

IRAQ RECONSTRUCTION FAILURES

Mr. LEAHY. Mr. President, we learned this past week of the latest example of the colossal waste, fraud and abuse in the administration's reconstruction program in Iraq.

Documented in the Special Inspector General's report released last Friday is the fiasco of the Basra Children's Hospital, yet another casualty on the long list of U.S.-financed infrastructure projects in Iraq to face cost overruns, mismanagement, delays and potential cancellation.

Back in 2003, Congress allocated \$50 million for the construction of a 94-bed state-of-the-art children's cancer treatment hospital in southern Iraq. Despite repeated calls from humanitarian organizations and experts at the United States Agency for International Development to instead work with the Iraqis to rebuild their primary health system, the Bush administration promoted this high-profile, glitzy project championed by the White House.

Nearly 3 years later, due to gross mismanagement, the hospital is only 35 percent complete, out of money and teetering on the verge of collapse. The cost overruns are so significant that the project will cost between \$120 and \$160 million to complete and is not expected to be finished until December 2007, over a year later than planned. Meanwhile, Iraqis continue to suffer from low quality and poor access to basic health services.

USAID is at fault for not properly accounting for all the costs of constructing the hospital and should have consulted with Congress when they knew about cost overruns and scheduling delays. But press reports have ignored the fact that from the beginning, USAID wisely opposed this costly, misguided infrastructure project in a dangerous and corrupt environment, knowing of the likelihood that these problems could arise.

Bechtel, the lead government contractor for the Basra Hospital project and the same contractor for the flawed Boston Big Dig tunnel project, has once again been dismissed from a large-scale project due to incompetence. Sadly, this is not the first nor is it likely to be the last instance of waste, fraud and abuse in the reconstruction of Iraq under the negligent leadership of the Bush administration.

The Office of the Special Inspector General for Iraq Reconstruction has been the watchdog for the billions of dollars appropriated for Iraq reconstruction programs and operations. The creation of the office was initially opposed by the White House and by some in Congress who would prefer that the appalling blunders of the Iraq reconstruction program not be exposed to the light of day.

By all accounts, the Special Inspector General has done an excellent job under difficult and dangerous conditions by uncovering numerous instances of waste and fraud and there are dozens of investigations and prosecutions under way.

The picture provided by the Special Inspector General is in stark contrast to the rhetoric coming from the administration that reconstruction is moving forward at a rapid pace. Thanks to the persistent leadership of Senator FEINGOLD, and with support from Senators WARNER and LEVIN, we were able to include a Feingold-Leahy Amendment to the Senate version of the fiscal year 2007 Defense authorization bill to extend the life of the Special Inspector General for Iraq Reconstruction and ensure continued and necessary audits of the very programs the Special Inspector General was created to oversee. It is crucial that this provision be retained in the final version of the bill.

Mr. President, the tragedy of the Basra Children's Hospital project speaks volumes about this administration's Iraq policy. It is a legacy of arrogance, squander and incompetence. Just throw money at the problem and hope for the best. Use expensive American contractors rather than Iraqis who are unemployed or underemployed and could do the work for a fraction of the cost. And then try to shut down the office that exposes the waste. It is shocking, it is tragic and it is inexcusable.

AMERICAN LEADERSHIP

Mr. HAGEL. Mr. President, I ask unanimous consent to have printed in the RECORD my remarks given at the Brookings Institution on July 28, 2006.

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

A DEFINING TIME FOR 21ST CENTURY
AMERICAN LEADERSHIP

U.S. SENATOR CHUCK HAGEL, REMARKS AS PREPARED FOR DELIVERY AT THE BROOKINGS INSTITUTION JULY 28, 2006

I am honored to be invited to speak here today as a part of the Brookings Institution's 90th Anniversary Leadership Forum. Brookings has been at the center of every important policy debate in this country for 90 years. Thank you to Strobe Talbot, Carlos Pascual, and all the men and women of Brookings for your continued contributions to our national debate. I see Martin Indyk and Ken Pollack in the audience. Thank you for the fine work you do with the Saban Center for Middle East Policy.

As we recognize the 90th Anniversary of the Brookings Institution, it is instructive to reflect back on the world of 1916 when Brookings was born . . . then known as the Institute for Government Research. In 1916, the world was in a period of wrenching and bloody transition. War raged in Europe. It was a war triggered by a series of tragic misjudgements stemming from decades-old resentments and shifting European alliances. It was a war fueled by the Industrial Revolution . . . the most deadly war the world had ever known. Within one year, the United States would shake-off its historic isolationism and engage in its first global conflict.

The Treaty of Versailles brought an end to the fighting, but it did not bring resolution. The United States retreated from a position of world leadership and back into its shell of irresponsible isolationism . . . the world economy collapsed, and lingering global

resentments continued to heighten. Roughly twenty years later, harsh post-war reparations and arrogant nationalism gave rise to an even deadlier period of global transition: World War II.

America's leaders following World War II learned from the failed and dangerous policies of the first half of the 20th century. After World War II, the United States became the indispensable global leader. Along with our allies, we created organizations of global interests and common purpose like the United Nations, the General Agreement on Tariffs and Trade (now the World Trade Organization), NATO, the World Bank, the International Monetary Fund and dozens of other multilateral institutions. Leaders like Truman, Marshall, Acheson, Hull, Vandenberg and Eisenhower led in the rebuilding of Europe and Japan.

Ninety years after the creation of the Brookings Institution, we live in a different world . . . but once again a world in transition. The lessons learned after World War II still apply. American leadership is still indispensable in the world . . . and the institutions and alliances formed after World War II are as vital today as when they were formed.

For decades, the United States used its power and influence to help forge international consensus on vital issues. America's leadership inspired the trust and confidence of a generation of governments and nations around the world . . . because we pursued common actions that reflected common interests with our allies . . . because we remained committed to global engagement . . . and because we exercised our power with restraint. We made mistakes. It was imperfect. There were differences with our allies. But despite the imperfections and shortcomings, the United States and its allies contributed to world stability and the spread of freedom and prosperity.

Today, the world and America are in deep trouble. In a speech before the Council on Foreign Relations last November, I warned that the world's trust and confidence in America's purpose has seriously eroded. America is increasingly not seen as the wellspring of consensus that for decades helped create alliances and coalitions grounded in common objectives and common interests.

This is in contrast to a very troubling trend toward isolationism that is emerging in America today—a trend that was reflected in this week's New York Times/CBS News poll of Americans about our country's role in the world. This trend is a looming concern that may not be obvious but is manifest across seemingly unconnected events and issues. We must avoid the trap of limiting our power by allowing ourselves to become isolated in the world. America must not allow itself to become isolated through mindless isolationist remedies to difficult and complicated problems.

In the 1930s, the threat of Adolph Hitler's Nazi Germany was not taken seriously. Most did not recognize this threat until World War II was upon them. But there was a voice sounding an alarm. Throughout the 1930s, Winston Churchill urged his countrymen and Europe to see the world through the clear lens of reality—not through the blurred lens of misplaced hope. On October 3, 1938, the House of Commons debated the Munich Agreement that Prime Minister Chamberlain had negotiated with Hitler. Many saw this agreement as the assurance of peace with Germany. Churchill disagreed. He said:

"Can we blind ourselves to the great change which has taken place in the military situation, and to the dangers we have to meet? This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless by a supreme

recovery of moral health and martial vigour, we arise again and take our stand for freedom as in the olden time.”

Today, there is no such threat to world order. Global threats today are less defined than Hitler. However, the challenges are more insidious, more difficult to comprehend and identify, yet more interrelated, more dynamic, and more dangerous. In the 21st century, we are confronted by a universe of challenges, threats, and opportunities unlike any that we have ever known. The margins of error for miscalculation are less than ever before. Dramatic shifts in security, stability and prosperity can occur in weeks or even days.

On April 16, 1953, President Dwight D. Eisenhower delivered a speech before the American Society of Newspaper Editors that we now know as the “Chance for Peace” speech. In the aftermath of the death and destruction of World War II and the ongoing war in Korea, the world then was confronted with the threat of the Soviet Union and communism. A different time. A different generation. Yet, Eisenhower’s words and wisdom still ring true today. He said,

“No nation’s security and well-being can be lastingly achieved in isolation but only in effective cooperation with fellow-nations.”

Just as Eisenhower said in 1953, America’s security, prosperity and freedom cannot be separated from the dangers, challenges, and opportunities abroad. There are no national boundaries from terrorism, proliferation of weapons of mass destruction, pandemic disease, environmental degradation, and despair. No nation, unilaterally, possesses the power to defeat the threats of the 21st century. A global society underpinned by a global economy is our world today. The world’s problems and dangers are interconnected. Nowhere are these realities clearer than in the Middle East.

The Middle East is a region in crisis. A continuous and escalating volley of violence has the potential for wider regional and global conflict. Centuries-old religious, ethnic and tribal hatreds and tensions are being manipulated by Islamic extremists for their own unholy purpose. The Middle East is today as combustible and complex as it has ever been. More than fifty percent of the world’s proven oil and natural gas reserves reside in this troubled land . . . at a time when the world’s six and a half billion people rely on these resources in an interconnected world economy. Uncertain popular support for regime legitimacy continues to weaken governments of the Middle East. Economic stagnation, persistent unemployment, deepening despair and wider unrest enhance the ability of terrorists to recruit and succeed. An Iran with nuclear weapons raises the specter of broader proliferation and a fundamental strategic realignment in the region, creating more regional instability.

America’s approach to the Middle East must be consistent and sustained, and must understand the history, interests and perspectives of our regional friends and allies.

The United States will remain committed to defending Israel. Our relationship with Israel is a special and historic one. But, it need not and cannot be at the expense of our Arab and Muslim relationships. That is an irresponsible and dangerous false choice. Achieving a lasting resolution to the Arab-Israeli conflict is as much in Israel’s interest as any other country in the world.

Unending war will continually drain Israel of its human capital, resources, and energy as it fights for its survival. The United States and Israel must understand that it is not in their long-term interests to allow themselves to become isolated in the Middle East and the world. Neither can allow themselves to drift into an “us against the world”

global optic or zero-sum game. That would marginalize America’s global leadership, trust and influence, further isolate Israel, and prove to be disastrous for both countries as well as the region.

It is in Israel’s interest, as much as ours, that the United States be seen by all states in the Middle East as fair. This is the currency of trust.

Israel, Lebanon and the Palestinian territories have experienced devastating violence in the last couple of weeks. The world has rightly condemned the despicable actions of Hezbollah and Hamas terrorists who attacked Israel and kidnapped Israeli soldiers. Israel has the undeniable right to defend itself against aggression. This is the right of all states.

Hezbollah is a threat to Israel, to Lebanon and to all who strive for lasting peace in the Middle East. This threat must be dealt with, as Israel’s military operations continue to weaken Hezbollah’s capacity for violence.

However, military action alone will not destroy Hezbollah or Hamas. Extended military action will tear apart Lebanon, destroy its economy and infrastructure, create a humanitarian disaster, further weaken Lebanon’s fragile democratic government, strengthen popular Muslim and Arab support for Hezbollah, and deepen hatred of Israel across the Middle East. The pursuit of tactical military victories at the expense of the core strategic objective of Arab-Israeli peace is a hollow victory. The war against Hezbollah and Hamas will not be won on the battlefield.

To achieve a strategic shift in the conditions for Middle East peace, the United States must use the global condemnation of terrorist acts as the basis for substantive change. For a lasting and popularly supported resolution, only a strong Lebanese government and army, backed by the international community, can rid Lebanon of these corrosive militias and terrorist organizations.

President Bush and Secretary Rice must become and remain deeply engaged in the Middle East. Only U.S. leadership can build a consensus of purpose among our regional and international partners.

The Rome meeting of the Lebanon core group this week must be the beginning of a very intensive diplomatic process—at the highest levels—with the objective of ending the military conflict, securing the Israel-Lebanon border, and invigorating the political track. To lead and sustain U.S. engagement, the President should appoint a statesman of global stature, experience and ability to serve as his personal envoy to the region who would report directly to him and be empowered with the authority to speak and act for the President. Former Secretaries of State Baker and Powell fit this profile.

America must listen carefully to its friends and partners in the region. Saudi Arabia, Egypt, Jordan and others—countries that understand the Middle East far better than we do—must commit to help resolve today’s crisis and be active partners in helping build a mechanism to move toward realizing the already agreed-upon two-state solution.

A robust international force deployed along the Israel-Lebanon border will be required to facilitate a steady deployment of a strengthened Lebanese Army into southern Lebanon to eventually assume responsibility for security and the rule of law. The UN Security Council should negotiate a new binding resolution that strengthens its demands to disarm militias and to remove Syrian influence from Lebanon that were made in UN Security Council Resolution 1559, and commits the international community to help Lebanon re-build its country.

The core of all challenges in the Middle East remains the underlying Arab-Israeli

conflict. The failure to address this root cause will allow Hezbollah, Hamas and other terrorists to continue to sustain popular Muslim and Arab support, continuing to undermine America’s standing in the region, and the governments of Egypt, Jordan, Saudi Arabia, and others—whose support is critical for any Middle East resolution.

The United States should engage our Middle East and international partners to revive the Beirut Declaration, or some version of it, proposed by King Abdullah of Saudi Arabia and adopted unanimously by the Arab League in March 2002. In this historic initiative, the Arab world recognized Israel’s right to exist and sought to establish a path toward a two-state solution and broader Arab-Israeli peace. Even though Israel could not accept it as written, it represented a very significant “starting point” document initiated by Arab countries. Today, we need a new Beirut Declaration-type initiative. We squandered the last one.

The concept and intent of the 2002 Beirut Declaration is as relevant today as it was in 2002. An Arab-initiated Beirut-type declaration would re-invest regional Arab states with a stake in achieving progress toward Israeli-Palestinian peace. This type of initiative would offer a positive alternative vision for Arab populations to the ideology and goals of Islamic militants. The United States must explore this approach as part of its diplomatic engagement in the Middle East.

Lasting peace in the Middle East, and stability and security for Israel will come only from a regionally-oriented political settlement.

Former American Middle East Envoy Dennis Ross once observed that in the Middle East a process is necessary because process absorbs events . . . without a process, events become crises. He was right. Look at where we are today in the Middle East with no process. Crisis diplomacy is no substitute for sustained, day-to-day engagement.

America’s approach to Syria and Iran is inextricably tied to Middle East peace. Whether or not they were directly involved in the latest Hezbollah and Hamas aggression in Israel, both countries exert influence in the region in ways that undermine stability and security. As we work with our friends and allies to deny Syria and Iran any opportunity to further corrode the situation in Lebanon and the Palestinian territories, both Damascus and Tehran must hear from America directly.

As John McLaughlin, the former Deputy Director of Central Intelligence recently wrote in the Washington Post,

“Even superpowers have to talk to bad guys. The absence of a diplomatic relationship with Iran and the deterioration of the one with Syria—two countries that bear enormous responsibility for the current crisis—leave the United States with fewer options and levers than might otherwise have been the case. Distasteful as it might have been to have or to maintain open and normal relations with such states, the absence of such relations ensures that we will have more blind spots than we can afford and that we will have to deal through surrogates on issues of vital importance to the United States. We will have to get over the notion that talking to bad guys somehow rewards them or is a sign of weakness. As a superpower, we ought to be able to communicate in a way that signals our strength and self-confidence.”

Ultimately, the United States will need to engage Iran and Syria with an agenda open to all areas of agreement and disagreement. For this dialogue to have any meaning or possible lasting relevance, it should encompass the full agenda of issues.

There is very little good news coming out of Iraq today. Increasingly vicious sectarian violence continues to propel Iraq toward civil war. The U.S. announcement this week to send additional U.S. troops and military police back into Baghdad reverses last month's decision to have Iraqi forces take the lead in Baghdad . . . and represents a dramatic set back for the U.S. and the Iraqi Government. The Iraqi Government has limited ability to enforce the rule of law in Iraq, especially in Baghdad. Green Zone politics appear to have little bearing or relation to the realities of the rest of Iraq.

The Iraqis will continue to face difficult choices over the future of their country. The day-to-day responsibilities of governing and security will soon have to be assumed by Iraqis. As I said in November, this is not about setting a timeline. This is about understanding the implications of the forces of reality. This reality is being determined by Iraqis—not Americans. America is bogged down in Iraq and this is limiting our diplomatic and military options. The longer America remains in Iraq in its current capacity, the deeper the damage to our force structure—particularly the U.S. Army. And it will continue to place more limitations on an already dangerously over-extended force structure that will further limit our options and public support.

The Cold War, while dangerous, created a fairly stable and mostly predictable world order. That is no longer the case today. The challenges of the 21st century will be more complex and represent a world of greater degrees of nuance, uncertainty and uncontrollables than those of the last 60 years. America's policy choices will be more complicated than ever before.

We must be clear in our principles and interests, with friends and foes alike. But framing the world in "absolutes" constrains our ability to build coalitions and alliances, alienates our friends and partners, and results in our own isolation. No country will view its interests as coinciding exactly with ours; nor will countries simply subsume their national interests to maintain relations with America. U.S. policies that are premised on such assumptions will be flawed, with little likelihood for success, and ultimately work against our national interests.

In pursuing our objectives, America must always be mindful of the risks of sudden change and the dangers of unintended consequences. Rarely will America succeed if its actions seek to impose its objectives on others, or achieve change and reform through power alone. America is always strongest when it acts in concert with friends and allies. This approach has enhanced our power and magnified our influence. The Middle East and other regions of the world have been left behind and not experienced the political and economic reform that many other regions have enjoyed in the last 60 years.

The Middle East crisis represents a moment of great danger, but it is also an opportunity. Crisis focuses the minds of leaders and the attention of nations. The Middle East need not be a region forever captive to the fire of war and historical hatred. It will and can avoid this fate if the United States pursues sustained and engaged leadership worthy of our history, purpose, and power. America cannot fix every problem in the world—nor should it try. But we must get the big issues and important relationships right and concentrate on those. We know that without engaged and active American leadership the world is more dangerous.

When President Franklin Delano Roosevelt delivered his State of the Union Address on January 6, 1945, he counseled the United States and the world to look beyond the immediate horror of war to the challenges and

opportunities that lay ahead. Roosevelt understood the requirements of U.S. leadership and the essence of alliances and partnerships. He said:

"We must not let those differences divide us and blind us to our more important common and continuing interests in winning the war and building the peace. International cooperation on which enduring peace must be based is not a one-way street. Nations like individuals do not always see alike or think alike, and international cooperation and progress are not helped by any nation assuming that it has a monopoly of wisdom or of virtue."

Over the last 60 years since Roosevelt's remarks, the United States has been a force for peace and prosperity in the world. Decades of investment in geopolitical security, economic stability, political freedom, innovation and productivity have resulted in a 21st century of both cooperation and competition. This is a defining time for 21st Century American leadership. With enlightened American leadership this century offers the world the prospects of unprecedented global peace, prosperity and security . . . if we are wise enough to sense the moment, engage the world and share a nobility of purpose with all mankind.

HOMELAND SECURITY APPROPRIATIONS

Mr. JOHNSON. Mr. President, recently the Senate approved the fiscal year 2007 Homeland Security appropriations bill. As a member of the Senate Appropriations Committee, I voted in favor of this measure.

The bill allocates a total of \$32.8 billion in discretionary spending for the Department of Homeland Security. This funding will increase the current number of detention beds and Border Patrol agents, and during floor consideration, the Senate supported additional funding for border infrastructure upgrades and port security.

While this funding will help secure our borders and protect our homeland, President Bush's continued insistence on maintaining tax breaks for the extremely wealthy has made it incredibly difficult to fund important first responder grant programs.

The Assistance to Firefighters Grant Program provides critical funding to our local fire departments for training, equipment, and facility improvements. In his fiscal year 2007 budget request, President Bush recommended only \$293 million for this important program—a dramatic reduction from the previous fiscal year's funding level of \$545 million. If this request had been enacted, it would have undermined the efforts of local fire departments in meeting their training and equipment needs.

As a member of the Senate Appropriations Committee, I was pleased the committee provided \$680 million for firefighter assistance grants, of which \$127.5 million will be allocated for the Staffing for Adequate Fire and Emergency Response Firefighters, SAFER, Act grant program. These grants help communities hire firefighters, and in turn, local governments are responsible for providing funds to match a portion of each grant. Regrettably, President

Bush requested no funding for this important program. As a result, the money appropriated by the Senate will go a long way toward helping our first responders.

Finally, first responders also rely upon the Emergency Management Performance Grant Program. This program provides funding to State and local governments for all-hazards emergency management including natural disasters, accidents, or terrorist threats. Unfortunately, the President requested only \$170 million for this program in his fiscal year 2007 budget proposal—\$15 million less than what Congress appropriated the previous year. As a member of the Senate Appropriations Committee, we restored this important funding and recommended \$205 million for this program.

In a post-September 11 world, we must make homeland security one of our top priorities. As a member of the Senate Appropriations Committee, I will continue my efforts to ensure that our first responders have the resources and tools necessary to respond to threats against our homeland.

ADDITIONAL STATEMENTS

RETIREMENT OF GLORIA TOSI

● Mr. LOTT. Mr. President, today I pay tribute to Gloria Cataneo Tosi, president of the American Maritime Congress, on her upcoming retirement. The American Maritime Congress is a research and educational organization in Washington, DC, whose membership comprises ship owners and operators having U.S.-flag vessels in both the domestic and international trades. All of the American Maritime Congress's member companies have labor agreements with the Marine Engineers Beneficial Association.

Mrs. Tosi has been with the American Maritime Congress since 1981 and has served as its chief executive officer for the past 15 years. She is a well-known maritime advocate in the Washington, DC community, including the Propeller Club of the United States. In particular, she often plays a lead industry role on issues affecting the operation of, and cargo opportunities for, U.S.-flag shipping.

While many people think of the U.S. maritime industry as only a commercial interest, it is actually a vital element of our Nation's defense. The Department of Defense could not execute its military strategies and deploy its forces worldwide without the help of U.S. shipyards, ports, shipping lines, and maritime workers. As president of the American Maritime Congress, Mrs. Tosi worked closely with the National Defense Transportation Association to ensure the maritime industry remained aligned with the Department of Defense's requirements.

Mrs. Tosi is a native of Baltimore, MD, whose family was active in the maritime industry. She came to Washington, DC, in 1969 to join the staff of