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 serious 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

drilling. While I agree that it is high time we developed a strategy to reduce our dependence on imported oil and secure the Nation's energy resources and infrastructure, we should all know by now that developing ANWR will not achieve this goal.

I have followed the Arctic debate closely for many, many years. I've spoken to this body on a number of occasions about this subject. The facts and best evidence on the main points at issue persuade me, as they have in the past, that drilling in the Arctic is both unnecessary and unwise.

First, there is no oil bonanza in the Arctic that will impact or enhance the Nation's energy security, and neither the Senate nor the Nation should be rushed to an ill-fated judgement based on wildly inflated claims to the contrary.

At peak production, many years down the road, the arctic coastal plain might at best replace about 5–9 percent of the foreign oil imported by the U.S. Oil from the arctic refuge will not have any meaningful impact on either the price of gasoline or on our demand for imported oil. It would do nothing to secure energy independence for our Nation.

Arctic oil is also expensive to produce and transport to the lower 48. Which is why, until Congress banned oil exports, the oil companies shipped a lot of that oil to foreign markets. If those exports bans are ever lifted, we'll likely see any oil from the refuge shipped overseas. There's a reason America imports so much OPEC oil, it's cheap.

In short, our energy security lies in reducing our dependence on oil, period. The more efficiently our Nation uses oil, gas and other energy resources, the more we depend upon alternative energy resources and renewable resources, the less vulnerable our country will be to oil supply disruptions and price spikes.

Moreover, the arctic refuge's coastal plain is the last 5 percent of the entire Alaskan coastal plain that is not already open to oil drilling. The remaining 95 percent of the Alaskan coastal plain is not only open to drilling, but vast tracts of it have yet to be explored for their potential oil reserves.

What's so special about this last 5 percent, preserved since the Eisenhower Administration? It's the heart of all the wildlife diversity in the entire Arctic National Wildlife Refuge. That 5 percent is the central calving ground for the porcupine caribou herd, the exact same landscape that would be scarred with oil wells, drill pads, roads and pipelines if drilling is allowed. That 5 percent is essential migratory habitat for 135 species of birds and waterfowl. That 5 percent is home to polar bears, musk oxen, grizzly bears, wolves, 36 species of fish, and more than 100 other species of wildlife. In fact, ANWR is the most important polar bear denning area in Alaska.

That 5 percent is also a desert compared to the rest of the arctic coastal plain. I have yet to hear a satisfactory explanation from the oil companies about how they will deal with the fact that there is not enough water to build ice roads in ANWR. If you can't build ice roads that ''disappear'' in the spring, you have to build gravel roads. Given what we have been told about the dispersed nature of recoverable oil in the refuge, the oil companies will need to build a lot of roads, roads that will crisscross the refuge, disrupting the natural flow of water during the spring, marring the wild character of the refuge and interfering with wildlife migration patterns.

In Montana, we know we must have working landscapes where we encourage oil and gas development, promote timber harvest and grow our Nation's food and fiber. We know such landscapes, if carefully managed, can also produce abundant wildlife populations and much recreational opportunity. Balancing appropriate development with the need to protect special places, for ourselves and for our children, is a dance Montanans know well.

So too the Arctic National Wildlife Refuge. We have far too many other options open to us right now to secure our energy future than any that may or may not materialize from drilling in ANWR. Americans aren't ready to drill, and America doesn't need to. I hold that the Arctic refuge is too wild to waste.

I would also like to address briefly some concerns I have with some of the energy proposals made by our colleagues in the House. I am particularly concerned with provisions that affect oil and gas leasing procedures on public lands.

The House suggests that we replace the current public process surrounding oil and gas leasing on public lands with a centralized federal mandate that would remove any meaningful public involvement from oil and gas leasing decisions on national forest lands.

In the 1980's, many Montanans traveled to Washington, DC to urge passage of legislation to bring the public into oil and gas leasing decisions on national forest and public lands. Their efforts and those of many others resulted in the passage of the 1987 Federal Onshore Oil and Gas Leasing Reform Act.

Under current law, the forest supervisor analyzes likely impacts, considers surface resources and consults with the public before determining (1) where Federal oil and gas leasing is authorized and, (2) under what circumstances it should occur. Even if a lease is offered, it often contains provisions to protect wildlife and the environment through stipulations that limit roads and other industrial developments.

Legislation endorsed by our colleagues in the House would eliminate the existing public involvement process.

That legislation would strip national forest supervisors of existing authority to make decisions regarding oil and gas leasing. The local supervisor's authority would be transferred and centralized under the Secretary of Agriculture who is directed to ''ensure that unwarranted denials and stays of lease issuance and unwarranted restrictions'' on all oil and gas exploration or development operations ''are eliminated'' from oil and gas operations ''on Federal land.'' This seems out of character with the often repeated pledge from the Administration and others, that local communities should have a greater voice in the public lands decisions that directly affect them.

Other language would direct the Secretaries of Agriculture and Interior to order a rewrite of oil and gas leasing plans to remove limits or restraints on oil and gas exploration and development. This would include local Montana decisions that limit oil and gas development designed to protect native trout streams.

Still more language would give the oil and gas industry the power to force a review of previous decisions to limit oil and gas development on national forest and BLM lands, including written explanations showing ''whether the reasons underlying the previous decision are still persuasive.''

In Montana, such decisions authorized millions of acres for leasing while protecting municipal drinking water sources for Helena, Red Lodge, and East Helena, popular hunting areas, key habitat and wild lands in the Elkhorns Wildlife Management Area, Line Creek Plateau and along Montana's Rocky Mountain Front. Montanans invested years in each of these decisions. They have been well debated, they have withstood legal challenge. They do not need to be reopened by Congress.

In short, I want to express my opposition to any similar provisions that may arise in the Senate. As I have outlined above, what may seem like obscure language to other members of this body is vitally important to Montanans, and could have an enormous impact on my state, and the landscapes Montanans have declared too precious to develop.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred June 15, 2000 in Denver, CO. First-degree murder charges were filed against Samuel Grauman, 21, who was accused of killing, Daniel O'Brien, 36, because O'Brien was gay. Grauman and another man were believed to have befriended gay men they thought would be easy robbery targets.