

will be sending to that generation, that future we will not see. They will send a message of love, a message of stability, and hope, a message that they have taken from their grandfathers and grandmothers with such abundance.

It is a message about this country that is embraced in these three Senators and passed on to their children and grandchildren, a message that I think makes this such a special country. It is a country that for so many reasons gives hope and new faith to future generations through our children and our grandchildren.

I hope we can send a strong message to those future generations through our grandchildren—by reading them books, by loving them, by giving them the attention they deserve, by changing their diapers—when we want to, and by recognizing what a glorious miracle life is, in the eyes and faces of those tiny grandbabies who grow up to be the leaders of a wonderful nation.

I, again, thank my colleagues for their generous words and for making this such a special moment for me as a Senator.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. May I be so bold as to close this pleasant interlude with these words to Henry Thomas Daschle:

First in thy grandfather's arms, a new-born child,  
Thou didst weep while those around thee smiled;  
So live that in thy lasting sleep,  
Thou mayest smile, while those around thee weep.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TERRORISM RISK INSURANCE ACT OF 2002—Continued

Mr. SCHUMER. Mr. President, I ask to address the House—I mean the Senate. I am still used to the House, I am sorry. I had 18 years there. I ask to address the Senate on this issue.

The PRESIDING OFFICER. The Senator has that right.

The Senator from New York is recognized.

Mr. SCHUMER. Thank you, Mr. President.

Mr. President, I spoke briefly a bit earlier on this legislation, but now that we are getting pretty close to try to tie the final knot and get the bill done, I do want to address it once again.

First, again, I thank my colleague from Connecticut, Senator DODD, who has worked so long and hard on this legislation. I also thank the chairman of the Banking Committee, Senator SARBANES, who has been a good, careful

guider, and JON CORZINE, my colleague, as well.

The four of us have been laboring on this proposal for a very long time. I hope we can actually pass legislation tonight.

This is extremely important legislation. But it is deceptive. We are not getting many calls. When you walk into your local townhall meeting—or if I go into one of my favorite places, McGillicuddy's Pub, on Quentin Road, they don't say: Hey, CHARLIE, what's doing on terrorism insurance? It is not an issue on the lips of the average citizen. But it affects the average citizen, and greatly.

The reason is very simple: Without terrorism insurance, large numbers of construction projects will not go forward. Banks will not lend unless they can have terrorism insurance. And insurance companies, while they are offering terrorism insurance in many cases, are offering that insurance at such a high rate that many projects are simply not going forward.

What does this mean for the national economy? It is a slowly bleeding cut on the arm of our economy. But every day, when a new project is not refinanced, when a new proposal to build something large and grand does not go forward, is a day our economy is hurt.

The reason is very simple. Since 9-11, we fear terrorist attacks, and we fear them on large concentrations of economic power, of economic wealth. They could be in cities—my city, of course, has many of these—but they could also be not in cities, Disney World or Disneyland in Florida and California. The Hoover Dam, every stadium, no matter where it is in the country, is suffering effects. We have heard from the owners of baseball and football about how their costs are dramatically rising. And it will continue to occur. In fact, it will spread. The dramatic increases in costs, the failure to do new projects will continue unless we do something.

I know there are some who believe: Well, the Government should not be involved. I strongly disagree.

The Government has always been involved in cases of war. We have always been under the rule that in cases of war the Federal Government will step in.

Well, since 9-11, the rules of war have been redefined. Terrorism is war. So if I had my druthers, I would have a one-page bill, something similar to what I worked out with Secretary O'Neill, that would say: Should, God forbid, the next terrorist incident occur, the Federal Government will step in.

That is what we would do in the case of war. If, during World War II, the Germans or the Japanese had hurt the American homeland, that is what would have happened; the same thing with Korea, and the same thing when we faced the cold war with Russia. I don't know why it is any different now, but some have had objections. They don't want to see the Federal Government's role expand, even though if

there was ever a place that role should be needed, and make sense, it is here. They have opposed that.

So we came up with a compromise. The Senator from Connecticut, actually, the Senator from Texas, Mr. GRAMM, and myself had a compromise that was put on the floor in late December. We tried to have a balance between those of us who believed the Government should be fully involved and those of us who felt—on the other side, mainly—the Government should not be involved at all. We came up with a proposal.

Unfortunately, it did not come forward, not because of objections to the proposal but, rather, it ran up against the age-old whirlpool, if you will, of tort reform.

It ran up on the shoals of tort reform, as many other proposals have in this body in recent years, and nothing got done. I was delighted to see the McConnell amendment defeated for the main reason that had it passed, we would not have had a bill. It seems we have stepped past probably the greatest impediment to the proposal, and now we have other issues. I want to talk about one of those.

Before I do, I want to make a few points. First, I want to talk about my city of New York and give people some examples. Examples could occur in their cities as well. I have talked to my friend from Illinois, Senator DURBIN. The same thing is happening in Chicago. I have talked to real estate leaders in Dallas and Houston and San Francisco and Los Angeles. In all of our large cities, the same thing is occurring.

Let me cite some examples: 4 Times Square, one of our newest, most beautiful buildings known as the Conde Nast building, is in litigation with its lender due to the absence of terrorism insurance coverage. The lender, La Salle Bank and CIGNA, had threatened to invade the lockbox into which rents are deposited in order to buy \$430 million in terrorism insurance, the amount of the mortgage. The insurer for the portfolio held by the owners of 4 Times Square has refused to write coverage for this building claiming it is high profile. Even if the \$430 million of coverage was available, it wouldn't cover any of the environmental risks, nor would the owner's equity of \$450 million on this \$880 million be covered.

In downtown New York, a 1 million-square-foot office building could not obtain refinancing for the underlying mortgage of approximately \$200 million because terrorism insurance was unavailable. Finally, a lender agreed to go forward if the owner committed to pay \$1 per square foot for stand-alone terrorism insurance coverage. At the same time that the owner faced that additional \$1 million drain on cashflow, he had to absorb an increase in his regular insurance from \$110,000 to \$550,000. That additional cost did not cover mold or biological or nuclear or chemical events whether terrorist-generated

or otherwise. The owner now has a \$1,440,000 additional expense.

A major REIT with properties in central business districts from New York to California can get only \$250 million of insurance for the entire portfolio. And if there is one more terrorist incident—God forbid—it is likely that even this limited terrorism coverage will be lost given its not uncommon 30-day cancellation clause.

A major residential and mixed use owner-builder renewed their all-risk insurance a few months earlier than the expiration date for that carrier and was about to lose its treaty agreement for reinsurance and could only write \$5 million. The list can go on and on and on of buildings that couldn't get terrorism insurance, that had to pay so much that it virtually made them non-economic, of new projects not started.

To simply and blithely say the market will come in and cover this is not true. Just last Friday, another drain on the body economy of my city, but this is happening in other cities as well, Moody's put 12 buildings in New York City on watch for possible downgrading of their bonds, the whole cost of financing, because of terrorism insurance. These include some of the premier properties in New York, including the Exxon building, the Bankers Trust building, Celanese building, the Conde Nast building, Rockefeller Center, the Marriot Marquis Hotel—the list goes on.

So anyone who thinks this is not a problem, anyone who thinks the market is solving this problem on its own is simply not understanding what is occurring.

I am not the only one who thinks this. I ask unanimous consent to print quotes from others in the RECORD.

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

**ECONOMIC DISLOCATION RESULTING FROM THE TERRORISM INSURANCE MARKET TURMOIL**

**President Bush Calls For Action:**

"If people can't get terrorism insurance on a construction project, they're not going to build a project, and if they're not going to build a project, then someone's not working. We in Washington must deal with it and deal with it in a hurry." (Source: President Bush during a White House gathering on terrorism insurance 4/8/2002)

**New Congressional Study Finds Lack of Terrorism Insurance Risky to Economy;** among the study's principal findings:

"The market for terrorism insurance remains limited.

"Only a small number of insurers are actively providing stand-alone terrorism insurance policies.

"When available, coverage for terrorism losses is expensive, terms of coverage are restrictive and policy limits are often insufficient.

"The problems associated with terrorism insurance pose a significant threat to sustained economic growth.

"The lack of terrorism insurance is stopping some business deals, such as real estate and construction projects where terrorism insurance may be necessary to obtain financing.

"The high cost of terrorism insurance (when available) diverts resources from

other more productive uses, negatively affecting investment and jobs.

"Low coverage limits in terrorism insurance policies mean that businesses are bearing a huge amount of risk themselves. In the event of another attack similar to that of September 11th, insurance payments will not be available to the same degree to rebuild." (Source: Joint Economic Committee, United States Congress, "Economic Perspectives on Terrorism Insurance" 5/23/02)

**Top Officials Warn of Continued Terrorist Risk:**

"I think we will see that in the future, I think it's inevitable." (Source: Quote from FBI Director Robert Mueller when asked of the possibility the U.S. could expect walk-in suicide bombers, Wall Street Journal Online 5/20/02)

"Terrorism is an evil, pernicious thing, and it is one of the biggest challenges we've ever faced as a nation." (Source: Vice President Dick Cheney as quoted in the Wall Street Journal Online 5/20/02)

"Senate Majority Whip Harry Reid (D-Nev.) said June 4 on the Senate floor that action on the legislation is needed to maintain stability of the country's economic infrastructure. 'One issue we must seek to work on quickly, expeditiously, is getting a bill out of this body to address the growing problem of a lack of insurance coverage due to the threat of terrorist attacks,' Reid said. Pointing to a similar move by Moody's Investors Service May 31, Reid urged a compromise on the legislation and called on the White House to assist in moving the legislation. 'Significant building projects, if not already on hold, could be placed on hold until the terrorism insurance issue is resolved,' Reid said." (Source: Banking Daily 6/6/02)

"In just facing the facts, we have to recognize that terrorist networks have relationships with terrorist states that have weapons of mass destruction, and that they inevitably are going to get their hands on them, and they would not hesitate one minute is using them," Rumsfeld said. "That's the world we live in." (Source: Defense Secretary Donald Rumsfeld as quoted in the Washington Post 5/22/02)

"The FBI also heightened anxiety levels in New York by advising officials that landmarks there could be terrorist targets. Officials said the advisory was based on the same kind of uncorroborated information that has led to other notices to law enforcement in recent weeks about threats to banks, nuclear power plants, water systems, shopping malls, supermarkets and apartment buildings." (Source: The Washington Post 5/22/02)

"We believe the Congress should enact a federal terrorism risk insurance backstop in a timely fashion for four primary reasons. First, lack of coverage and high premium rates imply a drag upon our economy and a burden to the nascent recovery, including the potential for a loss of even more jobs. Second, the cost of lost and postponed investment opportunity is potentially large for future economic growth. Third, inaction paralyzes the private sector. Finally, the economic impact of another terror attack could be even greater than the September 11 attacks." (Source: Lawrence B. Lindsay, Assistant to the President for Economic Policy in a letter to Steve Bartlett and Edward C. Sullivan—3/18/02)

**Federal Officials Sound the Alarm:**

"I think there is still great urgency to pass the [terrorism insurance] bill. I think there is a very important level of exposure here that needs to be addressed." (Source: Senate Majority Leader Tom Daschle remarking on the issue at the National Press Club 5/22/02)

"[Insurance] is a crucial aspect of a fairly large segment of the economy. In this case,

it is impossible for insurance to [determine the risk for terrorism insurance] The problem is really the types of real estate activity being held up, whether delays in construction and building and that sort of thing are having a significant impact on the economy." (Source: Federal Reserve Chairman Alan Greenspan, to the House Financial Services Committee 2/27/2002)

"There is a real and immediate need for Congress to act on terrorism insurance legislation. The terrorist attacks on September 11 have caused many insurance companies to limit or drop terrorist risk coverage from their property and casualty coverage a move that leaves the majority of American businesses extremely vulnerable. This dynamic in turn threatens American jobs and will wreak havoc on the entire economy in the case of future attacks." (Source: Treasury Secretary Paul O'Neill in a statement issued on 4/8/2002)

"The disruption of terrorism coverage makes it more difficult to operate, acquire or refinance property, leading to diminished bank lending for new construction projects and lower asset values for existing projects." (Source: letter to Congress from Treasury Secretary Paul O'Neill, National Economic Council Director Lawrence Lindsey, Office of Management and Budget Director Mitch Daniels, and Council of Economic Advisors Director Glenn Hubbard on 6/10/02)

"A fundamental necessity for a strong economy is confidence. The lack of confidence lingers in some parts of our economy, because of a lack of terrorism insurance. [Congressional failure to pass terrorism insurance legislation is hurting the economy.] People are delaying, postponing, canceling major construction projects because they can't get terrorism insurance." (Source: Treasury Secretary Paul O'Neill, as quoted by Bloomberg News 2/21/2002)

**Construction Industry Hemorrhaging Jobs, AFL-CIO Calls For Action:**

"Employment in construction fell by 79,000, after seasonal adjustment. Much of April's job loss was in special trades (-61,000), though general building contractors and heavy construction lost 12,000 and 6,000 jobs, respectively. Following the turn of the business cycle in March 2001, construction employment was relatively flat through the end of the year. So far in 2002, however, the industry has lost 155,000 jobs." (Source: Bureau of Labor Statistics News Release, May 2002)

"President Bush, like all of us here today, realizes that as long as terrorism is a threat, new job-creating projects are being delayed or canceled because we do not have adequate insurance coverage or workers compensation coverage available. The unions of the building trades and our members join with him in urging the Senate to pass terrorism risk insurance legislation without delay. The unavailability of terrorism risk insurance is hurting the construction industry by making the cost and risk of undertaking new building projects prohibitive. Building projects are being delayed or canceled for fear that they may be future terrorist targets. Lenders are refusing to go forward with previously planned projects where terrorism insurance coverage is no longer available. As a result, construction workers are losing job opportunities. In addition, workers compensation premiums have increased because state laws do not allow companies to exclude terrorism risk from workers compensation insurance." (Source: Speech by Edward C. Sullivan, President, Building and Construction Trades Department, AFL-CIO 4/8/02)

"According to new figures compiled by the Census Bureau, compared to March 2001, non-

residential construction was off by 19 percent, while office building construction suffered a 32 percent drop over the last year." (Source: U.S. Census Bureau)

**Difficulty Obtaining Adequate Terrorism Coverage, Moodys May Downgrade:**

"Moody's Investors Service has placed the ratings of classes from 14 commercial mortgage backed transactions on watch for possible downgrade due to concerns about terrorism insurance coverage. Moody's stated that the lack of, insufficiency of, or near term expiration of terrorism insurance coverage is the cause for these reviews for downgrade." (Source: Moodys Investor Service Press Release 5/31/02)

"Billions of dollars in commercial mortgage-backed securities, or CMBS, may face ratings downgrades by the end of this month if terrorism insurance legislation continues to stall in the Senate. 'If Congress doesn't pass something soon we will have to start downgrading bonds by Memorial Day,' said Sally Gordon, vice-president and senior credit officer at Moody's Investors Service in New York, which monitors about \$350 billion CMBS." (Source: Dow Jones Newswires 5/3/02)

"The National Football League and individual teams and stadiums have experienced difficulty acquiring terrorism coverage. The Miami Dolphins and New York Giants have joined the ranks of other teams around the country that have lost terrorism coverage in the wake of the Sept. 11 attacks." (Source: Bureau of National Affairs 4/9/2002)

"Today, terrorism insurance can be purchased; although it has a higher premium, higher deductible and lower limit of coverage. High-risk assets the ones that serve the most people face such steep cost increases and diminished coverage, that it often makes sense to purchase only a fraction of the original coverage or no coverage at all. And that's if terrorism insurance can even be purchased.

"The federal government warns another terrorist attack is possible, and insurance policies have 30-day cancellation clauses. Thus, after another major attack, availability is expected to disappear. Separately, capacity and concentration issues for insurance companies are expected to arise, even in the absence of another terrorist attack. There are only a few companies providing terrorism coverage for high-risk assets and at least one has announced it is reaching its threshold for tolerance." (Source: Merrill Lynch Research Report, Mortgage Backed Research, 5/17/02)

"While acknowledging the insurance market and risk of terrorism is an evolving situation, rating agencies would gain comfort from a federal terrorism insurance program or an improvement in the insurance market. We have heard that the insurance market is more likely to evolve into a capacity-constrained market than it is to satisfy insurance needs is relying on the amount and the quality of insurance to counter balance the increased risk of terrorist attacks then one must also recognize that insurance policies covering terrorist acts have exclusions for losses due to atomic, biological or chemical terrorism." (Source: Merrill Lynch Research Report, 6/5/02)

"Premiums on standard property and casualty insurance have jumped by as little as 10 percent and by as much to 300 percent for owners of large urban commercial properties. They are scrambling to find coverage from a single insurer for properties worth more than \$25 million, bond rating service Standard & Poor's said in a recent report. The rift between lenders and owners will likely deepen, investors and analysts say, until more affordable terrorism policies are available—or the government steps in." (Source: Reuters 5/27/02)

**Wells Fargo Forced to Place Nearly \$1 Billion Worth of Construction Loans on Hold:**

"Wells Fargo & Company, one of the largest real estate lenders in the country, currently has three real estate projects that are ready to be funded. The only obstacle to moving these projects forward is the unavailability of terrorism insurance. They are: A \$600 million commercial real estate project in Manhattan. A \$260 million retail project in Queens, NY. A \$120 million commercial project in Oakland, CA. (Information supplied by Wells Fargo & Company 4/8/2002)

**Bond Markets Stall on \$7 billion in Commercial Loans:**

"The Bond Market Association announced April 18 that according to a survey of its members who deal in commercial mortgage-backed securities, due to the high cost or unavailability of terrorism insurance for property owners, this year large lenders have placed on hold or canceled more than \$7 billion in commercial mortgage loans." (Source: Bureau of National Affairs 4/22/2002)

**Hyatt Puts 2,500 Jobs On Hold, Seeks Terrorism Insurance:**

"The Hyatt Corporation has purchased a site for a new office building in downtown Chicago at a cost of roughly \$400 million. The company is now trying to obtain financing for this project but is being told that nobody will make loans without insurance for terrorism, yet adequate terrorism insurance is unavailable. As a result, construction on the project has not been able to begin. The project will lead to the creation of 2,500 jobs if the Hyatt Corporation can get insurance and proceed with the project." (Source: Bureau of National Affairs 4/9/2002)

**The Problem of the Underinsured:**

"Officials in Georgia's Gwinnett County, an Atlanta suburb, have been able to find only \$50 million of terrorism insurance coverage for a \$300 million portfolio of properties that includes the county jail and sewage treatment facility." (Source: Washington Post, 4/8/2002)

"The New York Metropolitan Transit Authority has \$150 million of terrorism insurance to cover its bridges and tunnels, assets worth \$1.5 billion." (Source: Washington Post, 4/8/2002)

"Some property owners are opting to go without [terrorism insurance] coverage. In the long-term, [the] limited or complete lack of terrorism insurance coverage threatens a property owners ability to get financing for new projects or to refinance existing properties." (Source: summary of remarks by Tony Edwards, general counsel of the National Association of Real Estate Investment Trusts, Dow Jones 1/15/02)

**Building Projects Placed on Hold:**

"In downtown Chicago, Pritzker Realty Group LP cannot get financing to build an office building because the project does not have terrorism insurance." (Source: Washington Post, 4/8/2002)

"Casino developer Steve Wynn has halted plans to build a \$2 billion development in Las Vegas that would create 16,000 new jobs because he cannot buy enough terrorism insurance to satisfy his lenders." (Source: Washington Post, 4/8/2002)

**Many Insurers Not Willing to Write Commercial Property Insurance:**

"Wells Fargo is threatening to throw a \$275 million securitized mortgage into default unless terrorism insurance is arranged for the collateral property the Opryland Hotel and Convention Center in Nashville." (Source: Commercial Mortgage Alert 5/31/02)

"The result of 9/11 was a sizable reduction in the number of available insurers willing to write commercial property insurance." (Source: Christopher Ewers, vice president of March Risk & Insurance Services, the brokerage for the Golden Gate Bridge 3/23/2002)

"However, the limited capacity that Lloyd's and other commercial insurers have available to write this business will not be sufficient in the near-term to satisfy the growing coverage gap in the United States economy." (Source: Saxon Riley, Chairman, Lloyds of London 4/18/02)

**Difficulty in Assessing Terrorist Risk:**

To date, terrorists have not behaved predictably, and no study we have seen suggests they will do so. We do not believe insurers have a reasonable basis for underwriting the risk at this time. At best, they can limit the amount of capital they expose to risk. Source: Alice D. Schroeder, senior U.S. non-life equity insurance analyst for Morgan Stanley Dean Whitter & Co., testifying before the House Financial Services Committee 2/27/2002)

"Due to the changes in insurance coverage since issuance, the risks related to potential terrorist actions have been or in the near term may be transferred to the Certificateholders. While acknowledging that these risks are very difficult to quantify, a spokesman for the rating agency said, 'we believe that ignoring the risks would be inappropriate given the events of September 11th and continued government warnings of the likelihood of future terrorist attacks. While the probability of a major downgrade or default because of a terrorist attack remains fairly remote, the overall risk in these transactions has clearly increased.'" (Source: Moodys Investor Service Press Release 5/31/02)

**Lack of Terrorism Coverage Constricts Lending:**

"I have to assume that nobody in their right mind is going to lend \$300 million, \$400 million, \$500 million if there's no terrorism coverage." (Source: GMAC Commercial Holding Corp. Chairman and CEO David E. Creamer, as quoted in the Philadelphia Business Journal 2/27/2002)

"Last year at any point in time we had a large number of single high-profile transactions to work on, and now we don't." (Source: Tad Philipp, managing director of Moodys Investors Service, referring to lenders becoming wary about financing real estate deals, as quoted in the Wall Street Journal 1/11/02)

**Transportation in Crisis:**

"Considering the fact that trucking moves the majority of the freight in America, a crisis like this is a real problem for the national economy." (Source: American Trucking Association President and CEO William J. Canary, as quoted on ATAs website)

"Amtrak was unable to obtain terrorism coverage when its \$500 million property insurance policy came up for renewal on Dec. 1. Amtrak believes that only limited amounts of terrorism coverage are available today, and that limited coverage is at extremely high rates." (Source: Bureau of National Affairs 4/9/2002)

**A Growing Chorus Calls For Action:**

"The story is only half-told right now. Over the year it will grow in magnitude." (Source: Marty DePoy, speaking on behalf of the Coalition to Insure Against Terrorism, which includes the National Association of Real Estate Investment Trusts, the U.S. Chamber, the National Football League, the National Retail Federation, and the Association of American Railroads, among several other diverse organizations 2/13/02)

"The entire market that provided workers compensation catastrophe reinsurance has dried up." (Source: Timothy P. Brady, managing director, Marsh, Inc., as quoted in the Wall Street Journal 1/9/02)

"[Higher insurance costs, higher deductibles and fewer insurance choices are] going to affect the cost of doing business for all companies. It might take a while to hit

the bottom line, but it's something that affects the total company." (Source: James Shelton, regional risk manager at Manpower Inc., in Glendale, WI, as quoted by CNNMoney 12/31/01)

"The situation that we're in at the moment is analogous to getting into your car without seat belts or the steel frame. If you're not in an accident, nothing's going to be affected. If you're in an accident, the results are going to be disastrous because you don't have the infrastructure in place to protect you." (Source: David Mair, risk manager for the U.S. Olympic Committee, quoted by Dow Jones 2/7/02)

"The real damage likely will come in the secured lending market. Depending on the size of the building, it's going to be hard to get mortgage and [commercial mortgage-backed securities] done." (Source: Richard Kincaid, chief operating officer of Equity Office Properties Trust, quoted by Dow Jones 1/16/02)

"This is a national problem. Everybody needs shoes to walk. Suddenly, shoes are not available. It's as simple as that." (Source: Deborah B. Beck, executive vice president of the Real Estate Board of New York, discussing the lack of coverage for real estate owners, as quoted by the Washington Post 1/15/02)

"It's little strange. You could understand [higher insurance costs] at signature buildings like Liberty Place and Mellon Bank Center. But the new building being built in Plymouth Meeting is facing the same soaring [insurance rates as the high-rises]. Its going to have a pretty dramatic effect on tenants. I had a lender in here today who said they have had to postpone a couple of settlements because the escrow required for first-year payments are prohibitive" (Source: Walt DAlessio, chief executive of Legg Mason Capital Markets, a national real estate finance company, as quoted in the Philadelphia Inquirer 1/14/02)

"Ultimately, [increased insurance costs for terrorism for coverage] all passes down to you and I when we go shopping. Most of those costs will be passed down to our tenants in their operating costs and then to the products, whether it is a pair of jeans or a pound of coffee." (Source: Steven Sachs, insurance risk manager for The Rouse Co., which has 47 shopping malls and over 100 office buildings, as quoted by Dow Jones 12/21/01)

"The issue has nothing to do with the size of the property. It could be a manufacturing plant of 20,000 square feet or an office building of 2 million square feet. They're all affected." (Source: Jerry I. Speyer, president and chief executive of Tishman Speyer Properties, a prominent New York developer, as quoted in the Washington Post 01/15/02)

"One of the lessons learned from Sept. 11 is that many insurers have concentrations of risk that they had not previously factored into their underwriting decisions. Employee groups of 1,000 or more lives are common across Corporate America and even globally. Terror attacks on large corporate sites could easily bankrupt insurers with workers' compensation claims averaging \$1 million or more." (Source: Standard & Poors 1/9/02)

"Our inability to obtain insurance on our properties could cause us to be in default under covenants on our debt instruments or other contractual commitments we have which require us to maintain adequate insurance on our properties to protect against the risk of loss. If this were to occur, or if we were unable to obtain insurance and our properties experienced damages which otherwise have been covered by insurance, it could materially adversely affect our business and the conditions of our properties." (Source: Host Marriott, L.P., in an S-4 filing dated 1/10/02)

"Washington's decision to postpone any action on apportioning the burden for terrorism coverage could have long-term negative economic consequences for business and the pace of recovery." (Source: New York City Partnership and Chamber of Commerce 2/11/02)

"Executives at the companies that service the hundreds of billion of dollars in commercial-mortgage-backed securities have already begun to question whether they are going to have to declare property owners in technical default if they lose terrorism coverage. These mortgage-servicing companies may have little choice. If they don't declare a default and the property is attacked by terrorists, they could face a lawsuit from bondholders." (Source: Wall Street Journal 2/13/02)

"Sales and refinancing of high-profile office buildings and other trophy properties are slowing, as the real estate industry grapples with the lower availability and higher cost of terrorism insurance. Owners of properties that can't get terrorism insurance are reluctant to speak out for fear of scaring tenants and drawing attention to themselves." (Source: Wall Street Journal 1/11/02)

"Some companies may have experienced troubles already but are unwilling to talk about them, especially publicly traded companies worried about the impact on their stock prices or builders concerned about their overall market." (Source: Hartford Courant 1/10/02)

"One developer in the New York area is close to finishing an office building for a solid tenant. [Its a company that has been around for decades and signed a long-term lease.] That sort of tenant is precisely what real estate lenders like. But the developers bank is no longer willing to finance the building because the owner cannot get adequate terrorism coverage. If the developer has to sink its own money into the effort, it will tie up capital the firm could use to start new projects." (Source: Washington Post 1/15/02)

Mr. SCHUMER. I have quotes from President Bush who stated last month how important this was; from the Joint Economic Committee of the Congress, ably chaired by our Presiding Officer, from May 23; from FBI Director Robert Mueller; from Vice President CHENEY; from Secretary Donald Rumsfeld; from Larry Lindsay; from Secretary Paul O'Neill; from Reserve Chairman Greenspan. All of these people are not known as people who believe the Government ought to come in and solve the problem at the drop of a hat. In fact, philosophically most of them are of the opposite view. They all felt the need to talk about terrorism insurance.

We have to move this legislation. We have to move forward. Again, each of us could have our own idea on how to make it better, how to change it. We know things will fall apart. My guess is, if we don't solve this problem now, we are not going to solve it until a crisis is truly upon us, until this slow drain on the economy, which the lack of terrorist insurance is causing, becomes not a flow but a cascade. Then, of course, the damage will have been done, and it will be almost too late.

Finally, I want to talk a little bit about the per-company cap which I know is an issue that Senator GRAMM and I are debating. As you know, I fought hard to have this cap put in.

The Senator from Connecticut, whom I mentioned while he was out of the room, has done a great job. He understood the position and put it in. It was at that point supported by the Senator from Texas in the final proposal that was made. This did not stand in the way. It was tort reform that stood in the way.

Let me explain why this is so needed and why so many people are for this on both sides of the aisle. In the bill, as you know, there is a \$10 billion industry-wide benchmark for triggering individual company retentions in the first year. It goes to \$15 billion in year 2, if the program is extended by the Treasury Secretary. That benchmark would result in substantial private insurer losses before the Federal backstop is triggered.

We didn't want the Federal Government in the compromise that came about—this was not to my liking—but it was intended to have the private sector step in first until they were so limited because of the extent of the damage, God forbid, that they couldn't do it anymore. Well, if we didn't have this cap for a number of companies, the larger companies, the companies that concentrated, again, on the big economic properties, the losses that they would incur before the Federal Government's involvement was triggered would equal those losses. They would be comparable to the losses incurred on September 11. And for almost every insurer, they would exceed the losses sustained in any previous natural disaster.

In order for insurers to sustain such significant losses without risking insolvency, each company must be able to determine with some degree of certainty the outer bounds of terrorism exposure in actuarial terms, its probable maximum loss. And since January, the Coalition to Insure Against Terrorism, which is a broad-based business group, has stressed the need for this kind of insurance that will bring the insurers back into high-risk property insurance. Per-company retentions are the way to do so. They are the best way to assure that the company is temporary because they will facilitate a quick transition to the private sector as insurers and reinsurers begin to develop underwriting relationships with even the highest risk policyholders.

This experience will make it easier to develop actuarial models for use after the Federal program expires because, as you know, unlike the wishes of many of us, this expires in a few years, depending on whether the Treasury Secretary does an extension.

The per-company retentions will also minimize Federal involvement since there is no need for Treasury to develop a formalized allocation procedure for determining each company's share of the aggregate industry retention or the quota share payment. Because the insurance industry comprises more than 3,000 competing firms, private insurers cannot otherwise get together

and agree on a loss-sharing formula that would bind the industry as a whole. So inclusion of the per company retention in the legislation provides some certainty as to when the back-stop is triggered for each insurer, without an elaborate Federal bureaucracy to allocate the losses.

The bottom line is that we need this bill. We need the per company cap to make it work—particularly for large properties, particularly for areas of high economic risk. I urge the Senate to pass S. 2600, including these retentions. It is the right solution to an ongoing problem that threatens insurers, policyholders, and the economy at large.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I rise to speak on the pending legislation concerning terrorism reinsurance. Last December—December 13, I believe—I spoke here urging the leadership to bring up bipartisan legislation that was at the time being negotiated between the White House and the Senate Banking Committee. Unfortunately, the legislation before us today does not reflect those discussions. At that point, I thought we had a good start on a bipartisan terrorism reinsurance effort.

The availability and affordability of insurance is vital to the stability of our Nation's economy. Now that we know terrorists can and have struck in the United States, and have struck against major buildings, insurance is going to have to change because the insurance is going to have to cover risks that were never before recognized as being legitimate in this country.

We hear reports from all over that many insurance and reinsurance companies are no longer able to provide the insurance coverage that is necessary for builders of buildings, for those owning buildings, to get the kind of financing they need or to have the protection they need for the resources they put into those buildings.

At this moment, affordable terrorism risk insurance is not attainable by many businesses, both small and large—apartment and condominium buildings, shopping centers, as well as many cultural institutions. Recently, the St. Louis Art Museum was identified by the Joint Economic Committee as not being able to afford terrorism insurance. As a result, the museum is not covered. I am positive there are many entities across the country facing the same situation as the museum. I know major sports facilities, including ones in my State, are in a position where they cannot get the terrorism risk insurance they would need to add new construction, or even to continue their operations. The fact that terrorism has struck our country has a double impact now that we are in a position where insurance companies are not able to write and insure against and to ascertain the level of insurance

risk that might be brought about by terrorist acts. It is unacceptable that we hold large segments of our economy hostage to the acts of terrorists.

Right now, many small business and small property owners are at disadvantages. They face the prospect of doubling and tripling insurance premiums. They are not only faced with increased property insurance costs, but they are facing workers' compensation insurance costs, health insurance costs; and without affordable insurance, many small businesses and property owners are simply forgoing insurance. That is bad business. Those that have elected to pay much higher insurance costs are finding they have to pass this cost along to their customers, renters, leaseholders, and others. This could have a tremendous impact on our economy.

We are hearing about major construction projects coming to a halt across the country as lenders and major financing institutions are seeking, but unable to get, terrorism risk insurance. The Bond Market Association has stated that more than \$7 billion worth of construction projects are on hold or have been canceled due to the lack of affordable terrorism risk insurance.

Rating organizations have issued warnings in the past 2 weeks that large securitizations are in jeopardy of being downgraded. We are trying to get out of a recession. The economic recovery that we expect and that we need is in grave danger if we do not provide a means of reinsuring the risk that has now become a reality in this country with possible terrorist acts. This is an unknown at this point, and this is the time, and this is something in which the Federal Government could play a very significant role. That is why good terrorism risk reinsurance legislation must be provided.

I also agree with my colleague from Kentucky that businesses that are victimized by terrorist attacks should not be subject to punitive damages. Now, unfortunately, on a party line vote, we rejected the standard my colleague proposed. I hope we can find other means of compromise to ensure that a business owner or a business that is struck by a terrorist act is not also struck by a punitive damage action that could be economically as devastating as a terrorist act.

We cannot and should not hold our major economic engines hostage to the threat of punitive damages on top of a terrorist act. I hope we can agree on a means of avoiding this kind of risk to those who have businesses or property that might be subject to a terrorist attack. As I said back in December, this is a potential problem. I believe now it is a problem. I think our recovery from the economic downturn, the recession, has been slowed because the business community—especially small businesses from which I hear—are really in a position where they cannot go forward and, in many instances, they can-

not get financing without terrorism insurance, and most insurance companies are not in a position to offer that.

So I hope we can move with a good piece of legislation that will provide the temporary reinsurance by the Federal Government to allow us to get back to the normal business of building facilities, building shopping centers, operating cultural facilities, and conducting business.

Mr. President, I look forward to working with my colleagues. I hope we can get a good product, and I hope we can do it very quickly so we can get our economy moving again.

I thank the Chair.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 3842

(Purpose: To implement the International Convention for the Suppression of Terrorist Bombings to strengthen criminal laws relating to attacks on places of public use, to implement the International Convention of the Suppression of the Financing of Terrorism, to combat terrorism and defend the Nation against terrorist acts, and for other purposes)

Mr. SANTORUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 3842.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. SANTORUM. Mr. President, a clarification for Members. This is the same amendment that Senator HATCH proposed earlier today. I understand Senator HATCH engaged in some conversation with Senator LEAHY about withdrawing his amendment. I think it is vitally important for the Senate to vote on this amendment. It is an important amendment. It is an amendment that is relevant to this bill because it deals with terrorism.

We had the same agreement yesterday, I understand, to vote on this amendment. We had consent to do so, and there was an objection filed at the last minute. We are now going out of session and will not be back until next week, and I think it is important we have a record vote.

Mr. REID. Will my friend yield for a question?

Mr. SANTORUM. I will be happy to yield.

Mr. REID. I have just been informed—and this may be something of

which the Senator is not aware—Senator HATCH and others have been working on this in the last few minutes, and we have something we believe can be completed in wrapup this evening that takes care of the matter.

I suggest my friend take a look at this. I do not know the subject matter very well, but I assume Senator HATCH and Senator LEAHY have worked it out.

Mr. SANTORUM. I will be happy to deal with this as a separate matter as long as we get a vote on it. I am just looking for a vote. This is an important piece of legislation that deals with terrorism, the implementation of a treaty on terrorist bombing. It is an important vote. It is the implementation act of a treaty that we passed last year. There are criminal code sections dealing with terrorist bombings, as well as people who are financing terrorism. It is important legislation. I think it is something on which we should vote.

I am not being critical of what Senator LEAHY and Senator HATCH did. I just think it is important legislation that should be voted on in the Senate.

Mr. REID. Will the Senator yield for one more question?

Mr. SANTORUM. I will be happy to yield.

Mr. REID. If the Senator wants a vote, we can and should have a vote. It is my understanding Senator HATCH and Senator LEAHY have worked out a substitute. It will be passage of S. 1770, the Terrorist Bombing Convention Implementation Act of 2001.

Mr. SANTORUM. Right.

Mr. REID. We were going to do this by unanimous consent this evening in wrapup. I assume it will be easy to work out a vote.

Mr. SANTORUM. If we can work out a vote on this legislation, that will be amenable to me. I will be happy to put us back in a quorum call and see if we can arrange that.

Mr. REID. What I suggest—and I will be happy for the Senator to continue his statement—maybe in the near future he can look at this and see that Senators HATCH and LEAHY agree to have a vote on this issue.

Mr. SANTORUM. My concern is to have a vote. I would be comfortable to have a vote on that legislation which, while I understand it is not identical to the amendment I offered, is legislation that accomplishes the same purpose.

Why don't I suggest the absence of a quorum, and we can see if we can work this out.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. REID. Will the Senator withhold his request?

Mr. SANTORUM. I will be happy to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, while the Senator is in the Chamber, and we can certainly talk about this, there is no reason not to do this. I think the chairman and ranking member would like to

do this separate and apart from this bill. This way, we can send a free-standing bill to the House so they can work on this issue, and it will not be tied up in this legislation.

Mr. SANTORUM. Again, I am fine with that. My concern is we get a vote on it. I am happy to do it that way, but my concern is we vote on this legislation.

Mr. REID. I say to my friend from Pennsylvania, we will try our very best to work with him. We have Senator LEAHY's staff here. Senator HATCH's staff is not here, but they will be here shortly. We will work on trying to do this separate and apart from this legislation.

Mr. SANTORUM. I thank the assistant majority leader.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, it is now after 5 p.m. We are hoping to get this done. It could go into the end of next week. I know the majority leader is trying to bring up the Defense authorization bill. I am more than happy to consider other amendments. If people have them, bring them up and see if we cannot finish this legislation. It is possible we can get it done this evening. The majority leader has indicated if we can complete this bill this evening, there will be no votes tomorrow. We will then complete the process and next week, I guess, move—I do not want to speak for the leadership—but I gather there is a strong indication we will move to the Defense authorization bill. We will move to other legislation, if not Defense authorization.

I was hoping in the next hour or so we could get some time agreements on amendments. Otherwise, my fear is we will end up into next week, and if that is the case, then people will be slow-walking this bill.

I appreciate the comments of the Senator from Missouri. He made a fine speech about the importance of this legislation. There is a consensus that we need to do something on terrorism insurance. It is causing economic problems for our country, for all the reasons I identified.

Certainly I am happy to entertain and debate relevant amendments that deal directly with this bill and move on them, either accepting them or defeating them. Let's see if we cannot get this bill done. We started it early this morning. We have already dealt with a couple major amendments. We have accepted some colloquies that have been offered as an alternative.

We are going to end up in a conference with the other body. There are substantial differences between both of

these bills. It is going to require continued work and labor. Those who are concerned about getting something done, let it be known I am fully prepared to entertain amendments. I will offer time agreements to try to wrap them up early, but if this goes on much longer, I presume the leader will consider having to file cloture, and then we will have to limit amendments, at least limit them to relevant amendments.

It is now almost 5:30, and I hope we might get a couple more amendments done, particularly some of those that are outstanding that I know need to be debated and considered. The quicker that is done, the more rapidly we can conclude work on this bill and vote it either up or down, but we will have dealt with terrorism insurance.

Mr. REID. Will the Senator yield for a question?

Mr. DODD. I will be happy to yield to my colleague.

Mr. REID. The distinguished Senator from Connecticut with whom I have been on this floor when considering major pieces of legislation—we do not have a better manager in the Senate than Senator DODD. He does a wonderful, outstanding, exemplary job. He is here ready to work.

Yesterday afternoon, we finished the estate tax debate. The majority leader at that time wanted to move to this legislation, but Members who were interested in this legislation said: We have had a hard couple days; why don't you wait until tomorrow?

I say to my friend from Connecticut, it appears to me that this is an effort to slow down this legislation. We wanted to move to it last night, allow Members to make opening statements and offer amendments, but the majority leader said: No, they say they do not want to; go ahead and agree with that.

Now here we are today, not much happening all afternoon, and if the majority leader did decide to file cloture today people would yell and scream saying this is the first day.

It is not really the first day. We wanted to do it yesterday. Tomorrow is Friday. Monday is already a scheduled no-vote day, but that does not mean it is a no-amendment day. Tomorrow we may not work a full day as we normally do with votes all day, but this body will stay in as late as anyone wants to offer amendments.

So the Senator is absolutely right. We are going to finish this legislation. I say to my friend, and I think he is aware of this, all of the industry groups all over America that are interested in this have sent letters and e-mails to anyone who will pick them up, saying they support cloture on this.

Everybody is tired of this. We have danced since late last year on this legislation. We are going to complete this legislation. It is only a question of whether we do it tonight or whether we do it next week sometime. Will the Senator agree?

Mr. DODD. I agree with that.



Obviously, it helps the work of the Senate if we can complete it this evening, but tomorrow morning would make more sense. We still have a lot of work to do in conference to get this done. I know the administration is interested, as well as the Secretary of the Treasury, the President, and many others. My colleague from Nevada mentioned the various business groups that are interested. I should also note that the building trades, the AFL-CIO, have sent a strong letter in support of this legislation. It is one of those rare occasions when groups that sometimes are antagonistic to each other on a legislative effort have come together and have, for months now, asked that we respond to this. So we are hopeful to get this done.

Again, I will stay here as late as anyone wants. I will make time tomorrow. I will make time next week. We are going to get the bill done one way or the other. It serves everyone's interest to try to complete this work sooner rather than later.

I merely wanted to make those points to our colleagues who are wondering what the schedule will be. Obviously, the leadership will make up its own mind about how to proceed, but it certainly would be in our interest—we have been here a couple of hours with really no amendments. I know there are some. If people have them, come over and offer them. We will happily consider them. I do not include in that group the Presiding Officer, who offered a very strong amendment, who is now working with us and is working on another amendment trying to work things out, but it is relevant to the subject matter of the bill.

I hope those who have amendments will offer them, withdraw them, or offer some alternative we can consider as we go into the conference, if the bill is passed.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWNBACK. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWNBACK. Mr. President, the Senator from Virginia, Mr. ALLEN, will be here momentarily and will ask to set aside the pending amendment in order to offer an amendment on terrorism to obtain judgments from frozen assets of terrorists, terrorist organizations, and state-sponsored terrorism, and others.

I thought since we had a moment I would address this issue. As I understand it, the majority leader will be coming out shortly to make announcements, and I will be happy to yield the floor at that time.

I am hopeful we can take up this issue on the floor and that it can be considered before the body, allowing people to be able to consider this. There are a number of people who have been harmed greatly, and family members have been killed by terrorist organizations. We need to provide a means for satisfaction. This is one way that it could be taken care of.

If I may reply to those who say this particular bill is not the appropriate vehicle, we have a limited number of vehicles left in front of this body. This is the appropriate point in time for us to be able to bring this forward.

I understand the Senator from Virginia will be bringing it forward so it can be worked out, and the administration and Congress is coming forward with other ways and means of dealing with it. Yet I am still hopeful that we can get this taken care of on this particular bill.

I note there has been a lot of pressure to get this bill wrapped up.

I understand the Senator from Virginia has been caught in traffic and is trying to get here to offer his amendment. I would like to see us take up this amendment and have it considered and moved forward.

He asked me, through his staff, if I would bring up this amendment. If we could consider this important piece of legislation in front of this body, I think this would be very valuable. If we could allow this to take place, I think it would be a positive note.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. DAYTON). Without objection, it is so ordered.

Mr. ALLEN. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

#### AMENDMENT NO. 3838

Mr. ALLEN. Mr. President, I call up amendment No. 3838.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN], for himself, Mr. BURNS, Mrs. HUTCHISON, Mr. SMITH of New Hampshire and Mr. WARNER, proposes an amendment numbered 3838.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for satisfaction of judgments from frozen assets of terrorists, terrorist organizations, and State sponsors of terrorism, and for other purposes)

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ SATISFACTION OF JUDGMENTS FROM FROZEN ASSETS OF TERRORISTS, TERRORIST ORGANIZATIONS, AND STATE SPONSORS OF TERRORISM.

(a) IN GENERAL.—Notwithstanding any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism or for which a terrorist party is not immune under section 1605(a)(7) of title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

(b) PRESIDENTIAL WAIVER.—

(1) IN GENERAL.—Subject to paragraph (2), upon determining on an asset-by-asset basis that a waiver is necessary in the national security interest, the President may waive the requirements of subsection (a) in connection with (and prior to the enforcement of) any judicial order directing attachment in aid of execution or execution against any property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(2) EXCEPTION.—A waiver under this subsection shall not apply to—

(A) property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations that has been used by the United States for any non-diplomatic purpose (including use as rental property), or the proceeds of such use; or

(B) the proceeds of any sale or transfer for value to a third party of any asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(c) SPECIAL RULE FOR CASES AGAINST IRAN.—Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106-386; 114 Stat. 1542) is amended—

(1) in subsection (a)(2)(A)(ii), by inserting after “July 27, 2000” the following: “or before October 28, 2000.”;

(2) in subsection (b)(2)(B), by inserting after “the date of enactment of this Act” the following: “(less amounts therein as to which the United States has an interest in subrogation pursuant to subsection (c) arising prior to the date of entry of the judgment or judgments to be satisfied in whole or in part hereunder).”;

(3) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(4) by inserting after subsection (c) the following new subsection (d):

“(d) DISTRIBUTION OF FOREIGN MILITARY SALES FUNDS INADEQUATE TO SATISFY FULL AMOUNT OF COMPENSATORY AWARDS AGAINST IRAN.—

“(1)(A) In the event that the Secretary determines that the amounts available to be paid under subsection (b)(2) are inadequate to pay the entire amount of compensatory damages awarded in judgments issued as of the date of the enactment of this subsection in cases identified in subsection (a)(2)(A), the Secretary shall, not later than 60 days after

such date, make payment from the account specified in subsection (b)(2) to each party to which such judgment has been issued a share of the amounts in that account which are not subject to subrogation to the United States under this Act.

“(B) The amount so paid to each such person shall be calculated by the proportion that the amount of compensatory damages awarded in a judgment issued to that particular person bears to the total amount of all compensatory damages awarded to all persons to whom judgments have been issued in cases identified in subsection (a)(2)(A) as of the date referred to in subparagraph (A).

“(2) Nothing herein shall bar, or require delay in, enforcement of any judgment to which this subsection applies under any procedure or against assets otherwise available under this section or under any other provision of law.

“(3) Any person receiving less than the full amount of compensatory damages awarded to that party in judgments to which this subsection applies shall not be required to make the election set forth in subsection (a)(2)(C) in order to qualify for payment hereunder.”.

(d) DEFINITIONS.—In this section:

(1) The term “terrorist party” means a terrorist, a terrorist organization, or a foreign state designated as a state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

(2) The term “blocked asset” means any asset seized or frozen by the United States in accordance with law, or otherwise held by the United States without claim of ownership by the United States.

(3) The term “property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” and the term “asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” mean any property or asset, respectively, the attachment in aid of execution or execution of which would result in a violation of an obligation of the United States under the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, as the case may be.

Mr. ALLEN. Mr. President, I rise to present this amendment, No. 3838, which is a measure that has to do with allowing those who are victims of terrorist acts in the past who have judgments, to collect those judgments against the assets of the terrorist states or the state-sponsored terrorist states involved in these acts. I thank the cosponsors of the basic bill that has been introduced, which is the basis for this amendment.

The cosponsors include Senator WARNER; the lead of this on the Democrat side, Senator HARKIN of Iowa, CONRAD BURNS of Montana, Senator BAYH, Senator CLELAND, Senator COLLINS, Senator FEINSTEIN, Senator JOHNSON, Senator MILLER, Senator SCHUMER, Senator TORRICELLI, Senator BAUCUS, Senator BURNS, Senator CLINTON, Senator CRAIG, Senator HOLLINGS, Senator MIKULSKI, Senator NICKLES, and Senator BOB SMITH.

I particularly want to thank Mr. HARKIN for the leadership he has shown on this issue. He has stood strong for making terrorists responsible for their actions and for justice. I'm grateful for Sen. HARKIN's tireless efforts in making this proposal a reality. Now, this

amendment would permit the blocked assets of terrorists, terrorist organizations, and state sponsors of international terrorism, to be used to compensate American victims of terrorism.

A little history: In 1996, Congress passed the Antiterrorism and Effective Death Penalty Act, which, in section 221, expressly amended the Foreign Sovereign Immunities Act to allow American victims of terrorism to seek justice through the courts against foreign terrorist governments. In 1998, Congress again amended the Foreign Sovereign Immunities Act, stating explicitly that any property of a terrorist state that was frozen by the U.S. Treasury Department was subject to execution or attachment to satisfy the victim's court judgments.

However, in response to bureaucratic interference, Congress again, in 2000, as part of the Victims of Trafficking and Violence Protection Act, endorsed the policy of using blocked assets to impose a cost on terrorism and provide justice to victims.

Currently, there are at least \$3.7 billion in blocked or frozen assets of seven state sponsors of terrorism. However, the executive branch bureaucracy is once again preventing these funds from being used to compensate American victims who have brought lawsuits in our Federal courts, won their cases, and secured court-ordered judgments—victims such as Edwina Hegna of Virginia.

In the 1980s, Mrs. Hegna's husband, Charles Hegna, was an employee of the U.S. Agency for International Development. In 1984, his flight from Kuwait City to Karachi, Pakistan, was hijacked by Hizbollah, an Iranian-backed organization. The terrorists demanded that all Americans reveal themselves. Mr. Hegna stepped forward. The terrorists then beat and tortured him. Upon landing, they forced him to kneel. Witnesses heard Mr. Hegna praying for his life. He was then shot in the stomach and thrown 20 feet to the tarmac below while still alive, breaking nearly every bone in his lower body. He didn't die. He laid in agony for about an hour. As an ambulance arrived, the terrorists leaned out of the airplane door and shot him repeatedly. He died in the ambulance at the age of 50, survived by his wife and their 4 children.

Mrs. Hegna currently has a multi-million dollar judgment, but is unable to receive any compensation.

In another equally brutal case in which I prefer not to mention the name of the family, but nevertheless it was a case in Kuwait. A pastor who now lives in Richmond, VA, was held captive while he and his children were forced to watch—and his children at the time were 10 and 13 years old—the terrorists sexually assault his wife. He currently holds a \$1 million court judgment but is unable to satisfy that judgment.

The United States must say today to the executive bureaucracy that Mrs. Hegna and this pastor from Richmond and all the victims—and they are not

all from Virginia; they are from Iowa, New York, New Hampshire; they are from States across our Nation—for all these victims who have suffered at the hands of these ruthless terrorists we ought to say they can be compensated from the blocked assets of these terrorists and their sponsors.

Indeed, this measure talks about terrorism reinsurance and who ought to be sued, the obligations of insurance companies and how should we back up those insurance companies. In these cases where someone has a judgment and where there are assets that have been seized, it is the terrorists and their state sponsors, not the American taxpayers, who should be held accountable for these heinous crimes.

This amendment will accomplish three salient principles: Responsibility, justice, and punishment and deterrence.

Responsibility: At least financial responsibility for the injuries and damages from those who are culpable for the terrorist criminal acts.

Justice: Justice for the victims and the victims' families.

Punishment and deterrence: Those who sponsor these terrorist acts should be punished and deterred.

Therefore, I ask that my colleagues stand with the victims, stand with their families, and allow them to get some satisfaction, albeit only financial satisfaction.

I request that we move forward with this terrorism reinsurance bill, but also add to it this opportunity for the Senate to take a stand and allow those folks who have had these injuries and these damages and loss of life, in some cases, to have those judgments satisfied, maybe satisfied in part, but satisfied against the assets that have been seized from primarily two countries that have been involved—Iran and Iraq.

Some say we should be worried about what Iraq and Iran might do about all this. But sitting back and worrying about what they might do is not going to help these families and is not going to help this country. I am going to stand with these families, these victims, and our judicial system. Let these victims get after these assets. Let them try to rebuild their lives in some part.

I ask for the yeas and nays on this amendment and yield the floor.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GRAMM. What are we seconding?

Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. Mr. President, I am asking for the yeas and nays.

The PRESIDING OFFICER. The Senator from Virginia is requesting the yeas and nays on his amendment. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH of New Hampshire. Mr. President, I rise today to support Senator ALLEN's amendment to provide justice to American victims of international terrorism.



It is appropriate that today we are debating legislation to provide a Federal backstop to existing and future insurance policies covering terrorist acts. That legislation provides economic protection for the U.S. economy for acts of terrorism. I believe that this legislation should be amended to address the issue of Americans held hostage and tortured by terrorists to specifically hold liable nations that provide financial and other support for terrorist that target the symbols and citizens of America. I am proud to be an original cosponsor of the The Terrorism Victim's Access to Compensation Act of 2002 that Senator GEORGE ALLEN and Senator TOM HARKIN have introduced.

That bill provides redress for victims of terrorism to receive compensation from nations that sponsor terrorism. I appeared with Senators HARKIN and ALLEN at a press conference with Americans who have experienced first hand the despicable and evil use of terrorism that every American can understand as a result of the tragic events of September 11 2001.

What right does a citizen have to fight back against a terrorist nation? The only power that individual has is to sue that terrorist nation in court to gain access to seized assets from terrorist nations. Our Nation is in a war against terrorism and this amendment provides another tool in the war against nations that sponsor terrorism. This amendment requires that compensation be paid from the blocked assets of terrorist nations provided that the American victims of terrorism secure a final judgment in our Federal courts.

Victims of terrorism have many sad stories, and I want to bring to you attention the sad plight of a man who had a residence in New Hampshire during the toughest time of his life.

In November of 1989, William Van Dorp was sent by his employer from his home in Kingston, NH to Kuwait City to teach the Kuwaiti Air Force English. On August 2, 1990, Kuwait was invaded by the forces of Saddam Hussein.

Let me use William Van Dorp's own words to describe what happened:

On August 4, I heard loud rumblings coming from the road and, when I looked out my window, I saw seventeen trucks, filled with Iraqi troops, and three tanks driving toward the beach. It became apparent to me that I was still in the middle of a combat zone and in immediate danger of encountering enemy fire.

William Van Dorp attempted to escape the Iraqis who were rounding up American hostages. Mr. Van Dorp was attempting to leave the Intercontinental Hotel in Kuwait City. Mr. Van Dorp describes the event as follows:

When I reached the lobby, I saw a U.S. Embassy official yelling at an Iraqi colonel and trying to convince him not to take the Westerners away. I was being taken into custody by heavily armed Iraqi soldiers. Later that evening I was packed into a military truck with roughly 23 American citizens and trans-

ported to an army camp about an hour from Kuwait City.

William Van Dorp was held hostage by the Iraqi government for months. During the Persian Gulf war Iraqi used American hostages to be imprisoned at sites where the Iraqis thought the United States would target during the Persian Gulf war.

The nations of Iran and Iraq have committed unspeakable acts against American and against citizens of my state of New Hampshire. Those nations deserve to be punished. Recently, Iraqi President Saddam Hussien pledged increased Iraq's payments to the families of Palestinian suicide bombers from \$10,000 to \$25,000.

The press has reported in the past that Iran may be harboring terrorists from the Al-Qaida network and Taliban. I don't know that to be true, but it has been reported by the press that Iran and Iraq have not been allies in the war against terrorism. Our diplomatic efforts to change these countries has fallen on deaf ears and these countries are supporting terrorism throughout the globe. Iran, Iraq, and North Korea are the "Axis of Evil."

I am sure that every Member of this body remembers the Iran hostage crisis. Americans who worked in the U.S. Embassy of Iran were held hostage by the Iranian government more than 20 years ago. Those hostages sued the government of Iran. The Iranian Government did not make an appearance in the U.S. court to defend themselves, but as iron would have it, lawyers, not from Iran, were in the U.S. courtroom to defend the interests of government of Iran.

Does anybody in this Chamber know what lawyers were in court defending the interests of the Iranian government? It was our own Justice Department and the U.S. State Department. How do you think the U.S. hostage felt about the U.S. Government, using tax dollars from these same U.S. hostages, defending the interests of the Iran government.

The Washington Post, on October 16, 2001 reported that:

U.S. Government lawyers went to Federal court yesterday seeking to vacate a judgment against Iran in a lawsuit filed by 52 Americans have were held captive in that country more than 20 years ago. The timing of the government motion, nearly a year after the lawsuit was filed and two months after the judgment was entered, drew sharp criticism from some of the former hostages, who accused the Bush administration of trying to mute their claims because of the current conflict in Afghanistan. "The State Department and the Justice Department are doing this only to curry favor with Iran at this juncture of history," said Barry M. Rosen, a former hostage who is now director of public affairs at Columbia University's Teachers College. "I was outraged."

Another former hostage retired Army Col. Charles W. Scott who had three teeth knocked out during brutal interrogations, said, "In combat, you have a weapon and can fight back. Here, we were defenseless and brutalized. For the first time I understood what the

people of the Holocaust went through." Americans who are the victims of terrorist acts sponsored by nations that are deemed by the State Department to be state sponsors of terrorism should be punished.

I urge the Senate to support the Allen amendment.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Chair is in error. The majority leader.

Mr. DASCHLE. Mr. President, we will work to attempt to vote on the Allen amendment tomorrow as well, but we have been working over the course of the last several hours—and I thank those of our colleagues who have been involved—to accommodate a unanimous consent request that I understand has now been cleared on both sides. In order to ensure we can inform our colleagues of the schedule for the remainder of the evening and tomorrow, I propound this unanimous consent request so that at least this can be scheduled.

I ask unanimous consent that when the Senate resumes consideration of the terrorism insurance bill on Friday, June 14, at 9:35 a.m., the Santorum amendment No. 3842 be withdrawn; that the Judiciary Committee be discharged from further consideration of H.R. 3275 and that the Senate proceed to its immediate consideration; that Senator LEAHY, or his designee, be recognized to call up the Leahy-Hatch substitute amendment at the desk; that upon reporting by the clerk, the Senate vote on the adoption of the amendment; that following adoption of the amendment, the bill, as amended, be read a third time and the Senate vote on passage of the bill, with no intervening action or debate; further, that upon the disposition of H.R. 3275, the Judiciary Committee be discharged from further consideration of S. 1770; that the Senate proceed to its consideration; that the Senate consider the Leahy-Hatch amendment at the desk; and that upon reporting the amendment, the Senate vote on the adoption of the amendment; that following the vote, the bill, as amended, be read three times and passed, and the motion to reconsider be laid upon the table, all without intervening action or debate; further, that any statements relating to these items be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have an amendment I would like to have considered at some point. I would like to see it considered. It is a very narrow issue, and I would like to see if we can get this in the queue of items. It is not under consideration. If my colleague, the majority leader, can consider it, I would like to be able to put it forward. If not, I believe I will need to object to proceeding under this unanimous consent request.

Mr. DASCHLE. I ask unanimous consent that the Senator from Kansas be recognized to offer his amendment following the disposition of the amendment offered by the Senator from Virginia.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object, may I inquire of the substance of the amendment of the Senator from Kansas?

Mr. BROWNBACK. It is an issue on patenting, and it is an issue that I think is a very important one for us to consider. I want to bring it up and press it. It is a narrow one. I think we ought to consider it. I would like to offer it.

Mr. DODD. Further reserving the right to object, is this the cloning amendment?

Mr. BROWNBACK. It is patenting of human beings. It is the issue of patenting of humans which I would like to put forward at this time.

Mr. DODD. Mr. President, with all due respect, as someone trying to manage a bill, I regretfully object to consideration of that amendment at this point. I am trying to deal with the subject matter at hand. It is going to be impossible—

Mr. BROWNBACK. I must object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Nevada.

Mr. REID. Mr. President, while the majority leader is in the Chamber, we have worked now for several hours to get a vote for Senator SANTORUM. I cannot understand why the Senator from Kansas would prevent us from having this vote. He has an opportunity on this legislation at a subsequent time to offer an amendment. No one can stop him from offering an amendment.

I think the majority leader will announce shortly that there will be ample opportunity tomorrow and Monday to offer amendments. So I do not know why the Senator from Kansas would hold up a vote that the Senator from Pennsylvania has been trying to get for several hours.

I also say to the leader that while he was proffering his unanimous consent request, the Senator from Virginia said he would have no problem voting on his amendment tomorrow morning. That will give anyone who has any objection to the amendment of the Senator from Virginia the chance to speak tonight for as long as they want. We can set this up following the vote on the Santorum amendment, whatever we want to call it, the one on which we asked unanimous consent.

I ask the Senator from Kansas to kindly reconsider allowing us to vote on the Santorum amendment and, following that, vote on the amendment of the Senator from Virginia, and then the floor is open and anybody can offer an amendment. The Senator from Kansas or the Senator from Pennsylvania can offer another amendment, or the

Senator from anyplace can offer any amendment they want.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Mr. President, I will renew my request in a moment. I do not know that any Senator can be denied the right to offer an amendment as long as cloture has not been filed and achieved. It is not my desire now to file cloture. At some point, if we cannot bring this debate to a conclusion, I will be forced to do so. Until that time, of course, the Senator has every right to come to the floor to offer an amendment.

We are going to be in session tomorrow and on Monday, even though there are no votes on Monday. So I hope Senators will use that time to come to the floor to offer what I would hope will be relevant amendments.

We certainly cannot prohibit the Senator from offering other legislation. So I would renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. I would like to make sure I do get an opportunity to bring this issue forward, so I ask unanimous consent that before the conclusion of this bill I have the opportunity to put forward and have this amendment considered.

The PRESIDING OFFICER. Will the majority leader so modify his request? The Senator from Nevada.

Mr. REID. Could the Senator do this tomorrow morning or Monday?

Mr. BROWNBACK. All I am doing is asking unanimous consent that I be allowed to offer this amendment sometime during the pendency of this bill.

Mr. REID. Reclaiming my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. That seems somewhat unfair. We have all day Friday, all day Monday. Anytime before the end of the bill could be a long time from now.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DASCHLE. Mr. President, the Senator does not need that consent. He can offer that amendment, as the Senator from Nevada has noted, tomorrow, Monday, or any day. That does not require a unanimous consent. I have no objection to his request, but it does not take a unanimous consent. He is entitled to that until cloture is obtained. If cloture were invoked, he would probably be denied the right. We are not anticipating a cloture vote, at least in the foreseeable future. So the Senator is certainly entitled to his right to offer this amendment whenever he chooses.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I have had difficulty at times being able

to get the floor, as people maybe would say, well, we do not want to consider this at this particular time. I want to make sure we can.

Unfortunately for me, I will not be present tomorrow. As many of my colleagues know, we have had in the Philippines the death of a Kansan who is being buried tomorrow, Mr. Burnham, and I will be at that funeral tomorrow morning. But I want to make sure this issue can come up and can be heard before the end of this bill. I do not think that is an inappropriate request.

I renew the request that I be allowed to bring up this amendment sometime during the pendency of this bill. I ask unanimous consent that I be allowed to do so.

The PRESIDING OFFICER. Does the majority leader so modify his request?

Mr. DASCHLE. I did not understand the request. I have not modified my request.

The PRESIDING OFFICER. The majority leader made a unanimous consent request to which the objection was heard from the Senator from Kansas. So the question is, Will the majority leader modify his unanimous consent request to include the unanimous consent request of the Senator from Kansas?

Mr. DASCHLE. Mr. President, as I said, that does not require a unanimous consent request, but I would not object to the request made by the Senator from Kansas.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. My concern is we are providing the Senator from Kansas something that has been provided to no one else. We could have every Member demand a unanimous consent on totally irrelevant amendments to this bill. If we go down that road and if the Senator wants to kill this bill, that is fine, filibuster the bill, but to bring up totally extraneous amendments, it seems to me, is unwarranted.

I have talked a number of our colleagues out of offering amendments that had nothing to do with this bill, no matter how meritorious their proposals. Certainly, the majority leader has indicated the Senator has the right precloture to bring up an amendment. Cloture has not been invoked. If we can move this bill along, there is no reason for it to be invoked, but to cut out one exception for one Member to make a unanimous consent request, after I have talked other people out of it, I do not think is terribly fair.

I urge my colleague from Kansas to withdraw the request. If we can agree to move this bill along, we are dealing, then, with the Santorum amendment tomorrow. We have tomorrow, next Monday, next Tuesday. We can spend all next week on this bill if Members are so inclined.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Mr. President, let me reiterate something I think everybody understands. Obviously, the consideration of an amendment does not mean the disposal or the resolution of the issue. The Senator is only asking for consideration of the amendment. It could be second-degreed. It could be debated. I do not know that he has asked that it be brought to some final conclusion.

I will say this: If cloture is invoked, if the amendment has not been disposed of and it is not a germane amendment, then it would fall, but that certainly would not disallow the consideration of an amendment. So, again, I would pursue my request.

Mr. DODD. Will the majority leader yield for 1 minute?

Mr. BROWNBAC. If the Senator will yield, I think I have perhaps a solution.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBAC. I ask the amendment I have been considered after the Allen amendment tonight. I am prepared to put it forward this evening, if it would be acceptable to the leader to do that.

Mr. GRAMM. Will the distinguished majority leader yield?

Mr. DASCHLE. I would be happy to yield.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I am hopeful that at some point we are going to work out a compromise and move this bill forward. It seems to me the position we are in is we want to set this vote up for tomorrow. The Senator has the right to object to doing that, pending getting the opportunity guaranteed that he can offer his amendment. If he is here—and he has this problem with this funeral apparently—no one can prevent him from doing it. I am hopeful if we work out a compromise that we might talk him out of offering the amendment. So I think we should accept the amended unanimous consent request of the majority leader. I do not see that we are giving him anything that he would not have if we were not here. It seems to me, pending trying to work out a compromise, that we would be better off not having it offered tonight. He could offer it as a second-degree amendment tonight—it is perfectly within the rules—by objecting to setting up the vote for tomorrow. So I think the logical thing to do is to take the majority leader's proposal.

Mr. DODD. Will the majority leader yield for one question?

Mr. DASCHLE. Yes.

Mr. DODD. I would make a parliamentary inquiry. If there is a unanimous consent request which is agreed to, for the consideration of an amendment that would otherwise fail in a postcloture environment, does that amendment still prevail if cloture is invoked? Or at least will that amendment be considered without being violative of the rules of cloture?

The PRESIDING OFFICER. If that is the intent of the unanimous consent request, then it would be in order.

The Senator from Virginia.

Mr. ALLEN. Mr. President, if I may ask the distinguished majority leader a question, so I understand the procedure as he originally outlined it. May I inquire as to when the vote on my amendment would occur? As far as I am concerned, the amendment having to do with getting after terrorist assets for those who obtain judgments in this country has broad bipartisan support. Is there any reason why we could not vote on that tonight or, in accommodation to a lot of people who will be gone, vote on it on Tuesday?

Mr. DASCHLE. Mr. President, I was entertaining the possibility of voting on the Allen amendment, as well as on the Santorum amendment, tomorrow morning. If the discussion of the amendment has been completed, we could lay it aside temporarily to allow the Brownback amendment to be laid down and then return to the Allen amendment tomorrow morning. That would be fine with me. I will say that this will generate other amendments. The Brownback amendment will not be the only amendment offered.

Mr. ALLEN. All right.

Mr. BROWNBAC. We will then be able to dispose of the Allen amendment tomorrow morning. So I have no reservations or objections to doing that if our colleagues would be interested in taking that approach.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. A further inquiry of our leader. The point is, as I understand it, at some point tomorrow morning the earliest vote would be a vote on the Santorum amendment. Let us assume the vote on the Santorum amendment is at 9 or 9:30. Thereafter, say 10 minutes later, there would be a vote on my amendment tomorrow morning?

Mr. DASCHLE. Mr. President, we have not propounded the request, but it would be my intention to vote on it immediately after the disposition of the Santorum amendment.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. If there is no disagreement, I would then again amend my request in the following manner: In addition to the request as it was originally propounded, I ask that we vote on the Allen amendment immediately following the disposition of the Santorum amendment tomorrow morning. I would further ask that the Allen amendment be set aside to accommodate the amendment to be offered by the Senator from Kansas, and that amendment be the pending business this evening; that we return to the Santorum amendment tomorrow morning, to be followed then by the Allen amendment, after its disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, just for clarification, when I refer to the

Santorum amendment, I refer to the legislation as it was referred to in the unanimous consent request. It is more than an amendment. It is now a free-standing bill under the request. I think all of my colleagues understood that, but I want to ensure that people know that would be the order of business tomorrow morning.

With this request, there will be no further rollcall votes tonight.

Mr. President, I ask further unanimous consent that no amendments be in order to the Allen amendment prior to the vote on the Allen amendment tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, if there are no Senators wishing to be recognized, I have a statement to make, for which I will use leader time, with regard to the Middle East.

The PRESIDING OFFICER. The Senator is recognized.

#### THE MIDDLE EAST

Mr. DASCHLE. Mr. President, too often, the crush of daily business here in the Senate leaves us little time to discuss important issues that are not directly and immediately before us.

Among the many issues that deserve greater attention, none is more important than the need for peace in the Middle East, and the security of our friend and ally, Israel. The urgency and importance of this issue couldn't be more stark. In this past week alone, a suicide bomber—the 68th in the last 21 months—blew up a fast food restaurant in Israel, killing a 15-year-old girl. Another bomb, placed near a road near Hebron, injured three Israeli teenagers. A third bomb, detonated next to a bus outside Tel Aviv, killed 17 Israelis. A fourth attack—this one with guns, not bombs—killed a pregnant mother. Less than a week: three bombs; several attacks. The targets in each—civilians: fathers, mothers, teenagers, young children.

Given the steady stream of terrorist acts, the historic enmity between the parties, and the stakes involved, the situation could hardly be more difficult. But we cannot turn our backs or allow the specter of violence to diminish our commitment. Our unique relationship with Israel, and the strategic importance of the Middle East, demand that the United States play a leading role in helping to end the current crisis.

The President recognizes this dynamic, and has spoken out forcefully on the importance of the leaders in the region taking steps to end the violence. There can be no mistaking the indignation he feels about what is happening in Israel or his appreciation for the strategic importance of the entire region to our national security. In fact, he and his team have undertaken an effort to sound out leaders in the region in order to fashion a new way forward. I understand that as early as next week