for NATO to choose crisis management operations outside the treaty area.

Mr. ROHRABACHER. Madam Speaker, I yield myself 1½ minutes.

Madam Speaker, today we have heard a very useful debate, but it is a very serious debate; and it is especially serious for the next generation of Americans. Where are we going to put our emphasis? Where are we going to put our dollars? Where are we going to put our commitments? NATO costs between $10 billion and $20 billion every year just to be a part of NATO.

After 5 years of spending with NATO or 10 years of NATO spending, we could have a missile defense system for the United States of America, but we are giving that up by simply providing $10 billion to $20 billion a year for European stability.

This resolution is designed, of course, for the expansion of NATO, and by its very nature will cause fear in Russia and, as the gentleman from New York (Mr. NADLER) pointed out, is counterproductive, will lead to worse relations with Russia when we should be trying to help the democratic elements in Russia not fear the United States of America. It will leave us weaker in the Pacific.

Finally, as this resolution is designed, it is designed to get us into more conflicts like Bosnia, like Kosovo, and perhaps in Africa, perhaps in Moldavia. We do not need to waste our precious resources and risk the lives of our people in these conflicts around the world. That is what this resolution is designed to do. It is a blank check for America's young people to go overseas and to spend our limited defense dollars in a counterproductive way.

NATO served its purpose. Let us declare victory in the Cold War and come home and set our new priorities which have more to do with the reality of today than the reality of 20 years ago and 40 years ago. I oppose this resolution.

Mr. ROHRABACHER. Madam Speaker, I yield 30 seconds to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Speaker, I want to thank the gentleman from California (Mr. ROHRABACHER) for yielding me additional time.

Madam Speaker, in conclusion, NATO has served our national interest well for the last 50 years, will serve us well into the future and will help consolidate and expand democracy in Europe, and it will strengthen the forces of democracy in dealing with the emerging threats in Asia and elsewhere. This resolution is not a blank check that Congress must author. This is an important resolution. I urge my colleagues to fully support it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in favor of House Resolution 59 to express the sense that the House should remain committed to the North Atlantic Treaty Organization. For fifty years NATO has protected our borders and the borders of our allies, preserving democracy, the rule of law and individual liberties. NATO has served as an important forum for promoting stability in the North Atlantic region and is representative of the collective effort of the North Atlantic states defending members against security risks. Indeed NATO remains the preeminent institution for addressing future external threats.

NATO has played a key role in developing democracies and instilling democratic ideals in Central and Eastern Europe. This too helps to solidify the security of the rest of the North Atlantic region.

Recognizing that the security of NATO member states is inseparably linked to that of the whole of Europe, and the consolidation and strengthening of democratic and free societies on the entire continent is an important concern to the NATO Alliance and its partners.

For these reasons, the House of Representatives should commend NATO and its work and should support its future efforts to maintain peace and stability in the North Atlantic region. The House must remain committed to the Alliance and should promote the adoption of a strategic concept clearly establishing that defense of shared interests and values that are as important for peace and stability as maintaining a vigorous capability to carry out collective defense.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, House Resolution 59, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1145

FOREIGN NARCOTICS KINGPIN DESIGNATION ACT

Mr. GILMAN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3164) to provide for the imposition of economic sanctions on certain foreign persons engaging in, or otherwise involved in, international narcotics trafficking.

The Clerk read as follows:

H.R. 3164

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Foreign Narcotics Kingpin Designation Act''.

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.) to target and apply sanctions to 4 international narcotics traffickers and their organizations that operate from Colombia.

(3) IEEPA was successfully applied to international narcotics traffickers in Colombia and based on that successful case study, Congress believes similar authorities should be applied worldwide.

(4) There is a national emergency resulting from the activities of international narcotics traffickers and their organizations that threatens the national security, foreign policy, and economy of the United States.

(b) POLICY.—It shall be the policy of the United States to apply economic and other financial sanctions to significant foreign narcotics traffickers and their organizations worldwide to protect the national security, foreign policy, and economy of the United States from the threat described in subsection (a)(4).

SEC. 3. PURPOSE.

The purpose of this Act is to provide authority for the identification of, and application of sanctions on a worldwide basis to, significant foreign narcotics traffickers, their organizations, and the foreign persons who provide support to those significant foreign narcotics traffickers and their organizations, whose activities threaten the national security, foreign policy, and economy of the United States.

SEC. 4. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS.

(a) PROVISION OF INFORMATION TO THE PRESIDENT.—The Secretary of the Treasury, the Attorney General, the Secretary of Defense, the Secretary of State, and the Director of Central Intelligence shall consult among themselves and provide the appropriate and necessary information to enable the President to submit the report under subsection (b). This information shall also be provided to the Director of the Office of National Drug Control Policy.

(b) PUBLIC IDENTIFICATION AND SANCTIONING OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS.—Not later than June 1, 2000, and not later than June 1 of each year thereafter, the President shall submit a report to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives; and to the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate—

(1) identifying publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this Act; and

(2) detailing publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this Act.

The report required in this subsection shall not include information on persons upon which United States sanctions imposed under this Act, or otherwise on account of narcotics trafficking, are already in effect.

(c) UNCLASSIFIED REPORT REQUIRED.—The report required by subsection (b) shall be submitted in unclassified form and made available to the public.

(d) CLASSIFIED REPORT.—(1) Not later than July 1, 2000, and not later than July 1 of each year thereafter, the President shall provide the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate with a report in classified form describing in detail the status of the sanctions imposed under this Act, including the personnel and resources directed towards the

imposition of such sanctions during the preceding fiscal year, and providing background information with respect to newly identified significant foreign narcotics traffickers and their activities.

(2) Such classified report shall describe actions the President intends to undertake or has undertaken with respect to such significant foreign narcotics traffickers.

(3) The report required under this subsection is in addition to the President's obligation to keep the intelligence committees of Congress fully and completely informed of the provisions of the National Security Act of 1947.

(e) EXCLUSION OF CERTAIN INFORMATION.—

(1) INTELLIGENCE.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the identity of any person, if the Director of Central Intelligence determines that such disclosure could compromise an intelligence operation, activity, source, or methods of the United States.

(2) LAW ENFORCEMENT.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the name of any person if the Attorney General, in coordination as appropriate with the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, and the Secretary of the Treasury, determines that such disclosure could reasonably be expected to—

(A) compromise the identity of a confidential source, including a State, local, or foreign agency or authority or any private institution that furnished information on a confidential basis;

(B) jeopardize the integrity or success of an ongoing criminal investigation or prosecution;

(C) endanger the life or physical safety of any person; or

(D) cause substantial harm to physical property.

(f) NOTIFICATION REQUIRED.—(1) Whenever either the Director of Central Intelligence or the Attorney General makes a determination under subsection (e), the Director of Central Intelligence or the Attorney General shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, and explain the reasons for such determination.

(2) The notification required under this subsection shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate not later than July 1, 2000, and on an annual basis thereafter.

(g) DETERMINATIONS NOT TO APPLY SANCTIONS.—(1) The President may waive the application to a significant foreign narcotics trafficker of any sanction authorized by this title if the President determines that the application of sanctions under this Act would significantly harm the national security of the United States.

(2) When the President determines not to apply sanctions that are authorized by this Act to any significant foreign narcotics trafficker, the President shall notify the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate not later than 21 days after making such determination.

(h) CHANGES IN DETERMINATIONS TO IMPOSE SANCTIONS.—

(1) ADDITIONAL DETERMINATIONS.—(A) If at any time after the report required under subsection (b) the President finds that a foreign person is a significant foreign narcotics trafficker and such foreign person has not been publicly identified in a report required under subsection (b), the President shall submit an additional public report containing the information described in subsection (b) with respect to such foreign person to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate.

(B) The President may apply sanctions authorized under this Act to the significant foreign narcotics trafficker identified in the report submitted under subparagraph (A) as if the trafficker were originally included in the report submitted pursuant to subsection (b) of this section.

(C) The President shall notify the Secretary of the Treasury of any determination made under this paragraph.

(2) REVOCATION OF DETERMINATION.—(A) Whenever the President finds that a foreign person that has been publicly identified as a significant foreign narcotics trafficker in the report required under subsection (b) or this subsection no longer engages in those activities for which sanctions under this Act may be applied, the President shall issue public notice of such a finding.

(B) Not later than the date of the public notice issued pursuant to subparagraph (A), the President shall notify, in writing and in classified or unclassified form, the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate of actions taken under this paragraph and a description of the basis for such actions.

SEC. 5. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS.

(a) APPLICABILITY OF SANCTIONS.—A significant foreign narcotics trafficker publicly identified in the report required under subsection (b) or (h)(1) of section 4 and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section shall be subject to any and all sanctions as authorized by this Act. The application of sanctions on any foreign person pursuant to subsection (b) or (h)(1) of section 4 or subsection (b) of this section shall remain in effect until revoked pursuant to section 4(h)(2) or subsection (e)(1)(A) of this section or waived pursuant to section 4(g)(1).

(b) BLOCKING OF ASSETS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 4, there are blocked as of such date, and any date thereafter, all such property and interests in property within the United States, or within the possession or control of any United States person, which are owned or controlled by—

(1) any significant foreign narcotics trafficker publicly identified by the President in the report required under subsection (b) or (h)(1) of section 4;

(2) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 4, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection;

(3) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as owned, controlled, or directed by, or acting for or on behalf of, a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 4, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection; and

(4) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as playing a significant role in international narcotics trafficking.

(c) PROHIBITED TRANSACTIONS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 4, the following transactions are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any significant foreign narcotics trafficker so identified in the report required pursuant to subsection (b) or (h)(1) of section 4, and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, or has the effect of evading or avoiding, and any endeavor, attempt, or conspiracy to violate, any of the prohibitions contained in this Act.

(d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.—Nothing in this Act prohibits or otherwise limits the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) IMPLEMENTATION.—(1) The Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, is authorized to take such actions as may be necessary to carry out this Act, including—

(A) making those designations authorized by paragraphs (2), (3), and (4) of subsection (b) of this section and revocation thereof;

(B) promulgating rules and regulations permitted under this Act; and

(C) employing all powers conferred on the Secretary of the Treasury under this Act.

(2) Each agency of the United States shall take all appropriate measures within its authority to carry out the provisions of this Act.

(3) Section 552(a)(3) of title 5, United States Code, shall not apply to any record or information obtained or created in the implementation of this Act.

(f) JUDICIAL REVIEW.—The determinations, identifications, findings, and designations made pursuant to section 4 and subsection (b) of this section shall not be subject to judicial review.

SEC. 6. AUTHORITIES.

(a) IN GENERAL.—To carry out the purposes of this Act, the Secretary of the Treasury may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(1) investigate, regulate, or prohibit—

(A) any transactions in foreign exchange, currency, or securities; and

(B) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interests of any foreign country or a national thereof; and

(2) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent, or prohibit any acquisition, holding, withholding, use, transfer, withdrawal, transportation, placement into foreign or domestic commerce of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(b) RECORDKEEPING.—Pursuant to subsection (a), the Secretary of the Treasury may require recordkeeping, reporting, and production of documents to carry out the purposes of this Act.

(c) DEFENSES.—

(1) Full and actual compliance with any regulation, order, license, instruction, or direction issued under this Act shall be a defense in any proceeding alleging a violation of any of the provisions of this Act.

(2) No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to, and in reliance on this Act, or any regulation, instruction, or direction issued under this Act.

(d) RULEMAKING.—The Secretary of the Treasury may issue such other regulations or orders, including regulations prescribing recordkeeping, reporting, and production of documents, definitions, licenses, instructions, or directions, as may be necessary for the exercise of the authorities granted by this Act.

SEC. 7. ENFORCEMENT.

(a) CRIMINAL PENALTIES.—(1) Whoever willfully violates the provisions of this Act, or any license rule, or regulation issued pursuant to this Act, or willfully neglects or refuses to comply with any order of the President issued under this Act shall be—

(A) imprisoned for not more than 10 years,

(B) fined in the amount provided in title 18, United States Code, or, in the case of an entity, fined not more than $10,000,000,

or both.

(2) Any officer, director, or agent of any entity who knowingly participates in a violation of the provisions of this Act shall be imprisoned for not more than 30 years, fined not more than $5,000,000, or both.

(b) CIVIL PENALTIES.—A civil penalty not to exceed $1,000,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this Act.

(c) JUDICIAL REVIEW OF CIVIL PENALTY.—Any penalty imposed under subsection (b) shall be subject to judicial review only to the extent provided in section 702 of title 5, United States Code.

SEC. 8. DEFINITIONS.

As used in this Act:

(1) ENTITY.—The term ''entity'' means a partnership, joint venture, association, corporation, organization, network, group, or subgroup, or any form of business collaboration.

(2) FOREIGN PERSON.—The term ''foreign person'' means any citizen or national of a foreign state or any entity not organized under the laws of the United States, but does not include a foreign state.

(3) NARCOTICS TRAFFICKING.—The term ''narcotics trafficking'' means any illicit activity to cultivate, produce, manufacture, distribute, sell, finance, or transport narcotic drugs, controlled substances, or listed chemicals, or otherwise endeavor or attempt to do so, or to assist, abet, conspire, or collude with others to do so.

(4) NARCOTIC DRUG; CONTROLLED SUBSTANCE; LISTED CHEMICAL.—The terms ''narcotic drug'', ''controlled substance'', and ''listed chemical'' have the meanings given those terms in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(5) PERSON.—The term ''person'' means an individual or entity.

(6) UNITED STATES PERSON.—The term ''United States person'' means any United States citizen or national, permanent resident alien, an entity organized under the laws of the United States (including its foreign branches), or any person within the United States.

(7) SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER.—The term ''significant foreign narcotics trafficker'' means any foreign person that plays a significant role in international narcotics trafficking, that the President has determined to be appropriate for sanctions pursuant to this Act, and that the President has publicly identified in the report required under subsection (b) or (h)(1) of section 4.

SEC. 9. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS.

Section 212(a)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(C)) is amended to read as follows:

''(C) CONTROLLED SUBSTANCE TRAFFICKERS.—Any alien who the consular officer or the Attorney General knows or has reason to believe—

''(i) is or has been an illicit trafficker in any controlled substance or in any listed chemical (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), or is or has been a knowing aider, abettor, assister, conspirator, or colluder with others in the illicit trafficking in any such controlled or listed substance or chemical, or endeavored to do so; or

''(ii) is the spouse, son, or daughter of an alien inadmissible under clause (i), has, within the previous 5 years, obtained any financial or other benefit from the illicit activity of that alien, and knew or reasonably should have known that the financial or other benefit was the product of such illicit activity,

is inadmissible.''.

SEC. 10. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act.

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from New York (Mr. CROWLEY) each will control 20 minutes.

Mr. NADLER. Madam Speaker, I rise to claim the time in opposition since I gather that both gentlemen from New York, Mr. GILMAN and Mr. CROWLEY, are in support.

The SPEAKER pro tempore. Is the gentleman from New York (Mr. CROWLEY) in favor of the motion?

Mr. CROWLEY. Yes, I am, Madam Speaker.

The SPEAKER pro tempore. On that basis, pursuant to clause 1(c) of rule XV, the gentleman from New York (Mr. NADLER) will control the 20 minutes reserved for the opposition.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Speaker, I am pleased to yield 10 minutes to the gentleman from Florida (Mr. MCCOLLUM), and I ask unanimous consent that he be permitted to control the time as he may deem appropriate.

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

There was no objection.

Mr. NADLER. Madam Speaker, since this side ought to be represented in support also, I yield 10 minutes to the gentleman from New York (Mr. CROWLEY), and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

GENERAL LEAVE

Mr. GILMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3164.

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

There was no objection.

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

Madam Speaker, the gentleman from Florida (Mr. GOSS) and the gentleman from Florida (Mr. MCCOLLUM) and our leadership are to be complimented on moving forward on H.R. 3164. This important effort improves the tools needed to tackle the critical problem of international drug traffickers and those who knowingly transact and do business with these kingpins.

This bill, by expanding and regularizing the authority for the President to routinely block the property of major drug kingpins, after the required June 1 listing of these kingpins, deprives them of access to the United States market and to our financial system. It makes it clear that our Nation is serious about confronting the threat that they pose to our Nation and to its people.

After this bill becomes law, it is no longer going to be business as usual for these global drug kingpins, for their relatives and business associates and front companies.

Today we are moving forward with an important new initiative in our war on drugs. Now we will routinely implement the application of blocking assets

and denying these global drug traffickers and their associates access to our markets and to our financial services.

There can be no more important tools in our arsenal against international drug traffickers who target our Nation and its young people than asset forfeiture, disruption of their business transaction and their dealings.

With regard to the drug traffickers, there must be no safe havens or untouched illicit assets for those who would destroy our communities and the lives of our young people by shipping their poisons into our Nation.

Three Presidents have called illicit drug trafficking a serious national security threat to our Nation. Such a threat warrants a serious response, including this expanded authority to maintain economic pressure on these drug traffickers.

Greater international cooperation, the ability to bring to justice here in the United States those who would violate our laws and would destroy our communities, and taking away their illicit assets and ability to do business are all vital tools in our war on drugs. These tools must be expanded and enhanced even further in our fighting drugs.

Whether these drug kingpins be from Thailand, from Colombia, from Mexico, or elsewhere around the globe, they must be held accountable to the American people, to our institutions, and to all the laws they violate, making us the targets of their criminal activity.

These drug traffickers, their families and business associates should certainly not be able to benefit financially in their drug trade, for example, seeking to enroll their children in our best schools and our institutions of higher learning with their illicit proceeds from the destruction they visit on our society.

Denying them the fruits of their crimes and entry visas for their families to come to our Nation is another significant way to help ensure that their illicit practice will be ended.

This bill will provide overall help, improve our efforts to hold these major drug kingpins accountable. It will help take the profit and benefit out of their deadly drug trade. For those relatives, associates, and businesses that transact with these drug kingpins, the bill before us indicates that our Nation is prepared to act and to take the profit out of the drug trade.

Madam Speaker, I was honored to be an original cosponsor of this proposal that has previously passed the Senate, and I am pleased to help move forward with this proposal before we adjourn this first session of the 106th Congress. Accordingly, I urge my colleagues to join with us in this important initiative.

Madam Speaker, I yield the balance of my time to the gentleman from Florida (Mr. MCCOLLUM), and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

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

Madam Speaker, I rise in opposition to this legislation which I believe possesses the threat of turning what Members of this House would consider a laudable goal, cracking down on drug dealers, into a much more dangerous enterprise.

This bill allows the President or the FBI or the Treasury Department or the CIA to designate any person in the world as a drug kingpin, to seize his or her assets, and to make an average American subject to a decade in prison for doing business with such people.

The bill sets no standards for such a designation. The designation requires no proof. The designation cannot, according to this bill, be challenged or reviewed by a court of law. There is simply no way provided to make the Government provide the proof we expect.

It also appears to bar the family, the American families of any such individuals from entering the United States. Is this the America we want, an America in which the President or some Federal bureaucrat can simply designate someone as a bad guy and exclude American-born individuals from the country, and freeze the assets of anyone they desire, some of the assets which may be owed to law-abiding citizens? Can we really suspend all judicial review and say to hell with due process? What is the remedy if the bureaucracy gets the wrong person?

It would have been nice to have had a hearing on this bill and to look at some of these questions in committee, but we did not. This bill was not reviewed by the Committee on the Judiciary or by the Subcommittee on the Constitution. It was rushed to the floor with no adult supervision, which seems to mark every aspect of Republican rule on Capitol Hill these days.

Real people will have to live with this bill. We owe all Americans a duty to be careful and conscientious in the work we do, not to endow the executive with untrammeled power over individual liberty in order to make a statement.

This bill is an embarrassment to this House and a danger to our freedoms. Constitutional liberty and due process are precious to this country. Millions of our citizens have fought and died for liberty. In the 1950s, the fear of Communism was used to justify invasions of our traditional liberties. The Supreme Court overturned some of those invasions.

Now that international Communism is no longer a threat to us, fear of drugs is leading us down the same sad road to overturn our constitutional liberties, to overturn the due process that alone protects us and differentiates us from the Communist tyrannies we opposed. In the name of the war against drugs, we should not overturn liberty.

How can we say that the President or some bureaucrat can designate anyone they want without any evidence, without any proof, without any standards, and say that person will have his property seized, that person can go to no court, can get no review, can confront no witnesses? The court of Star Chamber would have been ashamed, and this House should be ashamed and not pass this bill.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, H.R. 3164, the Foreign Narcotics Kingpin Designation Act of 1999, is a bill to identify, expose, isolate, and incapacitate the businesses and the agents of major drug traffickers all over the world and deny them access to the United States financial system and to the benefits of trade and transactions involving U.S. businesses and individuals.

United States individuals and companies are prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any designated major drug trafficker or kingpin. Properties and assets of these drug kingpins located in the United States are blocked or frozen.

This bill is the product of several months of consultations involving the Select Committee on Intelligence, Committee on International Relations, the Committee on the Judiciary, and the Committee on Ways and Means, as well as the detailed negotiations with the National Security Council, the Treasury Department, the State Department, the Justice Department, and the intelligence community. The Clinton administration has carefully reviewed this legislation and now supports this bill.

Madam Speaker, the gentleman from New York (Chairman GILMAN) of the House Committee on International Relations, the gentleman from Illinois (Chairman HYDE) of the Committee on the Judiciary have each waived jurisdiction and consideration of the bill in committee so that it can come to the floor today prior to the conclusion of this session.

Although it did not receive referral on H.R. 3164, the Committee on Ways and Means staff were consulted and offered language changes which were incorporated into this bill.

I introduced an earlier version of this language with the gentleman from Florida (Mr. GOSS), the gentleman from New York (Mr. RANGEL), and the gentleman from New York (Mr. GILMAN) last May. Senators COVERDELL and FEINSTEIN did likewise on the Senate side and were successful in attaching the proposal to the Intelligence Authorization bill by unanimous consent of the Senate.

Unfortunately, the intelligence conference has been stalled due to other

issues. In order to move the important national security legislation that is involved here, the sponsors decided last week to offer this bill as a stand-alone for consideration of all the Members.

Unlike earlier and more limited sanctions initiatives, the kingpins bill is global in scope and focuses on major narco-trafficking groups in Mexico, Colombia, the Caribbean, Southeast Asia, and Southwest Asia. The legislation is carefully designed to focus our government's efforts against the specific individuals most responsible for trafficking illegal narcotics by attacking their sources of income and undermining their efforts to launder their drug profits in legitimate business activities.

The precedent for H.R. 3164 was the highly successful application of sanctions since 1995 against the Cali Cartel narco-trafficking organization and its key leaders. Executive Order 12978, issued by the Clinton administration in October of 1995, has had the effect of dismantling and defunding numerous business entities tied to the Cali Cartel. The Specially Designated Narcotics Trafficker sanctions program has been renewed every year, most recently this year, and has had significant impact on both the Cali and the North Coast drug cartels in Colombia.

As of October 21, 1999, the Colombian Special Designated Narcotics Trafficking list totals 496 traffickers, comprised of 5 principals, 195 entities, and 296 individuals, with whom financial and business dealings are prohibited and whose assets are blocked under Executive Order 12978.

Of the 195 business entities designated, nearly 50 of these with an estimated aggregate income of some $210 million had been liquidated or were in the process of liquidation. These specific results augment the less quantifiable but significant impact of denying the designated individuals of entities of the Colombian drug cartels access to the United States financial and commercial facilities.

Madam Speaker, I include for the RECORD the text of Executive Order 12978 of October 21, 1995, as well as a June 1998 Treasury document entitled ''Impact of the Specially Designated Narcotics Traffickers Program'' as follows:

[From the Federal Register, October 24, 1995]

EXECUTIVE ORDER 12978 OF OCTOBER 21, 1995: BLOCKING ASSETS AND PROHIBITING TRANSACTIONS WITH SIGNIFICANT NARCOTICS TRAFFICKERS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergency Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code.

I, WILLIAM J. CLINTON, President of the United States of America, find that the actions of significant foreign narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

Section 1. Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, I hereby order blocked all property and interests in property that are or hereafter come within the United States, or that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, of:

(a) the foreign persons listed in the Annex to this order:

(b) foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State:

(i) to play a significant role in international narcotics trafficking centered in Colombia; or

(ii) materially to assist in, or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to this order; and

(c) persons determined by the Secretary of the Treasury in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to this order.

Sec. 2 Further, except to the extent provided in section 203(b) of IEEPA and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date. I hereby prohibit the following:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property of the persons designated in or pursuant to this order:

(b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

Sec. 3. For the purposes of this order:

(a) the term ''person'' means an individual or entity;

(b) the term ''entity'' means a partnership, association, corporation, or other organization, group or subgroup;

(c) the term ''United States person'' means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States:

(d) the term ''foreign person'' means any citizen or national of a foreign state (including any such individual who is also a citizen or national of the United States) or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state; and

(e) the term ''narcotics trafficking'' means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or otherwise assists, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, cocaine.

Sec. 4. The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out this order.

Sec. 5. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m. Eastern Daylight Time on October 22, 1995.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON,

THE WHITE HOUSE, *October 21, 1995.*

IMPACT OF THE SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS PROGRAM

U.S. Department of the Treasury, Office of Foreign Assets Control, International Programs Division, June 1998

THE SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS PROGRAM

Executive Order 12978, signed by President Clinton on October 21, 1995 under authority of the International Emergency Economic Powers Act (''IEEPA''), found that the activities of significant foreign narcotics traffickers centered in Colombia and the unparalleled violence, corruption, and harm that they cause constitute an unusual and extraordinary threat to the United States' national security, foreign policy and economy. Treasury's Office of Foreign Assets Control (''OFAC'') enforces the narcotics trafficking sanctions under Executive Order 12978. The principal tool for implementing the sanctions is OFAC's list of Specially Designated Narcotics Traffickers (''SDNTs''). That list, known as ''la Lista Clinton'' (the Clinton list) in Colombia, is developed by OFAC in close consultation with the Justice and State Departments.

Companies and individuals are identified as SDNTs and placed on the SDNT list if they are determined, (a) to play a significant role in international narcotics trafficking centered in Colombia, (b) to materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the executive order, or (c) to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to Executive Order 12978. The objectives of the SDNT program are to identify, expose, isolate and incapacitate the businesses and agents of the Colombian cartels and to deny them access to the U.S. financial system and to the benefits of trade and transactions involving United States businesses and individuals.

U.S. individuals and companies are prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any of the SDNTs. After designation as an SDNT, all SDNT assets subject to U.S. jurisdiction are blocked. This includes bank accounts, other property, and interests in property. Violations carry criminal penalties of up to $500,000 per violation for corporations and $250,000 for individuals, as well as imprisonment of up to 10 years. Civil penalties of up to $11,000 per violation may be imposed administratively.

SUMMARY

OFAC has listed 451 companies and individuals as SDNTs against which the prohibitions and blocking authorities of Executive Order 12978 apply. Since the inception of the SDNT program in October 1995, OFAC has issued seven lists identifying SDNTs. On May 26, 1998, the SDNT list was expanded to

reach beyond the Cali cartel and now includes the names of one of the leaders of Colombia's North Coast cartel, Julio Cesar Nasser David, and 18 associated businesses and individuals that Treasury has determined are acting as fronts for the North Coast cartel. Work is underway on naming more SDNTs.

The SDNT list is currently comprised of the four Cali cartel kingpins named by President Clinton as significant narcotics traffickers, the newly-designated significant North Coast trafficker, Julio Cesar Nasser David, 154 companies, and 292 additional individuals involved in the ownership or management of the Colombian drug cartels' ''legitimate'' business empire. the SDNT businesses include a drugstore chain, a supermarket chain, pharmaceutical laboratories, a clinic, hotel and restaurant service companies, radio stations, a communications company, poultry farms and distributors, construction firms, real estate firms, investment and financial companies, cattle ranches, and other agricultural businesses. As a result of the SDNT program:

SDNTs have been forced out of business or are suffering financially. Over 40 SDNT companies, with estimated combined annual sales of over $200 million, were liquidated or in the process of liquidation by February 1998.

DNTs are denied access to banking services in the U.S. and Colombia, including bank accounts, loans, and credit cards; and existing SDNT accounts have been terminated. OFAC has identified nearly 400 closed Colombian accounts affecting over 200 SDNTs.

SDNTs have been isolated and denied access to the benefits of trade and transactions involving U.S. businesses, and existing SDNT business relationships with U.S. firms have been terminated. U.S. businessmen in Colombia have termed the SDNT program as ''a good preventive measure'' that helps them steer clear of the cartels' fronts and agents.

Individuals designated as SDNTs have suffered a ''civil death.'' Many individuals named as SDNTs have lost their jobs and have been blocked from entering the U.S. after their U.S. visas were revoked. In addition, being an SDNT in Colombia carries the overwhelming social stigma of being associated with the drug cartels. Many Colombian businessmen have re-evaluated their relationships with cartel fronts and agents as a result of the sanctions.

SDNTs Forced Out of Business

SDNTs have been forced out of business or are suffering financially since the implementation of the SDNT program in October 1995. Over 40 SDNT companies, with estimated combined annual sales of over U.S. $200 million, were liquidated or in the process of liquidation by February 1998. Some SDNT companies have attempted to continue operating through changes in their company names and/or corporate structures. To date, OFAC has placed a total of 18 of these successor companies on the SDNT list under their new company names.

Copservir, the successor company to *Drogas La Rebaja*, continues to suffer, even though its employees ostensibly purchased the drugstore chain from Gilberto and Miguel Rodriguez Orejuela and reorganized it under the new name. *Copservir* has stated that it is forced to operate on a cash basis and suffers financially because of the sanctions.

The SDNT poultry businesses owned by Helmer Herrera Buitrago, among the largest poultry firms in Colombia, have been forced to change names and reorganize in order to continue operating. For example, one Herrera SDNT poultry business, *Valle de Oro S.A.*, with sales exceeding U.S. $8.5 million in 1995, has changed its name to *Procesadora de Pollos Superior S.A.* and currently operates at a loss and is deficient in working capital.

Six pharmaceutical laboratories owned by Miguel and Gilberto Rodriguez Orejuela and designated as SDNTs have liquidated or are in the process of liquidation. Three of the six pharmaceutical laboratories reorganized under new company names and corporate structures. OFAC listed these three companies, *Farmacoop, Pentacoop,* and *Cosmepop,* as SDNTs in April 1997. These three companies, however, all have a reduced net worth and incomes and are deficient in working capital.

An ''Iron Curtain'' between SDNTs and Financial Institutions

SDNTs are denied access to banking services in both the U.S. and Colombia, including bank accounts, loans, and credit cards; and existing SDNT accounts have been terminated. These effects are in addition to the as yet unquantified, but very real, costs to the SDNT companies and individuals of being denied access to the U.S. financial and commercial systems. As one prominent financial institution told OFAC, the SDNT list has created an ''iron curtain'' between SDNTs and banks.

OFAC has identified nearly 400 closed accounts affecting over 200 SDNTs. Anecdotal evidence points to hundreds more closed accounts affecting SDNTs. This suggests that, in the financial community as a whole, the vast majority of SDNTs have lost access to banking services in Colombia as well as in the U.S.

The Rodriguez Orejuela businesses of the Cali cartel have been particularly damaged by the banks' actions. *Copservir*, the successor company to SDNT *Drogas La Rebaja*, is now operating largely on a cash basis because most banks refuse to provide it services. Blocking actions by U.S. banks were the primary reason for the liquidation of *Laboratorios Kressfor. Laboratorios Genericos Veterinarios de Colombia's* bank accounts were closed because of the sanctions, and the company is now in liquidation.

Most Colombian banks have incorporated the SDNT list into their internal compliance programs.

SDNTs are Isolated Commercially

SDNT have been isolated and denied access to the benefits of trade and transactions involving U.S. businesses, and existing SDNT business relationships with U.S. firms have been terminated since the sanctions went into effect in October 1995. U.S. businessmen in Colombia have termed the SDNT program as ''a good preventive measure'' that helps them steer clear of the cartels' fronts and agents. *Copservir* has stated that, ''As a result of the economic sanctions . . . no United States entity would conduct any business with the [*Drogas La Rebaja*] chain stores.'' Specific examples of the impact of the sanctions program on SDNT business relationships include:

Alert letters sent by OFAC to major U.S. companies, both to the parents in the U.S. and to their subsidiaries in Colombia, resulted in the cooperation of U.S. subsidiaries in terminating business relationships with SDNTs. One company sought OFAC's assistance in identifying companies trying to hide their connections to SDNTs, U.S. firms, including subsidiaries, have complied with the requirements of the SDNT program.

Alert letters sent by OFAC to nearly 5000 Colombian firms, suppliers of SDNTs prior to the implementation of sanctions in October 1995, resulted in pledges of cooperation and promises of compliance from many of the recipients. One Colombian chemical company, with several U.S. chemical manufacturing licenses, directed its subsidiaries to terminate all dealings with SDNTs.

A U.S. pharmaceutical company declined a purchase request from a suspect Colombian firm, based on information published in the SDNT list. A major European pharmaceutical company publicly announced that it would review its business relationship with an SDNT, after the press reported that it was selling drugs to an SDNT.

SDNT Individuals Suffer a ''Civil Death''

Individuals designated as SDNTs have suffered a ''civil death.'' Before an individual is permitted to open a new account, banks check ''the Clinton list.'' Many individuals named as SDNTs have lost their jobs. Many Colombian businessmen have re-evaluated their relationships with cartel fronts and agents as a result of the sanctions.

SDNTs have been blocked from entering the U.S. after losing their U.S. visas. Under State Department procedures, U.S. visas of newly-designated individuals will be revoked and any application for a U.S. visa for an SDNT individual may be denied.

Being an SDNT in Colombia carries the overwhelming social stigma of being associated with the drug cartels. William Rodriguez, the son of imprisoned Cali cartel leader Miguel Rodriguez Orejuela, has publicly stated that ''being a Rodriguez these days (i.e., being on the SDNT list) is worse than having AIDS.''

The *Drogas La Rebaja* drugstore chain, listed as an SDNT business since the inception of the SDNT program in October 1995, has been the lynchpin of the ''legitimate'' business activity of imprisoned Cali cartel leaders Gilberto and Miguel Rodriguez Orejeula. The *Drogas La Rebaja* drugstore chain, with annual profits for 1995 of over U.S. $16.3 million, saw its profits plummet in 1996. By early July 1996, William Rodriquez, the son of Cali cartel leader Miguel Rodriguez Orejuela, told a Colombian news magazine that cartel-linked companies cannot get service at local banks and said ''businesses like *Drogas La Rebaja* . . . may have shut down.''

In an effort to evade the sanctions and distance itself from its cartel owners, *Drogas La Rebaja* was ostensibly sold to its 4,000 employees for approximately U.S. $32 million on July 31 1996. *Copservir*, the new name of the employee-owned drugstore chain, continued to use *Drogas La Rebaja* as a trade name and attempted to open local bank accounts and establish business ties with U.S. firms after the purchase. In April 1997, OFAC listed *Copservir* as an SDNT. As a result of the sanctions, *Copservir* is forced to operate on a cash basis and suffers financially.

DROGAS LA REBAJA'S EARNINGS

[In millions of US dollars]

	Sales		Profits	
	1995	1996	1995	1996
Drogas La Rebaja (Eight regions) ..	139.1	111.3	16.3	4.9*

* 1996 data for Cali region is unavailable.
Source: Public records.

Madam Speaker, the administration has indicated that this list will continue to be expanded to include additional drug trafficking organizations centered in Colombia and their fronts.

Madam Speaker, I include for the RECORD the October 19, 1999, message from the President transmitting notification that the national emergency regarding significant narcotics traffickers centered in Colombia is to continue for an additional year, as well as the October 20, 1999, message from the President transmitting a 6-month periodic report on significant narcotics traffickers centered in Colombia, as follows:

NATIONAL EMERGENCY REGARDING SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING NOTIFICATION THAT THE EMERGENCY DECLARED WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA IS TO CONTINUE IN EFFECT FOR ONE YEAR BEYOND OCTOBER 21, 1999, PURSUANT TO 50 U.S.C. 1622(D):

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the Federal Register for publication, stating that the emergency declared with respect to significant narcotics traffickers centered in Colombia is to continue in effect for 1 year beyond October 21, 1999.

The circumstances that led to the declaration on October 21, 1995, of a national emergency have not been resolved. The actions of significant narcotics traffickers centered in Colombia continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and to cause unparalleled violence, corruption, and harm in the United States and abroad. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to maintain economic pressure on significant narcotics traffickers centered in Colombia by blocking their property subject to the jurisdiction of the United States and by depriving them of access to the United States market and financial system.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 19, 1999.*

NOTICE

CONTINUATION OF EMERGENCY WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA

On October 21, 1995, by Executive Order 12978, I declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions of significant foreign narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the United States and abroad. The order blocks all property and interests in property of foreign persons listed in an Annex to the order, as well as foreign persons determined to play a significant role in international narcotics trafficking centered in Colombia, to materially assist in, or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the order, or to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the order. The order also prohibits any transaction or dealing by United States persons or within the United States in such property or interests in property. Because the activities of significant narcotics traffickers centered in Colombia continue to threaten the national security, foreign policy, and economy of the United States and to cause unparalleled violence, corruption, and harm in the United States and abroad, the national emergency declared on October 21, 1995, and the measures adopted pursuant to respond to that emergency, must continue in effect beyond October 21, 1999. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency for 1 year with respect to significant narcotics traffickers centered in Colombia.

This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 19, 1999.*

SIX MONTH PERIODIC REPORT ON SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A 6-MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA THAT WAS DECLARED IN EXECUTIVE ORDER NO. 12978 OF OCTOBER 21, 1995, PURSUANT TO 50 U.S.C. 1703(C)

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 20, 1999.*

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA

I hereby report to the Congress on the developments since my last report concerning the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order No. 12978 of October 21, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (''IEEPA''), 50 U.S.C. 1703(c).

1. On October 21, 1995, I signed Executive Order 12978, ''Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers'' (the ''Order'') (60 *Fed. Reg.* 54579, October 24, 1995). The Order blocks all property subject to U.S. jurisdiction in which there is any interest of four significant foreign narcotics traffickers, two of whom are now deceased, who were principals in the so-called Cali drug cartel centered in Colombia. These four principals are listed in the annex to the Order. The Order also blocks the property and interests in property of foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State: (a) to play a significant role in international narcotics trafficking centered in Colombia; or (b) materially to assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the Order. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively ''Specially Designated Narcotics Traffickers'' or ''SDNTs'').

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDNTs, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to a violate, the prohibition contained in the Order.

Designations of foreign persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Department of the Treasury's Office of Foreign Assets Control (''OFAC'') acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On October 24, 1995, the Department of the Treasury issued a Notice containing 76 additional names of persons determined to meet the criteria set forth in Executive Order 12978 (60 *Fed. Reg.* 54582, October 24, 1995). Additional Notices expanding and updating the list of SDNTs were published on November 29, 1995 (60 *Fed. Reg.* 61288), March 8, 1996 (61 *Fed. Reg.* 9523), and January 21, 1997 (62 *Fed. Reg.* 2903).

Effective February 28, 1997, OFAC issued the Narcotics Trafficking Sanctions Regulations (''NTSR'' or the ''Regulations''), 31 C.F.R. Part 536, to further implement the President's declaration of a national emergency and imposition of sanctions against significant foreign narcotics traffickers centered in Colombia (62 *Fed. Reg.* 9959, March 5, 1997).

On April 17, 1997 (62 *Fed. Reg.* 19500, April 22, 1997), July 30, 1997 (62 *Fed. Reg.* 41850, August 4, 1997), September 9, 1997 (62 *Fed. Reg.* 48177, September 15, 1997), and June 1, 1998 (63 *Fed. Reg.* 29608, June 1, 1998), OFAC amended appendices A and B to 31 C.F.R. chapter V, revising information concerning individuals and entities who have been determined to play a significant role in international narcotics trafficking centered in Colombia or have been determined to be owned or controlled by, or to act for or on behalf of, or to be acting as fronts for the Cali cartel in Colombia.

On May 27, 1998 (63 *Fed. Reg.* 28896, May 27, 1998), OFAC amended appendices A and B to 31 C.F.R. chapter V, by expanding the list for the first time beyond the Cali cartel by adding the name of one of the leaders of Colombia's North Coast cartel, Julio Cesar Nasser David, who has been determined to play a significant role in international narcotics trafficking centered in Colombia, and 14 associated businesses and four individuals acting as fronts for the North Coast cartel. Also added were six companies and one individual that have been determined to be owned or controlled by, or to act for or on behalf of, or to be acting as fronts for the Cali cartel in Colombia. These changes to the previous SDNT list brought it to a total of 451 businesses and individuals.

On June 25, 1999, OFAC amended appendix A to 31 C.F.R. chapter V by adding the names of eight individuals and 41 business entities acting as fronts for the Cali or North Coast cartels and supplementary information concerning 44 individuals already on the list (64 Fed. Reg. 34984, June 30, 1999). The entries for four individuals previously listed as SDNTs were removed from appendix A because OFAC had determined that these individuals no longer meet the criteria for designation as SDNTs. These actions are part of the ongoing interagency implementation of Executive Order 12978 of October 21, 1995. The addition of these 41 business entities and eight individuals to appendix A (and the removal of four individuals) brings the total number of SDNTs to 496 (comprised of five principals, 195 entities, and 296 individuals) with whom financial and business dealings are prohibited and whose assets are blocked under the 1995 Executive Order. The SDNT list will continue to be expanded to include additional drug trafficking organizations centered in Colombia and their fronts.

3. OFAC has disseminated and routinely updated details of this program to the financial, securities, and international trade communities by both electronic and conventional media. In addition to bulletins to banking institutions via the Federal Reserve System and the Clearing House Interbank Payments Systems (CHIPS), individual notices were provided to all relevant state and federal regulatory agencies, automated clearing houses, and state and independent banking associations across the country. GFAC contacted all major securities industry associations and regulators. It posted electronic notices on the Internet, more than ten computer bulletin boards and two fax-on-demand services, and provided the same material to the U.S. Embassy in Bogota for distribution to U.S. companies operating in Colombia.

4. As of September 15, 1999, GFAC had issued 14 specific licenses pursuant to Executive Order No. 12978. These licenses were issued in accordance with established Treasury policy authorizing the completion of pre-sanction transactions, the receipt of payment of legal fees for representation of SDNTs in proceedings within the United States arising from the imposition of sanctions, and certain administrative transactions. In addition, a license was issued to authorize a U.S. company in Colombia to make certain payments to two SDNT-owned entities in Colombia (currently under the control of the Colombian government) for services provided to the U.S. company in connection with the U.S. company's occupation of office space and business activities in Colombia.

5. The narcotics trafficking sanctions have had a significant impact on the Colombian drug cartels. SDNTs have been forced out of business or are suffering financially. Of the 195 business entities designated as SDNTs as of September 7, 1999, nearly 50, with an estimated aggregate income of more than $210 million, had been liquidated or were in the process of liquidation. Some SDNT companies have attempted to continue to operate through changes in their company names and/or corporate structures. OFAC has placed a total of 27 of these successor companies on the SDNT list under their new company names.

As a result of OFAC designations, Colombian banks have closed nearly 400 SDNT accounts, affecting nearly 200 SDNTs. One of the largest SDNT commercial entities, a discount drugstore with an annual income exceeding $136 million, has been reduced to operating on a cash basis. Another large SDNT commercial entity, a supermarket with an annual income exceeding $32 million, entered liquidation in November 1998 despite changing its name to evade the sanctions. An SDNT professional soccer team was forced to reject and invitation to play in the United States, two of its directors resigned, and the team now suffers restrictions affecting its business negotiations, loans, and banking operations. These specific results augment the less quantifiable but significant impact of denying the designated individuals and entities of the Colombian drug cartels access to U.S. financial and commercial facilities.

Various enforcement actions carried over from prior reporting periods are continuing and new reports of violations are being aggressively pursued. Since the last report, OFAC has collected no civil monetary penalties but is continuing to process a case for violations of the Regulations.

6. The expenses incurred by the Federal Government in the six-month period from October 21, 1998 through April 20, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declarations of the national emergency with respect to Significant Narcotics Traffickers, are estimated at approximately $650,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, and the Office of the General Counsel, the Department of Justice, and the Department of State. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

7. Executive Order 12978 provides this Administration with a tool for combating the actions of significant foreign narcotics traffickers centered in Colombia and the unparalleled violence, corruption, and harm that they cause in the United States and abroad. The Order is designed to deny these traffickers the benefit of any assets subject to the jurisdiction of the United States and to prevent United States persons from engaging in any commercial dealings with them, their front companies, and their agents. Executive Order 12978 and its associated SDNT list demonstrate the United States' commitment to end the damage that such traffickers wreak upon society in the United States and abroad. The SDNT list will continue to be expanded to include additional Colombian drug trafficking organizations and their fronts.

The magnitude and the dimension of the problem in Colombia—perhaps the most pivotal country of all in terms of the world's cocaine trade—are extremely grave. I shall continue to exercise the powers at my disposal to apply economic sanctions against significant foreign narcotics traffickers and their violent and corrupting activities as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Madam Speaker, H.R. 3164 is closely modeled on the precedents and procedures established under the Executive Order just mentioned. The kingpins bill codifies the interagency designation process and ensures proper and timely congressional oversight of such designations by the various committees of jurisdiction and is involved in this matter.

Our intent is to use the success of the Colombia Specially Designated Narcotics Traffickers program to apply these methods on a global basis against all the significant drug traffickers.

The bill blocks or freezes all property or assets subject to U.S. jurisdiction with which there is any interest of significant foreign narcotics traffickers.

□ 1200

It also blocks the property and interests in property of foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of State, and the Secretary of Defense, A, to play a significant role in international narcotics trafficking; or, B, to materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated by the executive branch or pursuant to this legislation.

In addition, the bill blocks all property and interests in property subject to U.S. jurisdiction of foreign persons determined by the Secretary of Treasury to be owned or controlled by, or to act for or on behalf of persons designated bay the executive branch pursuant to this legislation.

The bill carries criminal penalties of up to 10 years in prison and $10 million in fines for somebody who violates this act, or for anyone who refuses or willfully neglects to comply with any presidential order under the bill. Officers or agents of corporations or other entities could get up to 30 years in prison, and there are civil fines.

The kingpins bill will ensure congressional input and oversight of this designation in the sanctions process. Starting next June 1, and every June 1 thereafter, the President will be required to submit to Congress an unclassified report that publicly identifies the foreign persons that the President determines are appropriate for sanctions under the act and publicly details the President's intent to impose sanctions on these significant foreign narcotics traffickers.

The President will further be required to submit a classified report to the congressional intelligence committees on July 1 of each year detailing the status of the sanctions, including personnel and resources directed toward the imposition of such sanctions during the preceding year, with background information with respect to newly identified significant foreign narcotics traffickers and their activities. This report, the classified one, will describe any and all actions the President intends to undertake or has undertaken against such narcotics traffickers.

The kingpins process is carefully structured to protect intelligence and law enforcement community sources and methods from exploitation by persons linked to these groups. Designations of foreign persons blocked pursuant to the legislation will be effective upon the date of determination by the director of the Treasury's Office of Foreign Assets Control, acting under the authority of the Secretary of the Treasury. Public notice of the blocking is effective upon the date of the filing with the Federal Register or upon actual notice. The Office of Foreign Assets Control has disseminated and routinely updates details of the Colombian program and certainly can do so here as well.

With respect to the Colombian program that exists now, the Office of Foreign Assets Control contacted all major securities industry associations and regulators, posted electronic notices on the Internet and computer bulletin boards, and two fax-on-demand services, and provided the same material to the U.S. Embassy in Bogota, and I would expect them to do so under this bill.

The kingpins process is intended to supplement not replace United States policy of annual certification of countries based on their performance in

combating narcotics trafficking. Its sponsors' intent is that the implementation of this bill will require additional resources in personnel from intelligence and law enforcement communities to make it a truly global process. It is my hope the administration will request additional funding for fiscal year 2001 for all of those concerned to make this process work. The success of the Colombian program has largely been the product of close U.S. cooperation with Colombian law enforcement and regulatory agencies, and we would expect the same with all of the other countries today.

I strongly urge the support of this bill and the adoption of it.

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

Mr. CROWLEY. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. RANGEL).

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I have been in the Congress for close to 3 decades. I have heard more presidents declare war against drugs, and the results really have been declaring war against young people.

If we were to take a look at the results of this war, we will find that we have about 2 million young people locked up in jail. Most all of these people come from minority communities that have been addicted to drugs, they have been arrested and, in most cases, have had mandatory sentences, where judges do not even consider the facts and circumstances surrounding the violation of the law.

These are not drug traffickers or kingpins or people that we were supposed to declare war against. And more often than not, we find that the public school systems located in the areas where we find the most arrests are systems that are not providing education to these people. Is it right? Is it legal? Of course not. Should it be dealt with? Of course it should. But the war that has not been declared is the war against those people that manipulate our republic, that manipulate the bank system, that are able to do these things because they have the funds and they do not end up in jail.

It seems to me that what this legislation says, which I am an original sponsor of, is that we are going to declare war against those people that not only violate our law but are a threat to our national security. When before have we heard that we are reaching out for the strong resources of these United States, the President, the Justice Department, which includes the FBI, and we are talking about the CIA and all of the forces that are supposed to protect the United States of America, to get to the people, like terrorists, who do not deserve the support of the United States Constitution? We are asking the President to declare war, to bring in the Department of Defense, and not to allow people to use our system in order to bring the poison into the United States where weak people and untrained people become the ultimate person that is being destroyed.

We see right now that we are building more jails than we are schools, and State legislatures all over the country are fighting for prisons to be located in their rural districts rather than support for farmers. And what we are seeing right now is that international drug traffickers who use our banks, who use our systems are a threat to our system.

Now, we can get some people who want to find out what their constitutional rights are, but I tell my colleagues this, it just seems to me that we should not just concentrate on those who violate the laws on our streets and are arrested in the streets, but those who violate our national law and the international law. The people that we find doing the 5 and the 10 and the 20 and the 30 years are not the people who are banking and financing the drug trafficking in this country. They do not grow the drugs, they do not manufacture the drugs, they do not process the drugs, they do not use our banking system. They are guilty. They are guilty of using the drugs and selling the drugs in order to maintain their habits, and they should go to jail. But that should not be the direction in which we have our national drug policy.

We should go after the worst of the lot; those who are sober, those who have clear thinking, those who have no regard at all for their fellow man, those that use the system, make the money, hire the lawyers and manipulate the United States of America. I hope what this means is when the President declares war, he is bringing all of the people that have the intelligence, that have the power to take these people, take their assets, and let them know, ''Not in our country can they do that.''

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

Mr. Speaker, the distinguished gentleman from New York (Mr. RANGEL) put his finger on several of the aspects of this bill. He is quite right, we should not be jailing drug users for 20 and 30 years. Those are silly laws. And we should go after the drug kingpins, clearly. But then he said we should declare war against people who do not deserve the protection of the United States Constitution, unquote.

Everybody deserves the protection of the United States Constitution, Mr. Speaker. Everybody who is in this country or has property in this country deserves the protection of the United States Constitution. That is the basis of constitutional liberty. Once we say that someone, no matter how heinous a criminal or vile a villain does not deserve due process of law, once we say that we can tear down the laws that we have erected for the protection of our liberties to get at the devil, then, as Sir Thomas More says, there is no protection for anybody.

That is what this bill does. This bill says that if the President or the Secretary of the Treasury declares so-and-so a drug kingpin, we will seize that person's property, without any due process of law, without any hearing, without any evidence or without any proof. And he has no recourse. No lawyer on his behalf may go into court and say the Secretary's wrong; that they have the wrong person, there is no evidence he is a drug kingpin. Perhaps the President really designated him because he did not like his political views or he did not give a large enough campaign contribution, assuming some future villainous president.

The fact is there has to be due process, no matter how vile the villain. We do not believe in lynch laws. We do not string up the rapist until after he has a fair trial. And this bill goes against this.

The gentleman from New York (Mr. RANGEL) said, ''They are guilty.'' Yes, the drug kingpins are guilty, but is the individual designated really a drug kingpin? Do we not need evidence; do we not need some due process?

Again, in the name of wars, we often destroy liberty. In the name of the drug war, we are going further and further down a road to destroy the liberty that we hold so precious. This bill is a large step in that direction.

Why does the bill say there shall be no judicial review of the designation or the determination by the President; because we do not trust the courts or because we want to cut corners, and getting a drug kingpin is more important than protecting our liberty? If we did not have that paragraph in this bill, if judicial review were allowed to people whose property is going to be seized because the President or the Secretary of State thinks they are a drug kingpin, maybe this bill would be defensible. But as it is, it is simply a bill that says let us tear up the Constitution, let us go back before the Magna Carta, the king is always right, no one can question him, the President is a king. This bill should not be passed.

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

Mr. MCCOLLUM. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. GOSS), coauthor of this bill and chairman of the Permanent Select Committee on Intelligence.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I am pleased to join my colleague, the distinguished gentleman from Florida (Mr. MCCOLLUM), in offering H.R. 3164, the Foreign Narcotics Kingpin Designation Act, for the House's consideration this morning. It is an important piece of legislation.

Since its attachment by Senators COVERDELL and FEINSTEIN to the Senate version of the intelligence authorization bill last July, the kingpins bill has been the subject of extensive negotiation among the committees of jurisdiction and the Clinton administration.

Because this provision has now been caught up with some unrelated problems in the intelligence conference and the intelligence bill, we felt it important that the extensive work that has been done to perfect this legislation not be lost in the waning days of this session and, thus, here we are.

As a result, the House today has a chance to endorse an even better bill, sending a strong signal that we intend to win the war on drugs by going after the criminals who make themselves rich at the expense of America's young people and so many other unsuspecting victims and helpless addicts around the world.

The kingpins legislation takes the successful model of the Colombia kingpin program that was established under Executive Order 12978 in 1995, and creates an annual kingpin designation process, global in scope and subject to rigorous congressional oversight. I repeat, rigorous congressional oversight. The kingpins list will be the result of a tested and continuing interagency review process that incorporates verifiable information from the law enforcement and intelligence communities on the illicit activities of significant foreign narcotics trafficking entities.

The process includes safeguards that are present to protect the innocent. An unclassified listing of kingpins, their business associates, and their related entities will be sent to the Congress on an annual basis beginning on June 1, 2000. A classified report on the specific activities and findings of the kingpins program will be provided to the intelligence committees beginning on July 1, 2000.

Our goal is simple: To identify kingpins and their supporting organizations in Latin America, the Caribbean, Southeast and Southwest Asia, Europe, the former Soviet Union, Africa, and elsewhere. Following identification, the process will then seek to disrupt and dismantle these foreign criminal cartels.

In my view, the kingpins mechanism represents a proven and a powerful capability for the President and the Congress to improve the counter-drug performance of ourselves and our allies in the war against drugs. As important, it intensifies the legal and financial pressure on significant multinational criminal organizations. And, third, it encourages greater cooperation and information sharing between the United States agencies and our foreign counterparts, who are indeed very helpful on the war on drugs.

In the case of Colombia, for example, the program has been singularly successful against the Cali cartel because of the assistance furnished by Colombian law enforcement and regulatory agents.

Mr. Speaker, I will insert for the RECORD an August 27, 1999 op-ed from the New York Times on the kingpins bill and an October 13, 1999 letter to Senator COVERDELL on the kingpins provision be included in the RECORD. These are especially instructive pieces of commentary.

In a recent Southwest Florida town meeting on what our communities can do to better fight the war on drugs, I stressed the many levels on which we need to wage battle.

□ 1315

We have to look at the demand and we have to look at supply and everything in between and what is going on in our community and what is happening halfway around the world. So we have this bill today which sends a very clear strong message to our kids that we will go to the mat for them, that we are sending a clear signal to the narcotics bad guys that we are coming after them where it hurts them most, in their pocketbook, going after their profits. I think that is sort of critical.

I wish to commend all those who have worked in this effort, starting particularly at the very top with the gentleman from Illinois (Speaker HASTERT), whose leadership and consistent commitment to this effort has been unwavering, as has been his support.

I urge all Members to take a good close look at this resolution. I cannot imagine any reason in the world to vote against it. I think there is every reason to vote for it. I urge their support after their careful consideration.

Mr. Speaker, I include the following statements for the RECORD:

[From the New York Times, August 27, 1999]

VOTE ON DRUGS

(By A.M. Rosenthal)

Notice to the public:

Vote now on drugs, one of the only two ways.

1. If you support the war against drugs, vote now for pending Congressional legislation designed to wound major drug lords around the world. It cuts them off from all commerce with the U.S., now a laundry for bleaching the blood from drug-trade billions and turning them into investments in legitimate businesses.

Vote by telling your members of Congress that when the House-Senate bill authorizing intelligence funds comes up for final decision, probably next month, you want them to vote for the section called ''blocking assets of major narcotics traffickers.''

Insist they start now to tell the Administration not to try to water it down to satisfy any country for diplomatic or economic reasons—including Mexico, the biggest drug entry point for America, already complaining about ''negative consequences'' of the proposal.

Turn yourself and your civil, labor or commercial organization, or religious congregation, into lobbies for the bill—counterweight to the lobbies of drug-transfer nations and American companies beholden to them.

2. If you are against the war on drugs or just don't care about what drugs are doing to our country, then don't do a thing. That is a vote, too.

That's the way it is in Washington. Members of Congress introduce legislation, committees discuss it for months, votes are taken and then when the time comes to work out House-Senate differences, administrations on the fence and under professional lobbyists' pressure use their power to try to mold the legislation to their liking. That is exactly the time for ordinary Americans around the country to do their own lobbying.

The bill targeting drug lords extends throughout their vicious world the economic sanctions already directed at Colombian drug lords, by President Clinton's executive order. It will prohibit any U.S. commerce by specifically named drug operators, seize all their assets in the U.S., and ban trading with them by American companies.

The bill specifies that every year the U.S. Government list the major drug lords of the world, by name and nation. The lists are certain to include top drug traders from countries such as Afghanistan, Jamaica, the Dominican Republic, Thailand and Mexico.

In the Senate it was introduced by Paul Coverdell, a Georgia Republican, and Dianne Feinstein, Democrat from California, and passed with bipartisan support. In the House it also has support in both parties, including Porter Goss of Florida, a Republican and chairman of the House Intelligence Committee, and Charles Rangel, the New York Democrat. It waits the final September House-Senate Joint Intelligence Committee vote.

For awhile I heard from within the Administration the kind of mutters that preceded the Clinton certification last year that Mexico was carrying out anti-drug commitments satisfactorily, which was certainly a surprise to Mexican drug lords.

Then, yesterday, the White House told me that it favored some target sanctions.

Its objection to the bill was that the Administration would have to list all major drug lords for the President to choose targets, and that could endanger investigations. The White House said it would be better for the President to select targets without having to choose from a list.

Bit of a puzzle. The bill already gives him the right to decide which of the drug lords to target from the Administration's unpublished list. But some members of Congress think the motive is to avoid a list that might include just a little too many from a ''sensitive country.''

No one bill will end the drug war. Only the determination of Americans to use every sort of resource will do that—parental teaching, law enforcement with some compassion toward first offenders and none for career drug criminals, enough money for therapy in and out of jails, targeting drug lords—and passionate leadership.

That would preclude Presidential candidates who mince around about whether they used drugs when they were younger—unless they grow up publicly and quickly.

Dr. Mitchell S. Rosenthal, head of the Phoenix House therapeutic communities, says that the bill ''reflects the kind of values that we don't hear enough these days.'' So vote—one way or the other.

DEPARTMENT OF THE TREASURY,
Washington, DC, October 13, 1999.

Hon. PAUL COVERDELL,
U.S. Senate, Washington, DC.

DEAR SENATOR COVERDELL: You have requested the views of the Office of Foreign Assets Control regarding two specific provisions in draft legislation to impose sanctions against significant foreign narcotics traffickers contained in the intelligence Authorization Bill (that has been characterized to us as the Senate Intelligence Committee version). We discuss each of those below without addressing the larger issues of the proposed legislation that are being addressed separately by the Administration.

''KNOWING'', WILLFUL'', OR ''INTENTIONAL''

We object to the addition of any of the following words into the administrative process

for identifying significant foreign narcotics traffickers and their organizations: ''knowing'', ''willful'', or ''intentional''. It has been proposed to insert ''knowing and willful'' (alternatively ''intentional'') into section 703(a)(1)(A) [page 4, line 20], and into the definition of ''significant foreign narcotics trafficker'' in section 708(5) [page 20, lines 25–26].

The use of ''knowing'', ''willful'', or ''intentional'' would impose an unreasonable additional obstacle to the designation of foreign narcotics kingpins and their organizations. It sets a higher evidentiary threshold, making it more difficult for the Secretary to compile a sufficient record upon which to recommend significant foreign narcotics traffickers and their organizations for designation by the President. Documenting the state of mind of a foreign narcotics trafficker is likely to be difficult, if not impossible, even when there is, in fact, no doubt about that person's narcotics trafficking activities. In the case of a trafficker's organization, there is no viable means to assert that an organization has a ''state of mind'' much less to prove what constitutes that organization's ''state of mind.'' We believe that the existing standards for designation are rigorous enough to avoid arbitrary and capricious actions under the proposed law.

The findings and purpose provisions of sections 701 and 702 make clear that the proposed sanctions legislation is attempting to follow the model established by the IEEPA program against Colombian cartels. Such sanctions are not aimed at proving or prosecuting the specific narcotics trafficking cases of other crimes of the kingpins and their organizations. They are directed at denying the traffickers and their organizations (including their business enterprises and agents) access to the benefits of trade and transactions involving the United States and, specifically, U.S. businesses and individuals. To accomplish this sanctions objective, we need to identify and prohibit transactions with the kingpins and their organizations, not because they are engaged in narcotics trafficking or other crimes *per se*, but because the totality of their activities poses a threat to the national security, foreign policy and economy of the United States.

JUDICIAL REVIEW

We also object to the judicial review provision as drafted. The judicial review exception in paragraph (f)(2) of section 704 is too broadly drawn. As drafted, the provision allows the U.S. person to seek review of the blocking of any assets of its foreign partner, whether or not those assets are jointly owned. Thus, in the guise of a process for review of an assets blocking involving a U.S. party's interests, it would permit judicial review of the Treasury secretary's designation determination regarding that foreign party. This would circumvent the limitations on that review that are provided in subsection (f)(1). The Administrative Procedure Act already provides for judicial review of final agency actions; and, therefore, additional judicial review provisions are unnecessary.

I am at your disposal to discuss these or any other matters relating to the pending bill or to the Specifically Designated Narcotics Traffickers program being used against the Colombian drug cartels under E.O. 12978 and IEEPA. My telephone number is 202–622–2510.

Sincerely,

R. RICHARD NEWCOMB,
Director, Office of Foreign Assets Control.

OFFICE OF FOREIGN ASSETS CONTROL, U.S. DEPARTMENT OF THE TREASURY

EVIDENTIARY REQUIREMENTS FOR THE SDNT PROGRAM, SEPTEMBER 16, 1999

All Specially Designated Nationals (''SDN'') programs require that our designations pass an ''arbitrary and capricious'' test; and all designations are based upon a non-criminal standard of ''reasonable cause to believe'' that the party is owned or controlled by, or acts, or purports to act, for or on behalf of the sanctioned country or non-state party. Furthermore, the IEEPA–SDNT Executive order has an additional designation basis for foreign firms or individuals that ''materially . . . assist in or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities'' of the named drug kingpins or other, already designated SDNTs.

In implementing the Colombia IEEPA–SDNT program, OFAC analysts identify and research foreign targets that can be linked by evidence to individuals or entities already designated pursuant to E.O. 12978. To establish sufficient linkage, OFAC initially was dependent upon a significant body of documentary evidence developed through criminal law enforcement raids and seizures. For most of the continuing designations under E.O. 12978 (that now total 496 with the June 8 addition of 41 entities and 8 individuals to the SDNT list), OFAC has not used criminal law enforcement information and instead has depended upon OFAC's own research and information collection.

The President's involvement was required in the designation of only the original four Cali cartel kingpins named in the annex to E.O. 12978. Additional kingpins are developed by close coordination between OFAC and Justice, and the preponderance of the SDNTs are designated as the result of OFAC's research and collection efforts.

OFAC reaches designation determinations after extensive reviews of the evidence internally and with the Department of Justice. In the SDNT program, E.O. 12978 requires that the State and Justice Departments be consulted by Treasury prior to a designation; and, as noted above, Justice is deeply involved in examining the sufficiency of the evidence that occurs before any parties are added to the list.

OFAC regulations provide for post-designation review and remedies. The usual forum for considering removal of a designation (such as a change in circumstances or behavior) is one in which the named party petitions OFAC for removal. Most petitioners initiate the review process simply by writing us.

Exchanges of correspondence, additional fact-finding, and, often, meetings occur before OFAC decides whether there is a basis for removal. Most parties seeking removal have followed this approach. Although a number of persons have been removed through this means, overall only a very few parties on the SDNT and other SDN lists have ever petitioned for removal. Federal courts have held that no pre-deprivation hearing is required in blocking of assets because of the Executive Branch's plenary authority to act in the area of foreign policy and the obvious need to take immediate action upon designation to avoid dissipation of affected assets.

OFAC actions are reviewable in Federal court under the Administrative Procedure Act. There have been few such cases in the history of the SDN programs; and no court has struck down any of OFAC's designations. A U.S. District Court case (*Copservir* v. *Newcomb*) brought on behalf of SDNT companies of the Rodriguez-Orejuela cartel (Miguel and Gilberto Rodriguez-Orejuela, ''MRO–GRO'') was dismissed. It has now been appealed. An associated SDNT lawsuit involving 21 individual SDNTs connected to the MRO–GRO businesses (*Arbelaez* v. *Newcomb*), is currently pending before the same Federal court that dismissed the *Copservir* case. Under the APA, the Government must demonstrate that OFAC's action was neither arbitrary nor capricious.

Evidence to support designations is acquired through research and investigation by OFAC and other Federal agencies; and it involves a broad spectrum of sources. All of OFAC's designation programs adhere to a process of thorough evidentiary development and review and are consistent with U.S. statutes and the decisions of our courts. Designation decisions are coordinated in all programs. In the IEEPA–SDNT program against Colombian traffickers, the State and Justice Departments must be consulted prior to a designation; and OFAC works closely with them and with other interested investigative and information-collecting agencies.

OFAC'S CURRENT PRACTICES

Designations, notice and awareness. The IEEPA–SNDT program against Colombian traffickers is our working model for a procedure. Designations of foreign persons under this program, particularly the derivative designations of foreign businesses, are kept secret until they have occurred to ensure that assets within U.S. jurisdiction may be blocked and that the designation investigation about the entity and related inquiries about other persons are not compromised.

When a designation is effected, several actions occur either simultaneously or in close sequence to one another. After concurrence from Justice and State, OFAC's director makes the designation. Shortly thereafter, the following will occur:

Actual notice. OFAC provides actual notice of blocking and designation to specific financial institutions or other businesses that are believed to have accounts or other assets of the designated narcotics trafficker or to be handling or engaging in transactions involving that target.

Cyberspace notice. OFAC simultaneously initiates a set of electronic notifications, including updates to the SDNT list and public information brochures on its web site, that notify the financial community and the public at large that these parties have been designated and that the prohibitions of the program are in effect with respect to them. Specific steps include:

Electronic Fedwire alert to 5,000 on-line financial institutions.

Electronic CHIPS alert to the 250 money center banks.

Uploading of the OFAC web site SDNT list with the new names and an updated comprehensive SDNT list (a visual alert to new SDNTs is featured on the web site) and updated OFAC public information brochures.

Uploading of the new designations and the expanded SDNT list to other web sites (Treasury Electronic Library; GPO Federal Bulletin Board; Commerce's Economic Bulletin Board; Office of the Comptroller of the Currency's fax-on-demand service; Commerce's STAT–USA/FAX, a fax-on-demand service.

Updating OFAC's own fax-on-demand service.

Telephone and/or fax notifications to federal bank regulatory agencies.

Federal Register publication. Constructive legal notice is effected through publication of the new SDNTs in the Federal Register.

Publicity. Press announcement by Treasury or the White House is common in order to have the broadest effective notice and impact on the targeted foreign parties.

Counter-narcotics community. Other federal counter-narcotic elements are notified, too. Commonly, classified cables have been sent in advance to U.S. embassies in affected foreign countries to make them aware that an SDNT action is about to occur. In the Colombia SDNT context, the U.S. embassy and

OFAC (which has an officer assigned to Bogota) coordinate closely throughout the process.

Host government. To the extent feasible, the USG coordinates carefully with the host government concerning the designated parties, and it works cooperatively with appropriate host government authorities to pursue additional measures and leads against the significant foreign narcotics traffickers and the SDNTs.

U.S. businesses. When U.S. firms are believed to have on-going, previously lawful dealings with the designated foreign party, they are notified promptly by OFAC, directed to cease the now prohibited activities and to block any SDNT assets within their control, and advised of their rights and responsibilities under IEEPA and OFAC's regulations. Relationships between U.S. firms and SDNTs have usually been discovered after the fact, and there have been very few cases where post-designation transactions were discovered. In helping U.S. firms comply with the SDNT program., OFAC has followed a practice of disseminating:

Program awareness letters to U.S. businesses that are starting to do business with Colombian firms. (To date, three such letters have been sent in the SDNT program.)

Specific awareness letters to U.S. firms and their Colombian subsidiaries that are believed to have had pre-designation dealings with SDNTs. (To date, 32 such letters have been sent.)

Specific alert letters, including cease and desist instructions, to U.S. firms and their foreign subsidiaries that have been found to have post-designation dealings with SDNT companies or their successor firms. (To date, 15 such letters have been sent to U.S. firms and their foreign subsidiaries.)

In the rare case where apparently willful post-designation dealings by a U.S. firm with an SDNT were to be discovered, a referral for preliminary criminal investigation would be made to U.S. Customs.

With regard to U.S. businesses, banks and individuals, the purpose of the SDNT program is not to create criminal jeopardy for unwitting U.S. businesses; it is to inform U.S. persons of the identities of the prohibited foreign parties. OFAC works to identify and expose the SDNTs in order to prevent prohibited transactions and dealing with the SDNTs, to block their identifiable assets, and to deny the SDNTs access to the U.S. financial and commercial systems and to the benefits of trade and transactions involving U.S. businesses and individuals.

Legitimate foreign banking and business sector. OFAC also seeks voluntary compliance with the U.S. sanctions programs by the legitimate foreign banks and businesses in Colombia. OFAC's director and officers have met regularly with Colombian bankers and business groups from the beginning of the SDNT program in a successful effort to develop a cooperative working relationship and voluntary compliance with the U.S. sanctions in isolating the drug kingpins and their business enterprises and operatives. These measures, which are being expanded upon, have included:

More than 450 general alert letters to Colombian firms that had pre-sanctions supply or other business relationships with SDNT firms.

Other specific alert letters to Colombian banking authorities about SDNT accounts.

Numerous meetings with Colombian bankers and businessmen.

Ownership and control. Designations under OFAC's SDNT program and its other nine programs that employ the SDN concept are based upon a non-criminal standard of ''reasonable cause to believe'' that the party is owned or controlled by, or acts, or purports to act, for or on behalf of the sanctioned country or, as in the case of the significant narcotics traffickers centered in Colombia, the sanctioned non-state party. The IEEPA/SDNT narcotics Executive order has an additional designation basis where foreign persons ''materially . . . assist in or provide financial or technological support for or goods or services in support of, *the narcotics trafficking activities*'' of one of the named drug kingpins or another of the already-named SDNTs (emphasis supplied).

OFAC has an established practice for reaching determinations of ownership or control. It is not an inflexible formula but is, rather, a judicious assessment of the nature and quality of the *indicia* of control drawn from the totality of available information about the entity in question. Prominent, but not exhaustive, criteria used in determining SDNT control of and entity are:

Exercise of voting power: size of equity holdings; direct and indirect shareholding percentages; existence of voting trusts, supermajority voting requirements, or other mechanisms to consolidate voting power or block initiatives of other shareholders.

Exercise of managed authority: identities of the board of directors, executive committees, and other managed bodies controlling the business policies of the entity; ability to designate officers or directors.

Exercise of operating authority: identities of major officials and senior managers with day-to-day operating authority or control over the types of transactions conducted by the business.

History of operations: objective indications that the business is run for the benefit of SDNTs.

The courts have held that OFAC's interpretations are consistent with the premise of the Executive Order, which lies in the recognition that the four principal narcotics traffickers named in the annex to the E.O. have invested their vast drug fortunes in ostensibly legitimate companies.

Mr. CROWLEY. Mr. Speaker, I yield myself such time as I may consume; and I rise in support of H.R. 3164, the Foreign Narcotics Kingpin Designation Act.

Mr. Speaker, the legislation before the House today is part of our constant battle to get a grip on the flow of illegal narcotics into the United States.

This bill will give the President additional tools to combat international narcotics traffickers, to freeze their assets in the U.S., to prohibit them from conducting business in the U.S., and exclude them from entering this country.

Given the negative impact of illegal drug use on our citizens, this legislation could not come at a more appropriate time. Illegal drug use is destroying our children and ruining lives, making our streets unsafe, and contributing to the substantial growth of the U.S. prison population.

Illegal drug use in the U.S. has also generated huge profits for international drug cartels. These cartels then use that money to branch out into other areas of international crime and to destabilize foreign governments that seek to crack down on illegal drug production.

In short, the U.S. must continue to move aggressively to crack down on the international narcotics kingpins which keep the drugs flowing into the U.S.

The bill before us today will help the President wage that war. The legislation requires the Secretaries of Treasury, Defense, and State, the Attorney General, and the CIA Director to provide a list to the President of significant foreign narcotics traffickers. The President would then be required to impose sanctions against narcotics traffickers on the list and others that lend them material support, including freezing the traffickers' assets in the U.S., blocking transactions between U.S. citizens and the drug traffickers, and prohibiting the traffickers from receiving visas to come to our country.

It would also provide the President with a national security interest waiver, as well as the ability to provide information to Congress in a classified format to protect intelligence and law enforcement information.

The administration supports this legislation, in part because it is based on a similar initiative launched by President Clinton against Colombian narcotics traffickers.

In October of 1995, President Clinton issued an executive order which targeted and applied sanctions to four international narcotics traffickers and organizations that operate out of Colombia. The bill before us today will expand that initiative to other countries, as well.

I urge my colleagues to support H.R. 3164, the Foreign Narcotics Kingpin Designation Act.

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

Mr. NADLER. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I rise in opposition to the bill not because I do not support the objective of trying to cut back on drugs and illegal drug activity in this country, but because I am concerned that we are giving the President and the administration far, far too much authority and subjecting them to far, far too little review.

The notion that we in this Congress can oversee the designation of who is designated a drug kingpin effectively is just nonsense. We do not have the ability to do that. The appropriate place to do that is not in the Congress of the United States. The appropriate place to do that is in the courts of the United States.

This provision, which denies any judicial review to the determinations made by the administration under this bill, is just un-American. I mean, I have never seen the ability of the President to take and block assets of people who are living in this country and then say in a law the determinations, identifications, findings, and designations made pursuant to section 4 and subsection (b) of this section shall not be subject to judicial review.

That is what the courts are for. We are not saying that there should not be a designation. But if the designation is

wrong, the people have to have the right to the court.

Mr. MCCOLLUM. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of this legislation for a couple of reasons. We have to look very carefully as to what it does.

First of all, it directs the Secretary of the Treasury to designate foreign narco-traffickers. A very simple designation. The argument was made by the gentleman from North Carolina (Mr. WATT), well, there ought to be some review of this.

The second step is what is reviewable. And that is that those so designated would not be permitted to own or transfer property in the United States or engage in U.S. financial transactions. That, under the Administrative Procedures Act, would be appealable, would be reviewable. And so, if the administration maintained a list of narco-traffickers, which they are entitled to do, which is appropriate to do, then if they seize those assets, then that would be subject to administrative review.

The third thing that is very, very important is that it only applies to foreign individuals and entities. This is the linchpin of this legislation, is not to American citizens but it is to foreign entities and individuals. If their assets are blocked, then, once again, that would be subject to administrative review.

Why is all of this important? It is important because we are attacking the sources of income and the ability to launder money.

I have been down to Colombia. I have been to Puerto Rico. I have been through these hearings. And whether we talk to the DEA or whether we talk to the narco-traffickers, they indicate that the other side, the narco-traffickers, have greater resources and we have to hit them where it hurts and where we can make a difference.

The third thing I think that is important is that it has been proven to be successful. We are not experimenting in the dark here. The 1995 sanctions against the Cali cartel were successful. They had the effect of dismantling the business entities tied to the Cali cartel. And that is what we are trying to do, not just in Colombia but worldwide. We are looking at the foreign entities that we can determine are engaged in trafficking.

I want to express my appreciation to the gentleman from New York (Mr. RANGEL) for the comment that he made that this is exactly the direction that we go in. So I ask my colleagues to support it.

Mr. NADLER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman was incorrect in his statement to the bill. The bill says the determinations, identifications, findings, and designations made pursuant to, et cetera, shall not be subject to judicial review. Designating an individual as a significant foreign trafficker is not, under this bill, subject to judicial review.

So the President or the bureaucrat has the absolute authority to say he is a foreign narcotics trafficker. If he thinks he is not, his lawyers in the United States cannot appeal it in court and no evidence is necessary. And that is simply, as was said before, un-American.

Mr. CROWLEY. Mr. Speaker, may I inquire as to how much time we have remaining?

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from New York (Mr. CROWLEY) has 3 minutes remaining. The gentleman from New York (Mr. NADLER) has 2½ minutes remaining. The gentleman from Florida (Mr. MCCOLLUM) has 1½ minutes remaining.

Mr. CROWLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I did not mean to infer that he wanted to bend the Constitution so badly that we would suffer from it now and in the future. But in the period of time that we are living today, where terrorism is actually a threat to our everyday life, I cannot imagine that we would apply to a court in order to find out how we can keep some of these bums out of our country or to keep them from destroying our property and our lives.

I take this war on drugs pretty seriously. We have lost lives not only to drug addiction but to our prison system. There is no question in my mind that most Americans believe if we wanted to stop this that we can but that big dollars prevent us from doing it. We go all over the world telling other countries that they really are not going after their drug traffickers, they will not extradite, they will not put them in jail, they will not do anything.

Now is the time for us to do something. Now is the time to bring the best minds that we have in the United States, those who have the constitutional mandate to protect the American citizens.

Obviously, the President has overlooked this legislation, the Judiciary has overlooked the legislation, and they feel that we stand on sound constitutional ground. But the whole idea that we cannot protect ourselves against those people who use our system, who infringe upon our rights to bring this poison into the United States, who threaten our national security, who have 2 million people locked up, at least over half of them for drug-related crimes, it seems to me that we are yielding to legal questions rather than questions that in times of war we find answers to.

So I think this is a giant step forward. And if there are problems with it, I hope they come back to this House and to the Congress so that we can deal with it. But I think the mere fact that we are going to pass this law sends a message to the foreign drug traffickers.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, Amendment 5 of the Bill of Rights says that ''no person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury except,'' and then it goes on to say, ''nor to be deprived of life, liberty, or property without due process of law.''

Now, the designation by the President is not due process of law. Usually we have a trial. There is no judicial review in this situation. And even the designation as a foreigner, if they happen to be a citizen and are designated as a foreigner, they have no judicial review and no rights under this bill.

We ought to go back to the normal process of due process. If we are going to go after criminals, we ought to go after criminals with the normal process of having a trial.

Mr. CROWLEY. Mr. Speaker, may I inquire as to how much time I have remaining?

The SPEAKER pro tempore. Each of the gentlemen from New York have 1 minute remaining.

Mr. CROWLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from New York (Mr. NADLER) is recognized for 2 minutes.

Mr. NADLER. Mr. Speaker, we seem to have a fact in this country that, if we declare something a war, some people think we can suspend the Constitution in order to fight that war.

We did that, to our regret, with communism in the 1950s. We may have done that with terrorism. And now we are being asked to do that with the war on drugs.

□ 1230

Yes, we must protect ourselves, in the 1950s and 1960s and 1970s against potential Communist aggression, against terrorism, against the drug lords. But we must not destroy our liberty or our Constitution in doing so. We have done this in the past and we have regretted it.

There is nothing that says we cannot crack down on these drug kingpins and allow them their day in court, that lets us seize the property but allow them to protest in court and have our traditional notions of due process. But this bill will not do that. This bill makes the President or the Secretary a dictator, a king. This bill says he can seize someone's property and you have no recourse. It goes against the fifth amendment and the 14th amendment, you cannot deprive a person of life, liberty or property without due process of law.

This would make an American citizen who has any kind of dealing with someone that some bureaucrat thinks is a drug kingpin a criminal if that citizen has some dealing with him even if that citizen thinks that this person is perfectly innocent, and there is no opportunity in court to dispute whether that person is innocent or in fact a drug kingpin. That is not the American way.

Yes, we should crack down on drugs; yes, we should protect ourselves, but we should not do so by eliminating all our Anglo-Saxon traditions of due process and fair play. Someone accused of a crime always is entitled to a day in court. Someone the President says is a drug kingpin is entitled to say in court, ''No, I'm not, you've got the wrong man.'' This bill goes against that.

As I said, the people who passed Magna Carta would understand why this bill is pernicious and destructive of our Constitution and on our system of values in this country and why this bill should be rejected.

Let me say one other thing. We never saw this bill in the Committee on the Judiciary. It has not been considered by the Committee on the Judiciary. I spoke to the Deputy Attorney General at 9 o'clock last night. He had never heard of it.

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

First of all, I want to make a point about this bill, and that is that it deals with foreign drug kingpins who are killing and poisoning our kids. The bottom line is it deals with the worst of the worst. It deals with people who have already been indicted in our court system but probably have never come here and never will come here for trial. It deals with freezing their assets, choking their ability to get the rewards of money and property out of the drug dealings they have been doing. And, yes, it does provide a support level for an already existing and already court-tested process whereby under national security guidelines, the President of the United States may designate these foreign drug kingpins as people whose property will be frozen and who cannot have financial dealings and business transactions in the United States.

It is perfectly constitutional, it is perfectly appropriate and the Administrative Procedures Act once they are designated does govern the process itself in the seizure of property and the disposition of it. Fifteen thousand of our fellow citizens died last year from illegal drug overdoses. Hundreds of thousands of American families had to cope with the challenges posed by addictions to their loved ones. It seems to me that it is long overdue that we have a bill like this. Sadly, we have discovered in this Congress that we are not insulated from the efforts of the kingpins to buy influence and corrupt our political institutions. Their narco-lobbyists were paid well to try to shape and gut this bill through this process. Well, they have not succeeded, fortunately.

An overwhelming vote of this House in favor of this bill, H.R. 3164, will send the kingpins an unmistakable message: We do not fear their power, we cannot be bought, and we will not rest until they are jailed and their organizations disrupted.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from Florida (Mr. MCCOLLUM) that the House suspend the rules and pass the bill, H.R. 3164.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

TERRE HAUTE FEDERAL BUILDING TRANSFER ACT

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2513) to direct the Administrator of General Services to acquire a building located in Terre Haute, Indiana, and for other purposes.

The Clerk read as follows:

H.R. 2513

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

SECTION 1. ACQUISITION OF BUILDING.

(a) ACQUISITION.—The Administrator of General Services shall acquire by transfer from the United States Postal Service the real property and improvements located at 30 North Seventh Street in Terre Haute, Indiana.

(b) REIMBURSEMENT.—The transfer under subsection (a) shall be made without reimbursement, except that the Administrator shall provide to the Postal Service an option to occupy 8,000 square feet of renovated space in the building acquired under subsection (a) at no cost for a 20-year term.

SEC. 2. RENOVATION OF BUILDING.

(a) IN GENERAL.—The Administrator of General Services shall renovate the building acquired under section 1, and acquire parking spaces, to accommodate use of the building by the Administrator and the United States Postal Service.

(b) AUTHORIZATION OF APPROPRIATIONS.—Subject to the requirements of section 7(a) of the Public Buildings Act of 1959 (40 U.S.C. 606(a)), there is authorized to be appropriated to carry out this section $5,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. TURNER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, H.R. 2513, a bill introduced by the gentleman from Indiana (Mr. PEASE), would require a no-cost transfer of a Postal Service building located in downtown Terre Haute, Indiana, to the General Services Administration. In return for the building, the Postal Service would be granted an option to remain in a portion of the building, 8,000 square feet, rent-free for 20 years.

The bill authorizes an appropriation of $5 million to renovate the building and to acquire parking spaces to accommodate use of the building by the Postal Service and the General Services Administration.

The subcommittee on Government Management, Information, and Technology marked up this bill and reported it to the full Committee on Government Reform on September 22, 1999. At the request of the ranking member of the full committee the gentleman from California (Mr. WAXMAN) and the subcommittee's ranking member the gentleman from Texas (Mr. TURNER), the subcommittee held a hearing on September 30, 1999 to further consider the legislation.

Witnesses at the hearing included the sponsor of the bill the gentleman from Indiana (Mr. PEASE); Terre Haute's mayor, Jim Jenkins; and representatives from both the Postal Service and the General Services Administration. Witnesses at the hearing testified about the building's historical significance and the need to maintain a post office and a Federal presence in the downtown area of this Indiana community. A representative of the General Services Administration testified the agency needed additional time to explore other alternatives to conveying this property, including the possibility of a no-cost conveyance to a public entity or a sale to a private buyer. An agreement was reached at the hearing to postpone further consideration of this bill for an additional 30 days to enable the General Services Administration to find a viable alternative to H.R. 2513. The 30 days have elapsed and the General Services Administration has been unable to achieve a viable option for conveying this property.

Mr. Speaker, I urge the adoption of the bill.

Attached is the ''Statement of Administration Policy,'' dated November 2, 1999.

Also included are the letters between the chairmen of Government Reform and Transportation and Infrastructure.