

China has sold Iran nuclear-reactor and nuclear-fuel-reprocessing components and cruise missiles that could conceivably carry a small nuclear device.

For more than a decade the United States has been "engaging" Chinese officials in a repetitive pattern of U.S. complaints, Chinese denials and promises not to proliferate, occasional U.S. slap-on-the-wrist sanctions, but with no definitive cessation of Chinese proliferation. So far, Beijing is correct to question U.S. resolve. It took the Bush administration until August this year to impose some sanctions on Chinese companies selling Shaheen missile parts to Pakistan, a program that likely began early in the Clinton administration, which produced no Shaheen-related sanctions during its two terms.

This failure to stop Chinese proliferation helped fuel the nuclear missile race between India and Pakistan. And as the later weakens under pressure from radical pro-Taliban forces, the danger increases that nuclear weapon technology could fall into the hands of terrorist groups like bin Laden's. But rather than isolate radical Islamic regimes that harbor or aid terrorists, Beijing engages them, too. In recent months, China has been caught red handed helping Saddam Hussein to build new fiber-optic communications networks that will enable his missiles to better shoot down U.S. aircraft. Beginning in late 1998, according to some reports, after they gave Beijing some unexploded U.S. Tomahawk cruise missiles, the Taliban began receiving economic and military aid from China.

The more important subtext is that China engages these regimes because it shares their goal of cutting down U.S. power. And, incredibly, China may be attracted to using their methods as well. Bin Laden himself has a fan club in some quarters of China's People's Liberation Army (PLA). In their 1999 book "Unrestricted Warfare," two PLA political commissars offer praise for the tactics of bin Laden. They note that bin Laden's tactics are legitimate as the tactics that Gen. Norman Schwarzkopf used in the Persian Gulf war. Of bin Laden, they state that the "American military is inadequately prepared to deal with this type of enemy."

While some U.S. analysts downplay "Unrestricted Warfare" as written by officers with no operational authority, it is well known that the PLA is preparing to wage unconventional warfare, especially cyber warfare. Should China attack Taiwan, the PLA would want to shut down the U.S. air transport system.

The PLA now knows this can be done with four groups of terrorists, or perhaps by computer hackers that can enter the U.S. air traffic control system and cause four major airline collisions.

So to qualify as a U.S. ally in the war on terrorism, China must stop lying about its nuclear and missile technology proliferation and prevent states like Pakistan and Iran from fielding nuclear missiles. Also, China must end its economic and military commerce with regimes that assist terrorists, like the Taliban and Iraq. In addition, China must halt its preparations for a war against Taiwan, a war that will very likely involve U.S. forces.

In this regard, it is not time to end Tiananmen massacre sanctions on arms sales to China, such as allowing the sale of spare parts for U.S.-made Blackhawk helicopters. The administration is considering this move to reward China and to allow it to rescue U.S. pilots that may be downed over Afghanistan. China has plenty of good Russian helicopters to do that job, it makes no sense to revive military technology sales to China as it still prepares for war against Taiwan.

In his Sept. 20 speech, Mr. Bush correctly declared that "any nation that continues to

harbor or support terrorism will be regarded by the United States as a hostile regime." China's aid to the Taliban and its continued nuclear proliferation are not friendly actions. The United States should press China to undo all it has done to strengthen the sources of terrorism.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS—CONFERENCE REPORT

LYTTON RANCHERIA

Mr. BURNS. Mr. President, would the Chairman agree that the conference sought to address an issue dealing with the exceptional and unique circumstances which led to the enactment of Sec. 819 of P.L. 106-568 with regard to land taken into Federal trust status prior to 1988 for the Lytton Rancheria of California?

Mr. BYRD. Mr. President, the ranking member is correct. In Sec. 128, the Committee recognizes the exceptional and unique circumstances surrounding the enactment of Sec. 819 of P.L. 106-568. The circumstances do not, however, diminish the requirement that the tribe fully comply with the provisions of the Indian Gaming Regulatory Act and in particular, with respect to class III gaming, the compact provisions of Sec. 2710(d) or any relevant Class III gaming procedures. The Committee further recognized that nothing in Sec. 819 of P.L. 106-568 be construed as permitting off-reservation gaming except in strict compliance with the Indian Gaming Regulatory Act.

CLEAN COAL POWER INITIATIVE

Mr. SANTORUM. Mr. President, in the Statement of the Managers accompanying the Interior and Related Agencies Conference Report, there is language on page 117 that sets certain limitations on the types of projects eligible to compete for Clean Coal Power Initiative funds. Specifically, the language states; "Further, all co-production projects must provide at least half of their output in the form of electricity." This language could have the effect of precluding certain innovative co-production projects from competing for the funds appropriated. Can the Chairman explain the intent of this language?

Mr. BYRD. This language was included based on information provided to the Committees that these limitations were consistent with the fiscal year 2001 solicitation. We have since learned that this is not the case. While the draft solicitation contained a minimum threshold for power production, the final solicitation contained no such threshold. We have since consulted with the Department of Energy, and the Department agrees that there should be no minimum threshold for power production in the next solicitation. Because the language in the Statement of Managers was based on inaccurate information, it is my view that this particular language should not apply. Program applicants should keep in mind, however, that improved

electric reliability is the focus of the program. Would my colleague, Senator BURNS, concur?

Mr. BURNS. I concur with the statement of Senator BYRD.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS

Mr. STEVENS. Mr. President, on August 1, the Senate passed its version of H.R. 2299, the fiscal year 2002 Department of Transportation Appropriations Act. The Senate has not yet appointed conferees on this bill, which provides vitally needed funding for aviation, the Coast Guard, highways and rail programs.

A key issue of contention in that bill has been the standards and practices governing highway truck movement between our Nation and Mexico, under the provisions of the North American Free Trade Agreement.

Recently, discussion with the White House have produced a framework for compromise which I believe responds to the concerns for safety and equity voiced by many in the Senate and the other body, and I intend to support this compromise in the conference. It is my hope that the conferees on the bill will proceed along the lines of this proposal to strike a final agreement which will secure support in the Senate, and the signature of the President.

AMERICAN COMPANIES DOING BUSINESS IN COLOMBIA

Mr. LEAHY. Mr. President, yesterday, during consideration of the fiscal year 2002 foreign operations, export financing, and related programs appropriations bill, a colloquy between myself and Senator MCCONNELL concerning American companies doing business in Colombia was printed in the Record. That colloquy was incomplete, and should not have been included in the RECORD in that form. Among other things, it omitted a copy of an amendment that Senator MCCONNELL and I had considered offering to the foreign operation bill. Therefore, I ask unanimous consent that our complete colloquy, as well as our proposed amendment, be printed in the RECORD.

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

AMENDMENT NO. —

On page 144, line 3, after the colon insert the following: "Provided further, That of the funds appropriated under this heading for Colombia, \$10,000,000 shall not be obligated or expended until the Government of Colombia resolves outstanding international arbitration decisions which favor United States corporations more than 50 percent owned and controlled by United States citizens:"

Mr. LEAHY. Mr. President, we often hear from American companies whose investments in developing countries have gone sour. That is the risk of doing business, and nobody disputes that. But international arbitration was

created in order to mitigate the risks of overseas investments and to avoid depending on shaky legal institutions in those countries. Arbitration has been one of the principal building blocks to the extraordinary growth in international trade. It has brought investments to countries which would have otherwise been considered too risky because it gives investors and sovereign nations an agreed-upon mechanism to resolve disputes. Key to its success is the agreement by all parties that arbitration can only work if it is binding.

It recently came to my and Senator MCCONNELL's attention that at least two American companies, Sithe Energies, Inc., and Nortel Networks, have participated in binding arbitration to resolve disputes with the Colombian Government. According to information we have received, Sithe and Nortel, and, we are told, companies from Mexico and Germany, have won clear, unambiguous rulings through binding arbitration, only to have the Colombian Government renege on its commitment to honor the arbitration decision.

We have not had an opportunity to discuss these matters with the Colombian Government, but if our information is correct, that American companies have agreed to binding arbitration and prevailed, only to have the Colombian Government refuse to pay, that is unacceptable. We want to help Colombia's economy develop in an environment where the rule of law is respected. This is crucial to Colombia's future. If Colombia flaunts the rules of the private market, it is will have increasing difficulty attracting private investment because it cannot be trusted.

Representatives of these companies have urged us to withhold a portion of U.S. assistance to Colombia until the Colombian Government fulfills its legal obligations to these companies. We considered offering such an amendment, because of the importance we give to the fair treatment of American companies, respect for the rule of law, and the international arbitration process. I ask unanimous consent that a copy of our proposed amendment be printed in the RECORD at the conclusion of my remarks.

We decided no to offer the amendment, because of the precedent it could set. But we want to emphasize that respecting binding, internationally sanctioned arbitration is essential to the investment that will ultimately be the engine for Colombia's economic development. No amount of foreign assistance can do that. The pattern of Colombia's apparent abuse of the international arbitration process is very disturbing, and by conveying our concern about it we mean to strongly encourage the Colombian Government to act expeditiously to resolve these matters.

Finally, I would note that the Andean Trade Preferences Act addresses this issue directly. Section 203 of that

act makes clear that the President shall not designate any country a beneficiary under the ATPA, if the country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of U.S. citizens or a company which is 50 percent or more beneficially owned by U.S. citizens. The ATPA is up for extension or expansion, and Senator MCCONNELL and I will be following this issue closely, as well as discussing it with Colombian Ambassador Moreno and U.S. Ambassador Patterson, both of whom I have the utmost respect for.

Mr. MCCONNELL. Let me just add a word or two to Senator LEAHY's comments. Few would disagree that Colombia's long term political and economic development resides in its ability to forge a lasting peace, establish the rule of law, and attract foreign investment. No service is done to the nation or the people of Colombia when the Colombian government refuses to recognize the legitimacy of an arbitration award to international businesses. The leadership in Bogota should understand that such action further erodes confidence in the overall investment climate in Colombia within the international business community—and in foreign capitals. It is my hope that the Colombian government takes note of the amendment Senator LEAHY and I contemplated offering and initiates corrective action in the very near future.

FREEDOM SUPPORT ACT

ARMENIA

Mr. MCCONNELL. Mr. President, I want to take a brief moment to share with my colleagues the tremendous effort to craft an agreement which preserves section 907 of the FREEDOM Support Act while permitting Azerbaijan to assist with America's war on terrorism. In the closing minutes of the Senate's debate on the FY 2002 Foreign Operations bill yesterday, Senators SARBANES, BROWNBACK, and I reached agreement on my amendment which strikes a balance between our counter terrorism needs and vital ongoing efforts to negotiate a peace between Armenia and Azerbaijan with respect to the Nagorno-Karabakh conflict.

I want to thank my colleagues for their constructive input into my amendment. In addition, the Administration deserves our gratitude for their willingness to work with Congress on finding a compromise which addressed the concerns of all sides of this complicated issue. It is no secret in the halls of Congress that there was serious consideration of a certification under section 907 as a means of securing the legal authority to provide counter terrorism assistance to Azerbaijan. Such a certification would have permanently eliminated section 907 as a means to support the sensitive ongoing negotiations between Armenia and Azerbaijan. Despite some carveouts over the years, this was the most seri-

ous challenge to section 907 since its inception. Senator SARBANES and I, in particular, strongly believe that section 907 is vital to ongoing peace efforts and that such a certification was an unacceptable option.

I also want to recognize the invaluable input and encouragement of patriotic Armenian-Americans who understand the importance of supporting America's efforts to fight terrorism on every front. But, cooperating with Azerbaijan should not mean that the negotiations on Nagorno-Karabakh should be disrupted. Here again, the amendment provides protection. Counter terrorism assistance to Azerbaijan will not be forthcoming unless the President determines and certifies to Congress that the assistance "will not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia." The Administration has assured us that they support peaceful negotiations and that none of our counter-terrorism efforts will disrupt these talks.

In addition to the amendment preserving section 907, I sponsored an amendment to provide assistance to Armenia under the Foreign Military Financing and the International Military Education and Training programs. This historic amendment will for the first time provide Armenia with valuable military assistance. The IMET funding will allow the U.S. to work with and train with the Armenian military thereby improving America's ability to work with Armenia on a host of security issues. This will ensure that Armenia remains a strong ally and coalition partner in the war against terrorism.

We will have an opportunity to revisit issues relating to Armenian and Azeri relations on the FY 2003 Foreign Operations bill, and I want to make clear to my colleagues and the Administration that I will be closely following developments in Azerbaijan and Turkey to lift the blockades against Armenia. I encourage these countries to fully understand the importance and necessity of lifting their blockades.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BAUCUS. Mr. President, the horrific terrorist attacks of September 11, and America's response to those attacks have shifted our sense of priorities about what's important for our Nation. But, as we move forward with the challenging task of eliminating terrorism and securing the safety of our citizens, we must not lose sight of other values that make our Nation great.

Some are using the shock and fear caused by the September 11 attacks to call for renewed focus on our energy security, and more particularly to renew their calls to open the Arctic National Wildlife Refuge to exploration and