

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

#### INTERNATIONAL EMERGENCY ECONOMIC POWERS ENHANCEMENT ACT

Mr. SHERMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1612) to amend the penalty provisions in the International Emergency Economic Powers Act, and for other purposes.

The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 1612

*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 "International Emergency Economic Powers Enhancement Act".

##### SEC. 2. INCREASED PENALTIES FOR VIOLATIONS OF IEEPA.

(a) IN GENERAL.—Section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) is amended to read as follows: "**SEC. 206. PENALTIES.**

"(a) UNLAWFUL ACTS.—It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of any license, order, regulation, or prohibition issued under this title.

"(b) CIVIL PENALTY.—A civil penalty may be imposed on any person who commits an unlawful act described in subsection (a) in an amount not to exceed the greater of—

"(1) \$250,000; or

"(2) an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

"(c) CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, an unlawful act described in subsection (a) shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both."

(b) EFFECTIVE DATE.—

(1) CIVIL PENALTIES.—Section 206(b) of the International Emergency Economic Powers Act, as amended by subsection (a), shall apply to violations described in section 206(a) of such Act with respect to which enforcement action is pending or commenced on or after the date of the enactment of this Act.

(2) CRIMINAL PENALTIES.—Section 206(c) of the International Emergency Economic Powers Act, as amended by subsection (a), shall apply to violations described in section 206(a) of such Act with respect to which enforcement action is commenced on or after the date of the enactment of this Act.

"(c) CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, an unlawful act described in subsection (a) shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to violations described in section 206 of the International

Emergency Economic Powers Act (50 U.S.C. 1705) with respect to which enforcement action is pending or commenced on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. SHERMAN) and the gentleman from Illinois (Mr. MANZULLO) each will control 20 minutes.

The Chair recognizes the gentleman from California.

##### GENERAL LEAVE

Mr. SHERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material 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. SHERMAN. Mr. Speaker, I rise in strong support of this bill, and yield myself such time as I may consume.

Mr. Speaker, the International Emergency Economic Powers Act, IEEPA, has over the years enabled the United States on various occasions to impose significant economic sanctions and limitations on terrorists, terrorist groups and their supporters, on financiers and on some of the worst rogue regimes in the world. It has allowed three Presidents to keep the U.S. dual-use export control system in operation against the efforts of states like Iran and North Korea to require sensitive dual-use technology and equipment.

IEEPA has accomplished this goal, even though Congress has been unable to reauthorize the long-expired Export Administration Act, and I hope that later in this Congress we do reauthorize the Export Administration Act. That act was the original basis for the system of export control which is now handled through IEEPA.

Immediately after 9/11, IEEPA authority was used to freeze the assets of terrorist, terrorist organizations and their supporters and to hobble the international terrorist network that sought and still seeks to kill and maim innocent Americans. Yet the penalties for violating IEEPA's provisions are lighter than they should be. Send \$1 million as a gift to Osama bin Laden and you get as a maximum penalty a \$50,000 fine and 10 years in prison under the act. The same is true for unlawful exports of sensitive commercial technology, equipment and components that have military applications that are controlled for national security purposes.

□ 1115

If you send a milling machine for shaping nuclear warhead cores to either Iran or North Korea, the same maximum fine and prison terms under the act apply.

This bill increases the penalties to a level that I think is consistent with the importance of making sure that Americans do not, whether for ideological reasons or financial gain, delib-

erately violate our efforts to control terrorism and to prevent the spread of weapons of mass destruction.

S. 1612 increases civil penalties from \$50,000 up to \$250,000, or to an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed. It also increases criminal penalties for willful violations from \$50,000 up to \$1 million and/or imprisonment for not more than 20 years. This increase in penalties is appropriate given the importance of the International Emergency Economic Powers Act to our national security. I urge my colleagues to support this bill.

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

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

Mr. Speaker, I rise in support of S. 1612. S. 1612 is legislation which significantly increases the enforcement and deterrent effects of sanctions and export control violations imposed under the International Emergency Economic Powers Act, otherwise known as IEEPA.

Through this law, the President may respond to unusual and extraordinary threats originating in substantial part outside of the United States by, among other things, prohibiting transactions associated with particular entities or countries.

In other words, IEEPA authorizes the President to impose economic and financial sanctions against certain foreign threats to the U.S. and our interests around the world. An example of success was the use of these tools to bring North Korea back to the bargaining table to eliminate their nuclear program.

IEEPA is also vital to U.S. national security because it continues the expired Export Administration Act in full force, allowing the Department of Commerce to carry out its mission of ensuring sensitive goods and technologies do not fall into the hands of our adversaries. It is important to keep the EAA in force so violators do not escape the penalties of the law on a mere technicality.

I would like to take the time to respectfully remind the administration that IEEPA brings the entire Export Administration Act into force, not just certain provisions.

Mr. Speaker, this legislation would remove existing barriers to meaningful enforcement of U.S. sanctions against terrorist financiers, proliferators of weapons of mass destruction, Iran, Sudan, and other threats under IEEPA.

Current penalties under IEEPA do not constitute an effective deterrent to entities that violate the law by engaging in prohibited transactions.

The legislation will remedy that problem by increasing civil penalties from \$50,000 to \$250,000 and increasing criminal penalties for willful violations to \$1 million with a maximum jail sentence of 20 years.

Mr. Speaker, while I strongly support this increase in penalties to willful and

knowing violators, I have expressed concern that these increased penalties may be applied without taking into account unintentional, accidental, or inadvertent violations by companies that are trying to comply with the law.

I have since been assured by the Departments of Treasury and Commerce that they will not abuse this new authority, and I include for the RECORD the letter sent to me by Under Secretary of Commerce Mancuso.

DEPARTMENT OF COMMERCE,  
Washington, DC, September 26, 2007.

Hon. DONALD A. MANZULLO,  
House of Representatives,  
Washington, DC.

DEAR REPRESENTATIVE MANZULLO: Thank you for your letter of September 24, 2007, to Secretary Carlos Gutierrez expressing your concerns over S. 2000, the Export Enhancement Act of 2007 (EEA), and S. 1612, the International Emergency Economic Powers Enhancement Act, Secretary Gutierrez asked me to respond to you on his behalf.

We share a concern for ensuring the vitality of American businesses—small, medium and large, while keeping the most sensitive U.S. goods and technologies out of the hands of those who would do us harm. The Department of Commerce, including the Bureau of Industry and Security (BIS), welcomes your leadership in promoting the role of America's manufacturing sector in sustaining our country's industrial innovation and global competitiveness.

BIS is focused on ensuring that penalties for violations of the dual-use export control laws and regulations are appropriate. These penalties must not bear disproportionately on small businesses that may have committed a minor, inadvertent violation. With these goals in common, we can work together to protect businesses while protecting America.

Passage of the EEA is an important step toward this goal, and for this reason is a high priority of the Secretary. Although you point out that S. 2000 would substantially increase penalty levels for civil and criminal violations, we believe that such levels are necessary to make these penalties a more effective deterrent to companies that would intentionally violate the law. Given the national security issues involved, such as WMD proliferation, terrorism, and military diversions, we must do all we can to make our export controls effective.

Our intent is not to punish any business unfairly for minor, accidental violations. As you know, BIS has implemented a system that mitigates the penalty if certain elements are met in each case of a violation. It is through this system, as articulated in the BIS Penalty Guidelines published in the Code of Federal Regulations in July 2007 (a copy of which is enclosed for your review), that BIS ensures that the penalty assessed is commensurate with the infraction.

In civil cases, the published Penalty Guidelines set forth several factors that may be considered when deciding ultimate penalty amounts to be imposed, including:

1. whether or not the respondent submitted a voluntary self-disclosure in the case;
2. whether the respondent had an export compliance program in place at the time of the violation;
3. whether the respondent has a prior conviction for export control violations; and
4. how cooperative the respondent is with the investigation by export enforcement officials.

These, and other factors, are taken into consideration by BIS when imposing penalties to ensure the punishment fits the vio-

lation. Further, the Penalty Guidelines are drafted to allow BIS to take into account company size and the nature of the specific violations in a way that would warrant smaller penalty amounts.

Additionally, BIS frequently conducts outreach to large and small businesses to aid in the assessment of their export compliance programs, and to address general compliance questions. These visits and outreach programs provide significant opportunities for the federal government and exporters to have a dialogue on export controls, penalties, and compliance concerns. To that end, I would like to offer to visit your Congressional District and hold roundtable discussions with business leaders and entrepreneurs.

We are working to create, administer and improve an effective and flexible system of export controls that recognize the unique situations that U.S. businesses, particularly small businesses, encounter. Please do not hesitate to contact me or Bill Houston on my staff at 202-482-6002 at anytime. I value our relationship and look forward to working together in the future.

Sincerely,

MARIO MANCUSO,

*Under Secretary for Industry and Security.*

Mr. Speaker, I have also expressed concern about the lack of understanding that most small businesses have concerning export controls and sanctions. Our sanctions and export control laws are the most complex in the world. I believe if we are truly to keep goods and services from embargoed countries, small businesses must have a better understanding of what those prohibited items are.

Educated self-governance by small businesses would greatly enhance IEEPA as a deterrent, far more than some of the minimal fines that are currently imposed.

Mr. Speaker, I look forward to working with the Departments of Treasury and Commerce to make certain that small businesses clearly understand the law. IEEPA is an important tool in the effort to combat terrorist financing and other illicit activity, such as the proliferation of weapons of mass destruction.

I want to thank Chairman LANTOS, Ranking Member ROS-LEHTINEN and obviously Subcommittee Chairman SHERMAN for the bipartisan way they have moved this measure. They have worked with the administration to address my concerns. I support passage of this critical improvement to our economic sanctions law.

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

Mr. SHERMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I thank the gentleman for his support of the bill. I thank Chairman LANTOS and our ranking member, Ms. ROS-LEHTINEN, for their work in bringing this bill to the floor.

IEEPA is but one part of an overall effort to use the economic power of the United States to prevent terrorism and the spread of nuclear weapons. I think we have adequately covered in today's debate the importance of this bill to strengthen IEEPA; but I now would like to put IEEPA into overall context

and take a look at some of the other economic measures that we should also be employing in our effort to stop the spread of nuclear weapons.

This House passed H.R. 1400 designed to improve the Iran Sanctions Act. We need to press our colleagues in the Senate to pass that bill as well. But even more important, we need to press the administration to enforce the Iran Sanctions Act.

Many of us know that as the Iran-Libya Sanctions Act, or ILSA. What happened is both the last administration and this administration applied those sanctions to investments in the Libyan oil sector. That was effective. Gaddafi changed his policies, and so we had to rename the bill the Iran Sanctions Act, as we lifted sanctions from Libya.

Unfortunately, both the last administration and now this administration have been unwilling to enforce what is now the Iran Sanctions Act, which would be our best tool to put pressure on the regime in Tehran.

We need to close Iranian access to the U.S. financial system. I applaud the Treasury Department for blocking access to the New York Federal Reserve Board branch in New York to two major Iranian banks, which begs the question: Why not the others as well?

We need to stop World Bank loans to Iran. We need to urge upon our colleagues in the Senate that they pass H.R. 2337, known in their house as S. 1430, to allow American pension plans to divest from those companies doing business in Iran, and we need to urge the Senate to pass similar legislation already passed through this House doing the same thing with regard to investments in Sudan.

Finally, we need to make sure that our procurement laws and our laws for assisting businesses like the Ex-Im Bank and OPEC also require that corporations stop investing in the oil sector of Iran if they want the support of U.S. Government agencies.

It is time for us not to assume that the only possible response is either to acquiesce in a nuclear Iran or to use military action. It is time for us to get the message to Iranian elites and the Iranian people that they face true economic isolation if they continue down the current course. The way to do that is to muster all of the economic power of the United States towards achieving our national security objectives, and one small step in that direction is for us to pass S. 1612 today.

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

Mr. MANZULLO. Mr. Speaker, I yield back the balance of my time.

Mr. SHERMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. SHERMAN) that the House suspend the rules and pass the Senate bill, S. 1612.

The question was taken; and (two-thirds being in the affirmative) the

rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

#### RECOGNIZING COMMENCEMENT OF RAMADAN AND COMMENDING MUSLIMS FOR THEIR FAITH

Mr. SHERMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 635) recognizing the commencement of Ramadan, the Islamic holy month of fasting and spiritual renewal, and commending Muslims in the United States and throughout the world for their faith, as amended.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

##### H. RES. 635

Whereas it is estimated that there are approximately 1,500,000,000 Muslims worldwide;

Whereas since the terrorist attacks on the United States on September 11, 2001, some threats and incidents of violence have been directed at law-abiding, patriotic Americans of African, Arab, and South Asian descent, particularly members of the Islamic faith;

Whereas, on September 14, 2001, the House of Representatives passed a concurrent resolution condemning bigotry and violence against Arab-Americans, American Muslims, and Americans from South Asia in the wake of the terrorist attacks on the United States;

Whereas some extremists have attempted to use selective interpretations of Islam to justify and encourage hatred, persecution, oppression, violence and terrorism against the United States, the West, Israel, other Muslims, and non-Muslims;

Whereas some Muslims in the United States and abroad have courageously spoken out in rejection of interpretations of Islam that justify and encourage hatred, violence, and terror, and in support of interpretations of and movements within Islam that justify and encourage democracy, tolerance and full civil and political rights for Muslims and those of all faiths;

Whereas Ramadan is the holy month of fasting and spiritual renewal for Muslims worldwide, and is the 9th month of the Muslim calendar year; and

Whereas the observance of the Islamic holy month of Ramadan commenced at dusk on September 13, 2007, and continues for one lunar month: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) recognizes the Islamic faith as one of the great religions of the world;

(2) expresses friendship and support for Muslims in the United States and worldwide;

(3) acknowledges the onset of Ramadan, the Islamic holy month of fasting and spiritual renewal, and conveys its respect to Muslims in the United States and throughout the world on this occasion;

(4) rejects hatred, bigotry, and violence directed against Muslims, both in the United States and worldwide; and

(5) commends Muslims in the United States and across the globe who have privately and publicly rejected interpretations and movements of Islam that justify and encourage hatred, violence, and terror.

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

The Chair recognizes the gentleman from California.

##### GENERAL LEAVE

Mr. SHERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

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

There was no objection.

Mr. SHERMAN. Mr. Speaker, I rise in strong support of this resolution, and I yield myself such time as I may consume.

Mr. Speaker, I would like to thank our colleague from Texas, Ms. EDDIE BERNICE JOHNSON, for introducing this important and timely legislation, and I look forward to hearing her remarks as we proceed with this debate.

As we speak, millions of our Muslim friends and neighbors around the world are in the midst of Ramadan, a holy month of fasting and spiritual renewal. The observance of Ramadan requires devotion to faith, community and family, truly universal values we all share. During the month of Ramadan, observant members of the Islamic faith fast from sunrise to sunset and focus their attention on the teachings of their religion as well as purity of thought and action.

It is appropriate and necessary for the U.S. House of Representatives to mark the commencement of this important event which began this year on September 13 and continues for one lunar month. This legislation expresses the deep respect we all feel for Muslims in the United States and around the world.

Since the horrific events of September 11, 2001, unfortunately, peaceful patriotic members of the Islamic faith have been subject to hateful and demeaning threats, words, even acts of violence. This House must stand with these law-abiding citizens in this time of conflict. I strongly support this legislation and encourage my colleagues to do the same.

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

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

Mr. Speaker, I rise in support of H. Res. 635, which recognizes the commencement of Ramadan, the Islamic holy month of fasting and spiritual renewal, and expresses respect to Muslims in the United States and throughout the world on this occasion.

Regarded as the holiest month in the Islamic calendar, Ramadan signifies a time of deep reflection for the 1.5 billion Muslims across the globe. During this month, special emphasis is put on prayer, giving to charity, daylight fasting, and self-examination and improvement.

It is tragic that radical Islamists have used selective interpretations of Islam to justify and encourage hate, injustice, oppression, violence, and ter-

ror. They have indoctrinated many young Muslims to hate and target for violence America, Israel, the West, other Muslims, and non-Muslims.

Worse still, some have exploited the month of Ramadan, which should be devoted to spirituality and self-perfection, to stoke the fires of fanaticism and destruction.

It is important to note that a growing number of Muslims, including many in America, are rejecting radical Islam and its culture of death. Instead, they are articulating interpretations of Islam that embrace the values of human life, liberty, and democracy.

Indeed, today we are seeing a clash within Islamic civilization between those who wish to step into the light of progress and those who wish to return the entire world to the dark ages.

Given the threat that radical Islam poses worldwide, the clash within Islamic civilization affects everyone throughout the world. That is why this House should take the opportunity to pass H. Res. 635. This resolution commends Muslims who reject interpretations of Islam that justify and encourage hatred, violence, and terror.

May Ramadan this year truly be a time when Muslims and people of all faiths embrace freedom and tolerance for all, and reject violence and extremism.

I thank my friend and distinguished colleague from Texas, Ms. EDDIE BERNICE JOHNSON, for introducing this resolution; and I urge its adoption.

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

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Mr. SHERMAN. Mr. Speaker, I yield 5 minutes to the gentlelady from Texas (Ms. EDDIE BERNICE JOHNSON), who is the chairperson of the Transportation and Infrastructure Subcommittee on Water Resources and Environment and, more importantly, is the author of this important legislation.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, on September 13, 2007, Muslims in America and around the world celebrated the commencement of the Islamic holy month of Ramadan. I'd like to thank Chairman LANTOS, Congresswoman ROSLEHTINEN, Congressman MEEK, Congressman ELLISON and the Congressional Muslim Staffers Association for their continued support and leadership on this historic bill.

The two best that I know are on my staff: my chief of staff, Murat Gokcigdem, a Turkish American; and Illham Jaffer, legislative assistant.

H. Res. 635 recognizes Muslims around the world and commemorates them during their holy month of Ramadan. Ramadan is observed in the ninth month of the Islamic lunar calendar. Of the Abrahamic faiths, Islam is a faith that places great emphasis on knowledge; therefore, it is a faith of reason and peace.

The month of Ramadan is a time of heightened spiritual awareness, family