

Minority Leader (1977–1981) and two terms as Majority Leader (1981–1985).

I came to know Howard Baker when I was making my decision to run for the U.S. Senate. He listened carefully, gave me excellent counsel, and helped steer me and my wife Karyn in the right direction as we made our decision. Like so many of my colleagues here in the Senate, I continue to rely on his advice, and am proud to call him my friend.

Madam President, the Howard Baker Courthouse will stand as a wonderful tribute to a dedicated and distinguished senator, Howard Baker. I urge my colleagues to support this piece of legislation.

Mr. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 2547) was deemed read a third time and passed.

#### ROMANO L. MAZZOLI FEDERAL BUILDING DESIGNATION ACT

Mr. SANTORUM. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 289, H.R. 965.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 965) to designate the Federal building located at 600 Martin Luther King, Jr., Place in Louisville, Kentucky, as the "Romano L. Mazzoli Federal Building."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statement relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 965) was deemed read a third time, and passed.

#### DON EDWARDS SAN FRANCISCO BAY NATIONAL WILDLIFE REFUGE DESIGNATION ACT

Mr. SANTORUM. Madam President, I ask unanimous consent the Senate proceed to the immediate consideration of calendar No. 290, H.R. 1253.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1253) to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 1253) was deemed read a third time, and passed.

#### IRAN OIL SANCTIONS ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 280, S. 1228.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1228) to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Iran Oil Sanctions Act of 1995".

##### SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

##### SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to support international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of petroleum resources in Iran.

##### SEC. 4. IMPOSITION OF SANCTIONS.

(a) IN GENERAL.—Except as provided in subsection (d), the President shall impose one or more of the sanctions described in section 5 on a person subject to this section (in this Act referred to as a "sanctioned person"), if the President determines that the person has, with actual knowledge, on or after the date of enactment of this Act, made an investment of more than \$40,000,000 (or any combination of investments of at least \$10,000,000 each, which in the aggregate exceeds \$40,000,000 in any 12-month period), that significantly and materially contributed to the development of petroleum resources in Iran.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on any person the President determines—

(1) has carried out the activities described in subsection (a);

(2) is a successor entity to that person;

(3) is a person that is a parent or subsidiary of that person if that parent or subsidiary with actual knowledge engaged in the activities which were the basis of that determination; and

(4) is a person that is an affiliate of that person if that affiliate with actual knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

(c) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons that are subject to sanctions under subsection (a). The President shall remove or add the names of persons to the list published under this subsection as may be necessary.

(d) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a)—

(1) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction; or

(2) to medicines, medical supplies, or other humanitarian items.

##### SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a person under section 4(a) are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979;

(B) the Arms Export Control Act;

(C) the Atomic Energy Act of 1954; or

(D) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their re-export, to any person designated by the President under section 4(a).

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any sanctioned person in an amount exceeding \$10,000,000 in any 12-month period (or two or more loans of more than \$5,000,000 each in such period) unless such person is engaged in activities to relieve human suffering within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against financial institutions sanctioned under section 4(a):

(A) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

##### SEC. 6. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion, to that person as to whether a proposed activity by

that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

**SEC. 7. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.**

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to this Act for up to 90 days. Following such consultations, the President shall immediately impose a sanction or sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President pursuant to section 4(a) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report which shall include information on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS.—The requirement to impose sanctions pursuant to section 4(a) shall remain in effect until the President determines that the sanctioned person is no longer engaging in the activity that led to the imposition of sanctions.

(c) PRESIDENTIAL WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a person in section 4(b), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is important to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct that resulted in the determination;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination;

(C) an estimate as to the significance of the investment to Iran's ability to develop its petroleum resources; and

(D) a statement as to the response of the United States in the event that such person engages in other activities that would be subject to section 4(a).

**SEC. 8. TERMINATION OF SANCTIONS.**

The sanctions requirement of section 4 shall no longer have force or effect if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; or

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of state sponsors of international terrorism under section 6(j) of the Export Administration Act of 1979.

**SEC. 9. REPORT REQUIRED.**

The President shall ensure the continued transmittal to Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act, Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

**SEC. 10. DEFINITIONS.**

As used in this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(2) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(3) INVESTMENT.—The term "investment" means—

(A) the entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract;

(B) the purchase of a share of ownership in that development; or

(C) the entry into a contract providing for participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

(4) PERSON.—The term "person" means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.

(5) PETROLEUM RESOURCES.—The term "petroleum resources" includes petroleum and natural gas resources.

AMENDMENT NO. 3106

(Purpose: To deter investment in the development of Libya's petroleum resources)

Mr. SANTORUM. Madam President, I send an amendment to the desk in behalf of Senators KENNEDY and D'AMATO, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM), for Mr. KENNEDY, for himself and Mr. D'AMATO, proposes an amendment numbered 3106.

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

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

The amendment is as follows:

At the end of the bill, add the following new section:

**SEC. . APPLICATION OF THE ACT TO LIBYA.**

The sanctions of this Act, including the terms and conditions for the imposition, duration, and termination of sanctions, shall apply to persons making investments for the development of petroleum resources in Libya in the same manner as those sanctions apply under this Act to persons making investments for such development in Iran.

Mr. D'AMATO. Madam President, I rise in support of the Kennedy-D'Amato amendment to S. 1228, the Iran Oil Sanctions Act of 1995.

What can one say about Libya. It has now been over 4 years since the United States indicted two Libyan agents, Lamén Khalifa Fhimah and Abdel Bas-set Ali Megrahi, for responsibility in the bombing of Pan Am Flight 103 in December 1988. So far there has been no action, no surrender of these men. We must answer the cry for justice by the families of the 270 victims of this terrorist attack, 189 of them Americans, with 35 from New York State.

For us to add Libya to a bill placing sanctions on those countries which seek to develop Iran's petroleum resources is, I feel, a justified action. We must send the message that terrorism, sponsorship of terrorism, and those who subsidize terrorism will not be ignored.

Mu'ammar Qadhafi brazenly dismisses the indictment while at the same time pounding his chest, bragging to the world that he has again withstood American aggression. His offer to try the two agents in a Libyan court is a mockery of justice and an insult to the families of the victims.

Just yesterday, a Scottish businessman was charged in a Boston court with violating the U.S. embargo on Libya by attempting to export over 250,000 dollars' worth of computers and related equipment. This is only further proof that Qadhafi is still up to his old games and is trying to flaunt our sanctions against him.

I want to discuss, very briefly, the amount of oil that the Organization for Economic Cooperation and Development [OECD] countries buy from Libya. According to the Energy Department, OECD countries bought over \$7 billion in oil from Libya in 1994. The worst offenders were Italy, with over \$3 billion and Germany with over \$1 billion.

As far as how this legislation would effect Libya, one need only look at the

contracts signed by European firms in the last few years. Just in August, a Spanish company Repsol, awarded a Cypriot company a \$155 million contract to build a crude oil pipeline in Libya. Furthermore, European companies such as Agip—Italy, Total—France, Petrofina—Belgium, OMV—Austria, and Veba—Germany, have all signed contracts for upstream activities in Libya and would be affected by this bill.

While the focus of the underlying bill has been Iran and an attempt to stop the subsidizing of Iranian terrorism, I cannot see why we should not seek to prevent the subsidizing of Libyan terrorism at the same time? More importantly, who is to say that the attack on Pan Am 103 was not directed by Iran and conducted by the Libyans. If this were the case, than we will get two terrorist states with one bill.

There can be no rest until the individuals who ordered, directed, and paid for the commission of the terrible crime of the bombing of Pan Am Flight 103 are brought to justice, no matter where they may be located. The investigation of the bombing must continue to be vigorously and intensively pursued. Libya, with a long and documented history of obscene violations of human rights and international law, must pay the price for its part in this slaughter and its past support for other international terrorist acts.

It is for this reason, that I enthusiastically agree with the Senator from Massachusetts and am glad to have worked with him on this issue.

Mr. KENNEDY. Madam President, I offer an amendment to apply the sanctions in this legislation to Libya.

I support the pending bill which is intended to provide a stronger deterrent to the development of nuclear weapons by Iran by applying economic sanctions to those in other countries who substantially assist Iran in Oil production.

My amendment extends the same sanctions to those who help Libya in oil production. Its purpose is to use stronger economic sanctions to encourage the Government of Libya to turn over the two suspects indicted for the terrorist bombing of Pan Am Flight 103.

On December 21, 1988, 7 years ago tomorrow, in one of the worst terrorist atrocities in recent years, Pan Am Flight 103 was blown up over Lockerbie, Scotland, killing 270 citizens of 21 nations, including 189 Americans.

In November 1991, two Libyan national were indicted for carrying out that bombing. Despite U.N. economic sanctions which have been in force since 1992, the Government of Libya has refused to turn over the suspects, and the two suspects remain in Libya under the protection of Colonial Qadhafi.

Many of us on both sides of the aisle have called for stronger international sanctions against Libya, including an

international oil embargo, and our proposals have had the strong support of both Senator D'AMATO and Senator HELMS.

Because of Libya's earlier well-known support for terrorism, the United States imposed our own oil embargo against Libya during the Reagan administration in 1986, 2 years before the Pan Am bombing. Our efforts since the Pan Am bombing to persuade other nations to join the oil embargo have not succeeded, primarily because several European countries purchase oil from Libya and refuse to support such a measure.

Additional sanctions on Libya are essential if we are to have any chance of bringing the terrorists to trial. This bill offers an effective opportunity to enact such sanctions.

According to experts familiar with oil production investment in Libya, this action may very well affect the investment plans of numerous foreign oil companies.

as in the case of Iran, this amendment will not prevent any foreign companies from doing business in Libya. But they will not be able to do so with the benefit of U.S. assistance.

This Christmas season is a very difficult time for the families of the victims of Pan Am flight 103. We cannot bring back their loved ones. What we can do is take every available step to see that the terrorists charged with committing this atrocity are finally at long last brought to justice. This is one such step, and I urge the Senate to support it.

Mr. SARBANES. Madam President, I rise in support of S. 1228, the Iran Oil Sanctions Act of 1995. This bill would put sanctions on foreign companies that invest in Iran and thereby help that country develop its oil and gas resources. The increased revenue from such enhanced oil production augments Iran's ability to fund its development of nuclear weapons and its support for international terrorism.

Since the Iranian Revolution in 1979, American administrations with bipartisan congressional support have used economic sanctions to hinder Iran's support for international terrorism and to make it harder for that country to get materials and revenues to strengthen its nuclear and conventional weapons programs.

Earlier this year, just prior to the Banking Committee's March 16 hearing on our country's economic relations with Iran, the committee learned that then existing restrictions on such relations did not prohibit the Conoco Co. from signing a contract with Iran to develop a huge offshore oil field in the Persian Gulf. The Clinton administration immediately announced that while Conoco's actions were not illegal, they were inconsistent with our policy of bringing pressure on Iran, both politically and economically to change its unacceptable behavior. The President then on March 15 issued an Executive order prohibiting U.S. persons from en-

tering into contracts for the financing or the overall supervision and management of the petroleum resources of Iran.

On May 8, President Clinton issued another Executive order that imposed significant new economic sanctions on Iran, including a prohibition on trading in goods or services of Iranian origin, a ban on exports to Iran, and a ban on new investment or bank loans to Iran. The new prohibitions applied to U.S. persons, wherever they may be, including the foreign branches of U.S. entities.

The Clinton administration also urged other countries to support United States efforts to pressure Iran economically and persuaded our G7 allies to avoid any collaboration with Iran that might help that country develop a nuclear weapons capability. A number of foreign corporations, however, are supporting Iran's efforts to increase its oil and gas production. S. 1228 seeks to persuade such companies from assisting Iran as the latter uses its oil and gas revenues to fund behavior harmful to the international community.

At the Banking Committee's October 11 hearing on S. 1228, Under Secretary of State Tarnoff told the committee that a straight line links Iran's oil income and its ability to sponsor terrorism, build weapons of mass destruction, and acquire sophisticated armaments. He also told us that the administration was making great efforts to persuade other nations to cooperate with our embargo of Iran. He expressed concerns, however, that we not enact legislation that would make it more difficult to get that cooperation. Chairman D'AMATO assured Under Secretary Tarnoff that he wanted to work with the administration in crafting legislation that would persuade foreign companies to cooperate with our embargo of Iran.

Prior to the December 12 committee markup of S. 1228, Chairman D'AMATO, Senator BOXER, myself, and other members of the committee worked with the administration to develop a bill the administration could endorse. Agreement was reached and on December 12, the committee adopted a substitute version of S. 1228 that President Clinton supports.

It does not target trade but rather new investment contracts that enhance Iran's ability to produce oil and gas. The bill also provides the President the necessary flexibility to determine the best mix of sanctions in a particular case, and to waive the imposition, or continued imposition, of sanctions when he determines it is important to the national interest to do so. In using these authorities, the President is directed to consider factors such as the significance of an investment, the prospects of cooperation with other governments, U.S. international commitments, and the effect of sanctions on U.S. economic interests and regional policies. Finally, S. 1228 authorizes the Secretary of State to provide advisory

opinions on whether a proposed activity would be covered to avoid unnecessary uncertainty on the part of companies and friction with allies.

This bill was reported out of committee by a vote of 15 to 0. It is a bill I support because it will make it more difficult for Iran to fund its efforts to develop weapons of mass destruction and its support for international terrorism. I urge its enactment.

Mr. SANTORUM. Madam President, I ask unanimous consent that the amendment be considered read and agreed to, the committee amendment be agreed to, the bill be deemed a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the amendment (No. 3106) was agreed to.

So the committee amendment was agreed to.

So the bill (S. 1228), as amended, was deemed read for a third time, and passed, as follows:

S. 1228

*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 "Iran Oil Sanctions Act of 1995".

#### SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

#### SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to support international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of petroleum resources in Iran.

#### SEC. 4. IMPOSITION OF SANCTIONS.

(a) IN GENERAL.—Except as provided in subsection (d), the President shall impose one or more of the sanctions described in section 5 on a person subject to this section (in this Act referred to as a "sanctioned person"), if the President determines that the person has, with actual knowledge, on or after the date of enactment of this Act, made an investment of more than \$40,000,000 (or any combination of investments of at least \$10,000,000 each, which in the aggregate exceeds \$40,000,000 in any 12-month period), that significantly and materially contributed to the development of petroleum resources in Iran.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on any person the President determines—

(1) has carried out the activities described in subsection (a);

(2) is a successor entity to that person;

(3) is a person that is a parent or subsidiary of that person if that parent or subsidiary with actual knowledge engaged in the activities which were the basis of that determination; and

(4) is a person that is an affiliate of that person if that affiliate with actual knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

(c) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons that are subject to sanctions under subsection (a). The President shall remove or add the names of persons to the list published under this subsection as may be necessary.

(d) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a)—

(1) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction; or

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#### SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a person under section 4(a) are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979;

(B) the Arms Export Control Act;

(C) the Atomic Energy Act of 1954; or

(D) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their re-export, to any person designated by the President under section 4(a).

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any sanctioned person in an amount exceeding \$10,000,000 in any 12-month period (or two or more loans of more than \$5,000,000 each in such period) unless such person is engaged in activities to relieve human suffering within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against financial institutions sanctioned under section 4(a):

(A) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

#### SEC. 6. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion, to that person as to whether a proposed activity by that person would subject that

person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

#### SEC. 7. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to this Act for up to 90 days. Following such consultations, the President shall immediately impose a sanction or sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President pursuant to section 4(a) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report which shall include information on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS.—The requirement to impose sanctions pursuant to section 4(a) shall remain in effect until the President determines that the sanctioned person is no longer engaging in the activity that led to the imposition of sanctions.

(c) PRESIDENTIAL WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a person in section 4(b), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is important to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct that resulted in the determination;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination;

(C) an estimate as to the significance of the investment to Iran's ability to develop its petroleum resources; and

(D) a statement as to the response of the United States in the event that such person

engages in other activities that would be subject to section 4(a).

#### SEC. 8. TERMINATION OF SANCTIONS.

The sanctions requirement of section 4 shall no longer have force or effect if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; or

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of state sponsors of international terrorism under section 6(j) of the Export Administration Act of 1979.

#### SEC. 9. REPORT REQUIRED.

The President shall ensure the continued transmittal to Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act, Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

#### SEC. 10. DEFINITIONS.

As used in this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term "appropriate congressional committees" means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(2) **FINANCIAL INSTITUTION.**—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(3) **INVESTMENT.**—The term "investment" means—

(A) the entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract;

(B) the purchase of a share of ownership in that development; or

(C) the entry into a contract providing for participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

(4) **PERSON.**—The term "person" means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.

(5) **PETROLEUM RESOURCES.**—The term "petroleum resources" includes petroleum and natural gas resources.

#### SEC. 11. APPLICATION OF THE ACT TO LIBYA.

The sanctions of this Act, including the terms and conditions for the imposition, duration, and termination of sanctions, shall apply to persons making investments for the

development of petroleum resources in Libya in the same manner as those sanctions apply under this Act to persons making investments for such development in Iran.

So the title was amended so as to read:

A bill to deter investment in the development of Iran's petroleum resources.

#### UNANIMOUS-CONSENT AGREEMENT—H.R. 665

Mr. SANTORUM. I ask unanimous consent that the majority leader, after consultation with the minority leader, may turn to the consideration of calendar No. 257, H.R. 665, the victim restitution bill, and it be considered under the following limitation: 1 hour of debate on the bill equally divided between the two managers; that the only amendment in order to the bill be a substitute amendment offered by the managers; that no second-degree amendments be in order to the amendment; that, at conclusion or yielding back of any debate time, the managers' amendment be agreed to; the bill then be read a third time, and the Senate then proceed to a vote on passage of the bill, H.R. 665, without any intervening action or debate.

I further ask unanimous consent that if the bill is agreed to, the Senate insist on its amendment, request a conference with the House, and that the Chair to be authorized to appoint conferees on part of the Senate.

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

#### MEASURE PLACED ON THE CALENDAR—H.R. 394

Mr. SANTORUM. Madam President, I ask unanimous consent that the Finance Committee be discharged from further consideration of H.R. 394, and that the bill be placed on the calendar.

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

#### CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES

Mr. SANTORUM. Madam President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of S. 1429 and, further, that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1429) a bill to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3107

(Purpose: To provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995)

Mr. SANTORUM. Madam President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM), for Mr. DOMENICI, (for himself Mr. LOTT, Mr. WARNER, Mr. STEVENS, Mr. COHEN, Mr. EXON, Mr. PRESSLER, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. THOMAS, Mr. COCHRAN, Mr. KERREY, Mr. GRASSLEY, and Mr. HARKIN), proposes an amendment numbered 3107.

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

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SECTION 1. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

Section 124 of the joint resolution entitled "A joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes", approved November 20, 1995 (Public Law 104--56) is amended by adding at the end thereof the following new subsection:

"(b)(1) If during the period beginning November 14, 1995, through November 19, 1995, a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

"(A) such furloughed employees shall be compensated at their standard rate of compensation for such period;

"(B) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

"(C) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

"(2) For purposes of this subsection, the term 'State' shall have the meaning as such term is defined under the applicable Federal program under paragraph (1)."

Mr. DOMENICI. Mr. President, on November 28, I introduced legislation to fix an inadvertent effect of the 6-day Government shutdown between November 14 through November 19, 1995. That bill, S. 1429, with the amendment that I currently am introducing, will allow hundreds of State employees who administer the disability determination program of the Social Security Administration and who administer vocational rehabilitation programs for the Department of Education to receive the pay that they lost during the Government shutdown. The fact that they