Executive Branch is entrusted with the discretion to address individual circumstances, as under current law, any list of exceptions would necessarily be inadequate to protect the interests of the United States.

Among the consequences of such a rigid legislative approach could be the following:

The U.S. might no longer be able to meet certain binding legal obligations undertaken in the past with Iran, including implementation of the Algiers Accords through the Iran-U.S. Claims Tribunal in the Hague, and implementation of the agreement settling the 1988 Iran Air shootdown and certain Tribunal bank claims. These obligations may extend beyond the more limited exceptions provided for payments incident to official acts by the USG or on its behalf or payments of claims to Americans, to include, for example:

Payments by U.S. claimants of Tribunal awards to the Government of Iran (Under the Algiers Accords, these awards are enforceable in foreign courts.)

Payments by Iran for the warehousing arrangement it has with Victory Van in Virginia, which stores Iran's equipment that the USG refuses to license for export to Iran.

Payments via government-controlled banks to Iranian relatives of victims of the Iran Air shootdown; and

Private payments for expenses that are not necessarily on behalf of the USG the denial of which could result in USG liability under the Accords or other agreements;

Payments by Iran necessary to enforce its awards or bring other claims in U.S. courts (also as provided for in the Algiers Accords);

Payments by terrorism list governments generally to defend lawsuits and property interests in the U.S., which may raise constitutional issues.

It is unclear whether the provision is meant to override the basic scheme of the Foreign Sovereign Immunities Act (FSIA) by denying American attorneys payment for representation of terrorism list governments sued in the United States.

(Under the FSIA, foreign states are not immune from actions arising from a broad range of activities, including terrorist acts by the 6(j) countries against U.S. nationals. The Act assumes the issues of immunity and liability will be resolved through U.S. court proceedings. Deprivation of counsel for 6(j) government defendants may raise constitutional issues, call into question the fairness of the U.S. legal system, and generally discourage foreign governments from participation in suits under the FSIA, thus impeding USG efforts to persuade foreign states to adopt the restrictive theory of sovereign immunity and honor U.S. court judgments.)

It is unclear that an exception for provision of humanitarian assistance would be sufficient to enable U.S. nationals to pay the incidental government fees and personal expenses necessary to enable them to travel to or subsist in terrorism list countries to support or work in humanitarian programs in these countries;

It is unclear whether an exception for the provision of assistance intended to relieve human suffering is sufficient, for example, to allow Americans to repatriate the remains of family members who die in terrorism list countries, to settle decedents' estates, or to relieve other personal hardships that may arise in these countries;

Nor is it clear that an exception strictly limited to official transactions by the USG or conducted on its behalf would be sufficient to permit the continuation of transactions by intergovernmental or non-governmental organizations or of private individuals in furtherance of on-going programs serving important U.S. interests, including repatriation of MIA remains from North Korea, dismantlement of North Korea's and Iraq's nuclear weapons' programs, and promotion of freer communication with the Cuban population;

The exception for transactions "incident to routine diplomatic relations among countries" may not clearly encompass the maintenance of interest sections and protecting power arrangements, which are not generally viewed as "routine diplomatic relations;"

Nor is it clear whether the provision's diplomatic exception applies to multilateral representation, for example, the ability of terrorism-list governments to maintain missions to international organizations headquartered in the United States (even where the USG has relevant treaty obligations such as the obligation under the U.N. Headquarters Agreement not to impede the functioning of these missions).

The protection of intellectual property rights of Americans is a welcome exception, but does not adequately resolve binding legal obligation of the United States under various multilateral intellectual property agreements to protect the rights of property owners in other member states;

Nor do the exceptions adequately provide for taxes and other fees that Americans may be required to pay to protect real or other property interests in terrorism-list countries;

It is unclear how Americans are to interpret the scope of the various exceptions on their own without administrative or regulatory guidance from a designated federal agency, as is normally the practice under embargoes; the net result may be a chilling effect on even those transactions that the Congress seeks to protect from interruption through these exemptions.

In sum, the Government already has a wide range of economic sanctions against countries that support international terrorism including Syria and Sudan. Sanctions are most effectively used in dealing with specific events or problems. They are a tool, not an end in themselves. To impose such sweeping mandatory sanctions, particularly in the absence of a precipitating event, does not strengthen our counter-terrorism efforts or other foreign policy goals with these individual countries. Indeed, it weakens them. It uses up the remaining economic arrows, leaving little ammunition in reserve.

Such sweeping measures, make it more difficult to maintain the contacts and dialogue needed to get necessary cooperation on specific situations, as we have in the past been able to obtain from Syria and Sudan. We have even had limited success with certain embargoed countries which would not have been possible without the flexibility and discretion available to the Executive branch under existing laws to create a climate for encouraging positive change within those countries.

The Administration has sufficient authority to deal with specific situations as necessary.

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

I would like to respond to the gentleman only to state a couple of things. One is that the concerns that he has expressed through the letter of the State Department of June 20, 1997, I have examined with my staff. We do

not believe that the specific concerns listed in the letter are concerns that are not addressed in the bill. They are addressed in the bill.

For example, if there is a repatriation of MIA remains that would be involved from North Korea, they are covered because the language that we have in the exemption of the bill says it does not include any transaction ordinarily incident to an official act by a representative of or an act which is authorized by and conducted on behalf of the United States Government. And I have spent some considerable time with staff of other committees making certain that this covers activities that we might delegate out through our communities, both in defense and intelligence, as well as those which the State Department may be doing.

The same would be true with regard to the Cuban Democracy Act and the concern which was expressed in that letter about it because the act itself on its face, the Cuban Democracy Act, says notwithstanding any other provision of law, and this bill, 748, does not override that concern, is still the express view of the bill on its face that was passed before the Cuban act that I am talking about.

I would also add that while of course we cannot list every possible exception, and the ideal was what we passed in the legislation that is currently law, where we give full discretion to the Treasury and the State Departments to make exceptions as they see fit. The fact is they abused it grossly, and if we are going to restrict the terrorist list countries and restrict financial transactions of U.S. citizens from doing such things as going out and developing oil fields and investing in those countries that are terrorist list nations and giving them then the means and the resources to fuel terrorist acts around the world by their support of terrorist activities, then the whole exercise that we had in the antiterrorism bill is futile and useless and not workable. And while I would continue to work with the gentleman from Massachusetts as well as those at the State Department and our Government in the period of time between the House floor activity today and any final bill that comes out of both bodies in conference to see if there are other issues that we might need to resolve, it is certainly my intent and, I believe, the members of the subcommittee by and large and the full Committee on the Judiciary to see that the House passes this bill today, as I believe it will be the will of the House, and that we send a clear and unmistakable message that doing business with terrorist organizations and in support of terrorism and being on the terrorist lists by our State Department, if they are a country doing that, then they are not going to get the benefits of ordinary, everyday financial transactions with United States citizens. It is simply not common sense to let that happen, it is not good American policy, and I believe that this legislation needs to be adopted and should be adopted.

Mr. RAHALL. Mr. Speaker, combating international terrorism is in the vital national interest of the United States. There can be no mistake about that. Nor can there be any question that the Clinton administration has worked tirelessly in pursuit of this objective. While the purpose of H.R. 748 is to assist in this effort, the ultimate consequence, albeit unintended, may very well be the opposite.

If passed, H.R. 748 will prevent the administration from acting on foreign policy objectives and conducting basic diplomacy. In his opening remarks, Representative MCCOLLUM stated clearly, "The bill strips the executive branch of the authority to issue regulations exempting transactions from the prohibition. It establishes instead a legislative exception * * *." By removing any flexibility the Executive branch has in implementing economic sanctions or prohibitions on financial transactions, the President is stripped of his ability to conduct the foreign policy affairs of the United States—a responsibility granted him by the Constitution.

In addition, while this bill may be touted as a safeguard against loopholes in existing legislation, it is vital to point out that the Antiterrorism and Effective Death Penalty Act of 1996 is an effective tool employed by the President to advance our counter-terrorism agenda in a manner he deems most appropriate, country by country. This restrictive legislation has serious implications—ultimately tying the President's hands in waging the war on international terrorism.

While the bill may have an effect on various regions of the world, one can look to the Middle East peace process as a clear example of how it will restrict the President's foreign policy. Without the ability to engage Syria, the United States can not be viewed as a balanced intermediary between the parties to the process. The peace process itself, a critical foreign policy objective, would be hindered by such action because the bill would impede the Administration's ability to advance stated peace process objectives.

Ms. HARMAN. Mr. Speaker, I rise today in opposition to H.R. 748, which, in the name of stopping terrorism, would mandate an automatic one-size-fits-all foreign policy and restrict the rights of American citizens and companies to do business in some countries overseas.

We all agree that terrorism is abhorrent, and that stopping it must be a top foreign policy priority for the United States.

The tough question, though, is how best to meet that goal. Are we better off adopting multilateral policies to deal with individual state sponsors of terrorism? Or should we automatically impose unilateral sanctions on every nation deemed a sponsor of terrorism?

The bill before us today chooses the second answer to this question: Automatic sanctions. This is a tempting solution. After all, we're talking about countries like Iran, Libya, Cuba, and North Korea. There are few defenders of these regimes anywhere in the world.

Unfortunately, there are three major costs associated with imposing unilateral sanctions.

First, unilateral sanctions are rarely, if ever, an effective punishment. When

American companies are barred from entering foreign markets, competitors from Asia and Europe are poised to take advantage. Without multilateral support for sanctions, then, the punitive effect of banning American business from a country may be minimal at best.

Second, imposing unilateral sanctions means lost American jobs. It is self-evident that keeping American companies out of foreign markets means lost American wealth.

Third, imposing unilateral sanctions will not necessarily end a foreign government's use of terrorism. In fact, in cases where terrorist regimes are generally supported by their subjects, imposing sanctions is likely only to increase anti-American sentiment and strengthen the hold of those in power.

I do support unilateral sanctions in certain targeted instances, for example with Iran. But taking away the President's prerogative to choose, and Congress's ability to assess whether to use this blunt policy tool, as the bill before us would do, will make our antiterrorism foreign policy worse, not better.

Mr. Speaker, we should do everything in our power to end all forms of terrorism. We are right to lead international efforts to isolate and punish terrorists. But imposing the automatic one-size-fits-all response to terrorism contained in H.R. 748 will be ineffective and costly. I urge my colleagues to defeat this bill.

Mr. MCCOLLUM. Mr. Speaker, I have no further speakers. If the gentleman does not, I am prepared to yield back the balance of my time.

Mr. DELAHUNT. No, I do not, Mr. Speaker, and I want to thank the gentleman from Florida for his reassurances.

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

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

The SPEAKER pro tempore (Mr. GOODLING). The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 748, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

LAW ENFORCEMENT TECHNOLOGY ADVERTISEMENT CLARIFICATION ACT OF 1997

Mr. MCCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1840) to provide a law enforcement exception to the prohibition on the advertising of certain electronic devices.

The Clerk read as follows:

H.R. 1840

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Law Enforcement Technology Advertisement Clarification Act of 1997".

SEC. 2. EXCEPTION TO PROHIBITION ON ADVERTISING CERTAIN DEVICES.

Section 2512 of title 18, United States Code, is amended by adding at the end the following:

"(3) It shall not be unlawful under this section to advertise for sale a device described in subsection (1) of this section if the advertisement is mailed, sent, or carried in interstate or foreign commerce solely to a domestic provider of wire or electronic communication service or to an agency of the United States, a State, or a political subdivision thereof which is duly authorized to use such device."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. MCCOLLUM] and the gentleman from Massachusetts [Mr. DELAHUNT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. MCCOLLUM].

GENERAL LEAVE

Mr. MCCOLLUM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, H.R. 1840, the Law Enforcement Technology Advertisement Clarification Act, makes a small change to section 2512 of title 18, United States Code. The section states that any person who places in any newspaper, magazine, handbill, or other publication, any advertisement of any electronic, mechanical, or other device primarily useful for the purposes of surreptitious interception shall be fined and imprisoned. Thus, current law rightfully prohibits the widespread advertisement of electronic interception devices.

Unfortunately, this blanket prohibition against all advertisements includes advertisements to legitimate law enforcement users. Police departments may not receive mailings from companies which manufacture electronic equipment informing them that such equipment has been updated and improved.

Advances in the technology of electronic devices are being made at a staggering pace. One example is body microphones which are used frequently by undercover officers. These devices have been miniaturized and disguised through technological advancements and it is now almost impossible to tell if an officer is wearing one. Technological improvements like these especially in the area of undercover work can quite literally save police officers' lives. It is therefore essential that the

manufacturers or distributors of this technology be able to contact law enforcement agencies and make them aware of improvements. That is the only purpose of this legislation.

It is certainly very important to protect privacy rights of every citizen in this country, and this bill does not grant any new authority to law enforcement in the area of electronic interception. Although law enforcement may already legally use devices intended for surreptitious interception, nothing in this bill expands existing law. This change only relates to advertisement of such equipment through subcommittee staff and industry representatives who work closely with the Federal Bureau of Investigation to ensure that this language will only provide relief to companies that manufacture law enforcement related equipment, and I would like to thank Director Freeh for his assistance with this legislation.

Again the sole purpose of this bill is to allow for the advertisement of such equipment to police departments. It is a very small change but one which could have a very big impact for police departments around the country, and I urge the adoption of the bill.

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

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume, and I will be very brief.

I want to congratulate the gentleman from Florida [Mr. MCCOLLUM] for introducing this bill. It is straightforward, it is a sensible exception to that broad prohibition which he alluded to on the advertising of electronic surveillance technology. As he indicated, current law prohibits manufacturers from advertising such devices even to legitimate law enforcement agencies. This bill would simply allow such advertising as long as the recipient of the advertising is duly authorized to use these particular devices.

Mr. Speaker, I support the legislation.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 1840.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TELEMARKETING FRAUD PREVENTION ACT OF 1997

Mr. MCCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1847) to improve the criminal law relating to fraud against consumers, as amended.

The Clerk read as follows: