

he's ready to be deployed on his third tour. He'll be going to Iraq. So we need to fix it for him, for the other doctors, and patients who are exposed because of this problem. We need to fix it permanently. And this is the first step in doing so.

SAM, thank you for your help and your friendship on this and other important issues.

Mr. BARTON of Texas. Mr. Speaker, I yield such time as he may consume to the minority sponsor of this piece of legislation, the Honorable SAM JOHNSON of Plano, Texas.

Mr. SAM JOHNSON of Texas. Mr. Speaker, you know, it's not every day the House gets to consider a bipartisan, commonsense bill that's affordable. This doesn't cost anything and supports our service men and women overseas. However, I'm happy to say this is one of those days.

Right now the law prevents a Medicare physician from leaving his practice for more than 60 days at a time. And the regulation was created to prevent fraud, but it had the unintended effect of making life more difficult for someone that's called up to serve his country. And this bill eliminates the red tape by allowing our reservists to have one substitute doctor for their entire deployment.

Not only will the bill help our reservists, it'll prevent Medicare beneficiaries from experiencing a gap in service or losing access to care altogether.

And I want to thank my colleague from California for bringing this problem to my attention, I'm surprised we hadn't had it brought to our attention before, and for all the work you and your staff have done to get the bill to the floor today.

Those who serve our country and their communities need and want our assistance, and it's time we helped our weekend warriors who happen to be doctors to keep their patients and keep their practice. This is a great bill, and I appreciate the time. I thank Mr. KUCINICH for providing us the opportunity.

Mr. PALLONE. Mr. Speaker, I have no further requests for time. I was going to inquire whether my colleague on the other side does.

Mr. BARTON of Texas. No, Mr. Speaker. I yield myself such time as I may consume briefly.

We support the underlying concept of the bill, and, as I said, if it passes on a voice vote, we won't ask for a roll call vote.

I do stand by what I said, though, in terms of the committee process. We've got two bills on the suspension calendar from the Energy and Commerce Committee. Neither bill had a legislative hearing. Neither bill had a markup at subcommittee or full committee. Neither bill was introduced in its current form as of 2:45 yesterday afternoon. Both bills are on the floor today on the suspension calendar. That does call into question whether we even

need an Energy and Commerce Committee, given that everything apparently comes to the floor without going through the committee process.

But we support the underlying principles of this bill, and we certainly support the patriotism and courage of the two sponsors.

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

Mr. PALLONE. Mr. Speaker, I would just say again, this is a temporary measure. We have these brave men and women who are leaving to care for our troops in Iraq, we're in a time of war, and I think it's just a very special circumstance right now. So I would urge my colleagues on both sides of the aisle to support passage.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. PALLONE) that the House suspend the rules and pass the bill, H.R. 2429.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. THOMPSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

QUESTION OF PERSONAL PRIVILEGE

Mr. KUCINICH. Mr. Speaker, I rise to a question of personal privilege under article IX, clause 1.

The SPEAKER pro tempore. The Chair has been made aware of a valid basis for the gentleman's point of personal privilege.

The gentleman from Ohio is recognized for 1 hour.

Mr. KUCINICH. Mr. Speaker, there is an issue of critical importance facing this Congress, and that issue relates to whether or not this Congress should pass legislation to continue to fund the war in Iraq.

The legislation contains a particular provision that would lead to the privatization of Iraq's oil, a provision that I'm quite concerned about, because I think that if we take that position, it will make it very difficult for us to ever be able to end the war.

So today I'm going to lay out the case as to why this provision that's in the bill would advance privatization and as to what the options are for this Congress.

As many know, the administration has set forth several benchmarks for the Iraqi Government, including the passage of a hydrocarbon law by the Iraqi Parliament. The administration has emphasized only a small part of this law, what they call the "fair distribution," that's in quotes, of oil revenues.

I want this House to consider the fact that this Iraqi hydrocarbon law contains a mere three sentences that generally discusses the so-called fair distribution of oil. Except for three scant lines, the entire 33-page hydrocarbon law is about creating a complex legal structure to facilitate the privatization of Iraqi oil. As such, it is imperative that Members of Congress read the Iraqi Parliament's bill, because passage of any legislation that includes insisting that the Iraq Government push the passage of a hydrocarbon act puts this Congress on record to promote privatizing Iraq's oil.

Now, I have maintained from the beginning that the war has been about oil. We must not be a party to any attempt to set the stage for multinational oil companies to take over Iraq's oil resources.

There have been several benchmarks set by the administration for the Iraqi Government, including passage of a so-called hydrocarbon law by the Iraqi Parliament. Many inside the Beltway are contemplating linking funding for the war in Iraq to the completion of these benchmarks, including passage of the hydrocarbon law by the Parliament.

This administration has led Congress into thinking that this bill is about fair distribution of oil revenues. In fact, as I mentioned earlier, except for three scant lines, the entire 33-page hydrocarbon law creates a structure to facilitate the privatization of Iraq oil.

Now, the war in Iraq is a stain on American history. Let us not further besmirch our Nation by participating in an outrageous exploitation of a nation which is in shambles due to the U.S. intervention.

Let me provide this House with an analysis of the underlying bill in the Iraqi Legislature, which this administration is trying to get Congress to pass to pressure the Iraqi Government to accept privatization. And this analysis that I'm offering at this moment is a version that passed the Iraqi Cabinet and was referred to the Iraqi Parliament.

The legislation contains only three sentences in regards to the fair distribution of oil, but does not resolve any of the issues facing this challenge. The legislation simply requires that future legislation be submitted for approval; thus this legislation does not even meet the benchmark of the administration.

The legislation ensures that "chief executives of important related petroleum companies," follow that now, "chief executives of important related petroleum companies" are represented on a Federal Oil and Gas Council, which approves oil and gas contracts. This is akin to foreign oil companies approving their own contracts.

This legislation ensures that the Iraqi National Oil Company, which is the oil company of the people of Iraq,

has no exclusive rights for the exploration, development, production, transportation and marketing. The Iraqi National Oil Company must compete against foreign oil companies with rules that benefit the foreign oil companies. This is for their own oil.

The legislation gives the Iraqi National Oil Company some control of developed oil fields and rights to participate in undeveloped oil fields in the Annex I and II of the legislation, but these annexes have never been made public, so we don't know for sure.

The legislation gives the Iraqi National Oil Company temporary control of the oil pipelines and export terminals, but then it directs the Federal Oil and Gas Council, which is run by chief executives of oil companies, it directs them to turn these assets over to any entity with no further instructions. The opportunity for a foreign oil company to have control over the Iraqi oil pipeline and export terminals would give that company enormous control of the Iraqi oil market.

The legislation demands that contracts, and this is a quote, "must guarantee the best level of coordination" with the Oil Ministry, Iraqi National Oil Company, the regions and oil companies. The legislation mandates that undeveloped oil fields be developed quickly, and oil companies are given explicit authority to collaborate.

The legislation does not require contracts to be published for public review for up to 2 months after approval. The legislation provides for up to 35 years of exclusive control over oil fields for foreign oil companies. The legislation provides for a preference to Iraqis for jobs and services, but only if these benefits do not place extra costs or inconveniences on the foreign oil companies. The legislation states that disputes between the State of Iraq and any foreign investors shall be submitted for arbitration to an international court and will not be decided upon by an Iraqi court.

This legislation has four appendices whose contents remain secret. Annex I, which is secret, regards to present producing fields allocated to the Iraqi National Oil Company; Annex II, discovered or undeveloped fields allocated to the National Iraqi Oil Company; Annex III, discovered undeveloped fields outside the operations of the Iraqi National Oil Company; and Annex IV, exploration areas. These appendices will effectively make clear which old fields will be controlled by the Iraqi National Oil Company and which are open to foreign control of oil companies.

And I might add that when you look at this, out of about 98 oil fields, Iraq will have control of approximately 80, 81 of those oil fields. Excuse me. The foreign oil companies will have control of about 80, 81 of those oil fields, or over 80 percent of Iraqi oil under this agreement will be controlled by foreign oil interests. This is an analysis that I'm offering based on facts that are ascertainable.

Now, what are others saying about this draft Iraqi oil law and what it will do? Here's a quote from the Christian Science Monitor of May 18, 2007, in an article entitled "How Will Iraq Share the Oil?" In the U.S., the demand that Iraq pass an oil law is a benchmark that is becoming a flash point. Here's the quote.

□ 1145

"The actual law has nothing to do with sharing oil revenue," says former Iraqi Oil Minister, Issam Al Chalabi, in a phone interview from Amman, Jordan. The law aims to set a framework for investment by outside oil companies, including favorable production sharing agreements that are typically used to reward companies for taking on risk, he says.

"We know the oil is there. Geological studies have been made for decades on these oil fields; so why would we let them," that is, the international oil companies, "have a share of the oil?" he adds. "Iraqis will say this is solid proof that Americans have staged the war . . . because of this law."

The next quote comes from the Dow Jones Newswires of March 4, 2007, the headline: "Iraq Oil Law Details Untouched Fields, Blocks—Document." And the text says:

"Iraq's draft hydrocarbon law, the centerpiece in the development of the country's shaky oil industry, details dozens of untouched oil fields loaded with proven reserves and scores of exploration blocks that may prove a magnet to international oil companies, according to a document seen by Dow Jones Newswires."

In an article from the Dow Jones Newswires again, on March 10, 2007, the headline: "Some Iraqi Politicians Urge Rejection of Draft Oil Law." Here's the text:

"The law, if passed, is expected to open the country's billions of barrels of proven oil reserves, the world's third largest, to foreign investors."

From an article from the American Lawyer, April 25, 2007, "Our Man in Iraq." Here is the text:

"Under the new law, the Iraqi National Oil Company would have exclusive control of only about 17 of Iraq's approximately 80 known oil fields." So that number, then, is 17 of Iraq's approximately 80 known oil fields. "The law would also allow the government to negotiate different kinds of exploration and production contracts with foreign oil companies, including production sharing agreements, or PSAs. Energy lawyers favor these because they allow oil companies to secure long-term deals and book oil reserves as assets on their company balance sheets. Under the proposed law, foreign companies would not have to invest their earnings in Iraq, hire Iraqi workers, or partner with Iraqi companies."

Next, from the U.S. Morning Star Online, January 28, 2007, headline: "Iraqi Officials Insist Oil Law Won't Favor U.S."

"The proposal would provide for production sharing agreements that would give international firms 70 percent of the oil revenues to recover their initial investments and subsequently allow 20 percent of the profits without any tax or restrictions on transferring the funds abroad."

This from CommonDreams.org, April 18, 2007, entitled "Time to Do the Math in Iraq":

"The most notable feature of the law is a revival of exploitive type of contact widely used prior to the rise of Arab nationalism in the 1960s, known as a production sharing agreement. Although the Oil Law uses an alternative term, 'exploration and production contract,' the effect is identical. The new arrangement would allow the bulk of Iraq's reserves to be controlled by outside oil companies, privatizing what until now has been a nationalized resource under the auspices of the Iraqi National Oil Company. It specifies the royalty that will be paid to Iraq: '12.5 percent of gross production, measured at the entry flange to the main pipeline.' And as if the rest of the law were not already explicit enough, article 35(A) reiterates: 'Holders of exploration and production rights may transfer any net profits from petroleum operations to outside Iraq after paying taxes and fees owed.'"

This, from a publication called PLATFORM in 2005, entitled "Crude Designs: The Rip-Off of Iraq's Oil Wealth," by Greg Muttitt:

"At an oil price of \$40 per barrel," and keep in mind that the price of oil is about \$65 a barrel right now, heading towards \$70 a barrel, but at a "price of \$40 a barrel, Iraq stands to lose between \$74 billion and \$194 billion over the lifetime of the proposed contracts."

"Under the likely terms of the contracts, oil company rates of returns from investing in Iraq would range from 42 to 162 percent, far in excess of the usual industry minimum target of around 12 percent return on investments."

Next, on March 13, 2007, Antonia Juhasz, an oil industry analyst in an op-ed contribution, asks: "Whose Oil is it, Anyway?" Here is what Antonia Juhasz writes:

"Today more than three-quarters of the world's oil is owned and controlled by governments. It wasn't always this way. Until about 35 years ago, the world's oil was largely in the hands of seven corporations based in the United States and Europe. Those seven have since merged into four: ExxonMobil, Chevron, Shell, and BP. They are among the world's largest and most powerful financial empires. But ever since they lost their exclusive control of the oil to the governments, the companies have been trying to get it back. Iraq's oil reserves, thought to be the second largest in the world, have always been high on the corporate wish list. In 1998 Kenneth Derr, then chief

executive of Chevron, told a San Francisco audience, 'Iraq possesses huge reserves of oil and gas, reserves I'd love Chevron to have access to.'

"A new oil law set to go before the Iraqi Parliament this month would, if passed, go a long way toward helping the oil companies achieve their goal. The Iraq hydrocarbon law would take the majority of Iraq's oil out of the exclusive hands of the Iraqi Government and open it to international oil companies for a generation or more.

"In March, 2001," continuing to quote from this article, "the National Energy Policy Development Group, better known as Vice President DICK CHENEY's energy task force, which included executives of America's largest energy companies, recommended that the United States Government support initiatives by Middle Eastern countries 'to open up areas of their energy sectors to foreign investment.' One invasion and a great deal of political engineering . . ." later, this is exactly what the Iraq oil law would achieve. It does so to the benefit of oil companies but to the great detriment of Iraq's economy, democracy, and sovereignty.

"Since the invasion of Iraq, the administration has been aggressive in shepherding the oil law toward passage. It is one of the administration's benchmarks for the government of Prime Minister Nuri Kamal al-Maliki, a fact that" the administration officials "are publicly emphasizing with increasing urgency." And, that is that these are the benchmarks of the administration.

"The administration has highlighted the law's revenue sharing plan, under which the central government would distribute oil revenues throughout the nation on a per capita basis. But the benefits of this excellent proposal are radically undercut by the law's many other provisions. These allow much, if not most, of Iraq's oil revenues to flow out of the country and into the pockets of international oil companies."

Continuing quoting from the article: "The law would transform Iraq's oil industry from a nationalized model closed to American oil companies, except for limited although highly lucrative marketing contracts, into a commercial industry."

So, again, the nationalized model is now closed to American companies except for limited marketing contracts. It would transform that into a commercial industry, all but privatized, that is fully open to international companies.

"The Iraq National Oil Company would have exclusive control of 17 of Iraq's 80 known oil fields, leaving two-thirds of known and as of yet undiscovered oil fields open to foreign control.

"The foreign companies would not have to invest their earnings in the Iraqi economy, partner with Iraqi companies, hire Iraqi workers, or share new technologies. They could even ride out Iraq's current 'instability' by signing

contracts now, while the Iraqi Government is at its weakest, and then wait at least 2 years before even setting foot in the country. The vast majority of Iraq's oil would then be left underground for at least 2 years rather than being used for the country's economic development.

"The international oil companies could also be offered some of the most corporate-friendly contracts in the world, including what are called production sharing agreements. These agreements are the oil industry's preferred model but are roundly rejected by all the top oil producing countries in the Middle East because they grant long-term contracts, 20 to 35 years in the case of Iraq's draft law, and greater control, ownership, and profits to the companies than other models. In fact," this kind of contract is "used for only approximately 12 percent of the world's oil.

"Iraq's neighbors Iran, Kuwait, and Saudi Arabia maintain nationalized oil systems and have outlawed foreign control over oil development. They all hire international oil companies as contractors to provide specific services, as needed, for a limited duration and without giving the foreign company any direct interest in the oil produced.

"Iraqis may very well choose to use the expertise and experience of international oil companies. They are most likely to do so in a manner that best serves their needs if they are freed from the tremendous external pressure being exercised by the administration, the oil corporations, and the presence of 140,000 members of the American military.

"Iraq's five trade union federations, representing hundreds of thousands of workers, released a statement opposing the law and rejecting 'the handing of control over oil to foreign companies, which would undermine the sovereignty of the state and the dignity of the Iraqi people.' They ask for more time, less pressure, and a chance at the democracy they have been promised."

Let me share with this House some basic facts about Iraqi oil because, over the past several months, we have had many different news agencies citing diverse reports about how much oil Iraq has.

From the Petroleum Economist Magazine, they estimate that Iraq has 200 billion barrels of oil. The Federation of American Scientists' estimate is 215 billion barrels of oil. The Council on Foreign Relations estimates Iraq has 220 billion barrels of oil. And the Center for Global Energy Studies estimates 300 billion barrels of oil. These figures, by the way, from a report from the Brookings Institution dated May 12, 2003.

Now, for the sake of discussion, let's take this figure of 300 billion barrels of oil so we can see how much money we are talking about here. As I mentioned earlier, the price of oil, somewhere around \$65 a barrel right now and mov-

ing up quickly, as American consumers are finding out. It is not unusual to predict at this moment that the price of oil could go to \$70 a barrel. Now, if it does go to \$70 a barrel, we are looking here at a potential value of Iraqi oil at being about \$21 trillion. Now, if the foreign oil companies have control over 80 percent or more, you start to get an idea of the kind of money that is at stake here and why there is such pressure being put on the Iraqi Government to privatize their oil.

Now, I would like to turn to a quote further talking about the Iraq oil, a basic fact. This from the Global Policy Forum called "Oil in Iraq: the Heart of the Crisis," December, 2002:

"According to the Oil and Gas Journal, Western oil companies estimate that they can produce a barrel of Iraqi oil for less than a \$1.50 and possibly as little as \$1, including all exploration, oil field development and production costs and including a 15 percent return.

□ 1200

This is similar to production costs in Saudi Arabia, and lower than virtually any country. So again, the desirability of a private corporation having Iraq's oil is that their production costs would be very low.

A word about the history of oil exploitation in Iraq. Following World War I, the British assumed control of Iraq from the Ottoman Empire. In 1925, a 75-year concession contract was granted to American, French and British oil companies. By 1930, the consortium was in complete control of all Iraqi oil. The oil companies controlled the oil fields and reaped almost all the profits. It was not until the overthrow of the British-installed monarchy in 1958 that the foreign control of oil was challenged. In 1961, the consortium's rights were limited to current production. And beginning in 1972, Iraq oil resources were nationalized, a process that was finalized in 1975.

Now, here is a statement issued by the Iraqi Labor Union Leadership at a seminar held in December of 2006 to discuss this draft Iraqi oil law: "Iraq is rich in national wealth, foremost among which is its oil wealth, the essence of the economic life for Iraq and the world, which has been a focus of attention of the large, industrialized countries in particular.

"The British and American oil companies were the first to obtain concessions to extract and invest in Iraqi oil nearly 80 years ago. After Iraq got rid of this octopus network, these foreign oil companies had again attempted to dominate this important oil wealth under numerous pretexts and invalid excuses."

Indeed, Iraqi oil unions have objected to the Hydrocarbon Act. In an open letter to the U.S. Congress dated May 13, 2007, just a little more than a week ago, here are some excerpts:

"Peace be unto you and greetings to all.

"We wish to clarify certain matters relating to events in Iraq for our

friends among the Members of the U.S. Congress. It is common knowledge that the occupation spared neither the young nor the old, and that Iraq is passing through the most difficult of times because all and sundry are hounding it and covet a share of its riches. We see no good reason for linking the passing of the feeble Iraq oil law to the withdrawal of the occupation troops from Iraq.

"Everyone knows that the oil law does not serve the Iraqi people, and that it serves the administration, its supporters and the foreign oil companies at the expense of the Iraqi people, who have been wronged and deprived of their right to their oil, despite enduring all difficulties.

"We ask our friends not to link withdrawal with the oil law, especially since the USA claimed that it came to Iraq as a liberator and not in order to control Iraq's resources.

"The general public in Iraq is totally convinced that the administration wants to rush the promulgation of the oil law so as to be leaving Iraq with a victory of sorts.

"We wish to see you take a true stance for the children of Iraq. And we always say that history will remember those who advance peace over war.

"With my regards, Hassan Jum'a Awwad, Head of the Iraqi Federation of Oil Unions."

This now from the Oil union leader's speech on oil law. This is a speech of the head of the Federation of Oil Unions in Basra on Tuesday, February 6, 2007:

"Recently, the Constitution of Iraq, on which the Iraq people voted in the most dire and difficult of conditions, notes in clause 111 that oil and gas are the property of the Iraqi people. But, alas, this clause in the Constitution will remain but ink on paper if the oil law and oil investment law being presented to the Parliament are ratified, laws which permit production-sharing agreements, laws without parallel in many oil producers, especially the neighboring countries. Why should Iraqis want to introduce such contracts in Iraq, given that applying such laws will rob the Iraqi Government of the most important thing it owns?"

"We send a message to all of the members of the Iraqi Parliament, when debating the oil and investment law, to bear the Iraqis in mind, to protect the national wealth, and to look at the neighboring countries. Have they introduced such laws even when their relations with foreign companies are closer than in Iraq?"

Now, there is a question that's being raised. Are these oil companies just trying to help Iraq gain its wealth? What if Iraq doesn't have the ability or the money to be able to get its own oil industry on its feet? Does Iraq have to privatize in order to tap its oil wealth? Well, the fact of the matter is that Iraq has options beyond privatization to develop its own oil capacity.

According to the Middle East Economic Survey, volume 49, number 2,

dated March 19, 2007, entitled "Iraq Open Letter from Iraqi Oil Experts to Parliament":

"We anticipate that the motive behind the issuance of this law is based on the increase of production capacity through the attraction of foreign investments. In this regard, we feel and recommend to plan the increase of the capacity gradually, starting with the rehabilitation of currently producing fields by national effort, Iraqi National Oil Company, followed by the development of the giant discovered, but not developed or partially developed, fields, and to schedule the priority of their development according to their capacities and development costs, irrespective of their geographical locations." And it goes on to say that there ought to be an avoidance of long-term contracts with foreign companies at the present time.

This is a statement issued by the Iraqi Union Leadership in a seminar. And another statement in a seminar in December 2006 in Amman, Jordan:

"Whereas oil and gas are greatly important for the Iraqi economy and whereas the building of the state and its institutions are dependent on it as the main source of national income, it is therefore the right of the Iraqi people to read the draft oil law under consideration. The Iraqi people refuse to allow the future of their oil to be decided behind closed doors."

In an article by Michael Schwartz called "The Prize of Iraqi Oil," "None of these conditions apply in Iraq. Huge reservoirs of easily accessible oil are already proven to exist, with more equally accessible fields likely to be discovered at little expense. That's why none of Iraq's neighbors emphasize production-sharing agreements. Saudi Arabia, Kuwait, Iran and the United Arab Emirates all pay the multinationals a fixed rate to explore and develop their fields, and all the profits become state revenues."

Christian Science Monitor, May 18, 2007: "How Will Iraq Share the Oil?"

"In New York, oil industry analyst, Fidel Geit of Oppenheimer Company, Incorporated, has reviewed both the official Arabic version of the draft law and the unofficial English translation and say they are ambiguous and seem to be written in haste." Quote, "Why shouldn't Iraq use Iraqi nationals to decide how contracts will be awarded? They have oil engineers. Use the best brains in the country and hopefully they will do what is in the best interest of the country," he says, "otherwise there is an impression that American companies are telling Iraqis what to do."

Now, I have stated many times on this floor that I believe that the war against Iraq was about oil. Now let me provide you with some quotes that may reflect on my thinking on this.

Mr. DICK CHENEY, CEO of Halliburton, in a speech at the Institute of Petroleum in 1999, said, "By 2010, we will need on the order of an additional

50 million barrels a day. So where is the oil going to come from? Governments and national oil companies are obviously controlling about 90 percent of the assets. Oil remains fundamentally a government business. While many regions of the world offer great oil opportunities, the Middle East, with two-thirds of the world's oil and lowest cost, is still where the prize ultimately lies. Even though companies are anxious for greater access there, progress continues to be slow."

In an article from Platform, November 2005, called "Crude Designs: The Rip-Off of Iraq's Oil Wealth." Chapter four, "Planning Iraq's Oil Future. Preinvasion Planning." And when you listen to this, it's pretty astonishing to see how all these facts have been available for people to be able to gain, and perhaps only now people are reflecting on the real meaning of this.

This is what Greg Muttitt writes: "Prior to the 2003 invasion, the principal vehicle for planning the new post-war Iraq was the U.S. State Department's Future of Iraq project. This initiative, commencing as early as April 2002, involved meetings in Washington and London of 17 working groups, each composed of 10 to 20 Iraqi exiles and international experts selected by the State Department.

"The 'Oil and Energy' working group met four times between December 2002 and April 2003. Although full membership of the group has never been revealed, it is known that Ibrahim Bahr al-Uloum, the current Iraqi Oil Minister, was a member. The 15-strong oil working group concluded that Iraq, quote, 'should be opened to international oil companies as quickly as possible after the war,' and that, quote, 'the country should establish a conducive business environment to attract investment of oil and gas resources.'

"The subgroup went on to recommend production-sharing agreements as their favorite model for attracting foreign investment. Comments by the hand-picked participants revealed that 'many of the group favored production-sharing agreements with oil companies.' Another representative commented, 'Everybody keeps coming back to production-sharing agreements.'

"The reasons for this choice were explained in the formal policy recommendations of the working group, published in April 2003," and I quote from this article from Platform:

"Key attractions of production-sharing agreements to private oil companies are that, although the reserves are owned by the state, accounting procedures permit the companies to book the reserves in their accounts, but, other things being equal, the important feature from the perspective of private oil companies is that the government intake is defined in terms of the production-sharing agreement, and the oil companies are therefore protected under a production-sharing agreement from future adverse legislation," which means it would be very

tough to be able to have a government, once it gives up its oil wealth, to be able to get it back.

"The group also made it clear that in order to maximize investments, the specific terms of the production-sharing agreements should be favorable to foreign investors: 'PSAs can induce many billions of dollars of direct foreign investment in Iraq, but only with the right terms, conditions, regulatory framework laws, oil industry structure and perceived attitude toward foreign participation.'

"Recognizing the importance of this announcement, The Financial Times noted: 'Production-sharing deals allow oil companies a favorable profit margin and, unlike royalty schemes, insulates them from losses incurred when the oil price drops. For years, big oil companies have been fighting for such agreements without success in countries such as Kuwait and Saudi Arabia.'

"The article concluded that: 'The move could spell a windfall for big oil companies such as ExxonMobil, Royal Dutch/Shell, BP and TotalFinaElf.'

Now, this article goes on to talk about what has been done to try to shape the new Iraq with respect to oil.

"The U.S. and the U.K. have worked hard to ensure that the future path for oil development chosen by the first elected Iraqi Government will closely match their interests. So far it appears they have been highly successful. Production-sharing agreements, which were first proposed by the U.S. State Department group, have emerged as the model of oil development favored by the postinvasion phases of Iraqi Government.

"Phase one: Coalition Provisional Authority and Iraqi Governing Council. During the first 14 months following the invasion, occupation forces had direct control of Iraq through the Coalition Provisional Authority. Stopping short of privatizing oil itself, this Coalition Provisional Authority began setting up a framework for a longer-term oil policy.

"The Coalition Provisional Authority appointed former senior executives from oil companies to begin this process. The first advisers were appointed in January 2003, before the invasion even started, and they were stationed in Kuwait, ready to move in. First, there were Phillip Carroll, formerly of Shell, and Gary Vogler of ExxonMobil, backed up by three employees of the U.S. Department of Energy and one of the Australian Government. Carroll described his role as not only to address short-term fuel needs and the initial repair of production facilities, but also," point, "'begin planning for the restructuring of the Ministry of Oil to improve its efficiency and effectiveness.'" Another point: "'Begin thinking through Iraq's strategy options for significantly increasing its production capacity.'

"In October 2003, Carroll and Vogler were replaced by Mob McKee of ConocoPhillips and Terry Adams of BP,

and finally in 2004, by Mike Stinson of ConocoPhillips and Bob Morgan of BP. The 147,000 pound cost of two British advisers, Adams and Morgan, was met by the U.K. Government. Following the handover to the Iraq Interim Government in June 2004, Stinson became an adviser to the U.S. Embassy in Baghdad."

Again, from Platform, On the 13th of July, 2003, "In the first move towards Iraqi self-government, the Coalition Provisional Authority's Administrator Paul Bremer appointed the quasi-autonomous, but virtually powerless, Iraqi Governing Council. On the same day Mr. Bremer appointed Ibrahim Bahr al-Uloum, who had been a member of the U.S. State Department oil working group, as Minister for Oil."

□ 1215

Within months of his appointment, Bahr al-Uloum announced he was preparing plans for the privatization of Iraq's oil sector, but that no decision would be taken until after the election scheduled for 2005. Speaking to the Financial Times, Bahr al-Uloum, a U.S.-trained petroleum engineer, said the Iraqi oil sector needs privatization, but it is a cultural issue, noting the difficulty of persuading the Iraqi people of any such policy. He then proceeded to announce that he personally supported production sharing agreements for upstream development, giving priority to U.S. oil companies and European companies, probably.

The second phase, the Iraq interim government. In June 2004, the Coalition Provisional Authority handed over Iraq's sovereignty to an interim government headed by Prime Minister Allawi. The position of Minister of Oil, was handed to Thamir al-Ghadban, a U.K.-trained petroleum engineer and former senior adviser to Bahr al-Uloum. In an interview in Shell Oil Company's in-house magazine, al-Ghadban announced that 2005 would be the "year of dialogue" with multinational oil companies.

"About 3 months after taking power, Allawi issued a set of guidelines to the Supreme Council for Oil Policy from which the Council was to develop a full petroleum policy. Preempting both the Iraqi elections and drafting of a new constitution, Allawi's guidelines specified that while Iraq's currently producing fields should be developed by the Iraq National Oil Company, all other fields should be developed by private companies, through the contractual mechanism of production sharing agreements.

"Iraq has about 80 known oil fields, only 17 of which are currently in production. Thus the Allawi guidelines would grant the other 63 to private oil companies."

The third phase, the transitional government and writing the constitution: "The interim government was replaced in 2005 by the election of Iraq's new National Assembly, which led to the formation of the new government with

Ibrahim al-Ja'afari as Prime Minister. In a move which no doubt assisted policy continuity from the period of U.S. control, Ibrahim Bahr al-Uloum was reappointed to the position of Minister for Oil.

"Meanwhile, Ahmad Chalabi, the Pentagon's former favorite to run Iraq, was appointed chair of the Energy Council, which replaced the Supreme Council for Oil Policy as the key overseer of energy and oil policy. Back in 2002, Chalabi had famously promised that 'U.S. companies will have a big shot at Iraqi oil.'

"By June 2005, government sources reported that a Petroleum Law had been drafted, ready to be enacted after the December elections. According to sources, although some details are still being debated, the draft of the Law specifies that while Iraq's currently producing fields should be developed by Iraqi National Oil Company, new fields should be developed by private companies."

Now, this again comes from an article, Foreign Policy in Focus. The title, "When It Comes to Oil, the U.S. Administration is Bypassing Democracy in Iraq," an article "Oil Pressure" by Greg Muttitt, August 28, 2006. It goes on to say: Since the new Iraqi Government was formed in 2006, the U.S. Government has dramatically scaled up its efforts to provide "advice." Last month, the administration and major oil companies reviewed and commented on the new law governing Iraq's crucial oil sector before it had even been seen by the Iraqi Parliament.

"Violating the very notions of freedom and democracy" the administration invokes in nearly every speech, "the U.S. Government has actively intervened in the restructuring of Iraq's oil industry since at least 2002.

In December 2002, the State Department established a working group on oil and energy as part of its "Future of Iraq" project. The project brought together influential exiled Iraqis with U.S. Government officials and international consultants. Later, some members of the group became part of the Iraqi Government. The result of the project's work was a draft framework for Iraq's oil policy. Despite Iraq being rich in oil and technical expertise, the group recommended a major role for foreign companies through long-term contracts, an approach that would set Iraq at odds with the rest of the Middle East where major oil producers keep their oil in the public sector.

"In March 2003, the wheels started to turn as the Coalition Provisional Authority appointed the former head of Shell USA as a senior oil adviser, in direct contact with the Iraq Ministry of Oil. He was joined by an executive from ExxonMobil, and after 6 months, the post was rotated to former managers of ConocoPhillips and BP.

"In December 2003, the framework was set out in more detail when USAID commissioned a report by the privatization specialists BearingPoint," is

the name of the company, entitled 'Options for Developing a Sustainable Long-Term Iraqi Oil Industry.' The report reinforced the 'Future of Iraq's' report, recommending long-term contracts with foreign companies.

"Pointing to the success, as they call it, of this model, BearingPoint used Azerbaijan's privatization model as an example. The report commented approvingly that Azerbaijan's high corruption and lack of democracy had not impeded investment; the government had simply given away a higher share of revenues in order to attract companies. The implication was that Iraq, which has a nascent democracy and chronic corruption, might follow the same approach.

"After the handover to the interim government in June 2004, senior oil advisers, now based within the Iraq Reconstruction Management Office in the U.S. Embassy worked closely with the Iraq Oil Ministry in shaping policy. Post holders included executives from ChevronTexaco and Unocal.

"In 2006, these efforts intensified. In February, the Iraq Reconstruction Management Office advisers accompanied eight senior officials from the Oil Ministry on a trip to the U.S., sponsored by the U.S. Trade and Development Agency. On the trip, they met oil company representatives to discuss the future structure of the Iraq oil industry.

"The same month, at the request of the State Department, USAID provided an adviser to the Oil Ministry, again from BearingPoint," the privatization specialist, "to work directly on a new oil law providing 'legal and regulatory advice and drafting the framework of petroleum and other energy-related legislation, including foreign investment.'"

"The U.S. campaign on the fledgling Iraqi Government has been successful. Following his appointment in May, new Oil Minister Husayn al-Shahristani announced that one of his top priorities would be writing of an oil law to allow Iraq to sign contracts with 'the largest companies.'"

"This would be the first time in more than 30 years that foreign companies would receive a major stake in Iraq's oil. Oil was brought into public ownership and control in Iraq in 1975.

"With the ink not yet on the paper, the U.S. has maintained its pressure. On his visit to Baghdad in 2006," the U.S. Energy Secretary "insisted that the Iraqi government must 'pass a hydrocarbon law under which foreign companies can invest.' But the work to make this case had already been done: 'We got every indication they were willing and also felt a necessity to open up this sector,' he commented after a meeting with the Oil Minister and Iraqi officials.

The Energy Secretary did not stop at reviewing the draft law himself in Baghdad. He also arranged for Dr. Al-Shahristani, the new Oil Minister, to meet with nine major oil companies,

including Shell, BP, ExxonMobil, ChevronTexaco and ConocoPhillips, for them to comment on the draft as well, during the Minister's trip to Washington, D.C. the following week.

"Given the pressures involved, perhaps the Minister felt he did not have much choice. His promise to pass the law through Parliament by the end of 2006 was set in Iraq's agreement with the International Monetary Fund last December. According to that agreement, IMF officials would also review and comment on a draft in September.

"And still, the draft law had not been seen by the Iraqi Parliament. Meanwhile, an official from the Oil Ministry had stated that Iraqi civil society and the general public will not be consulted at all.

"These issues could hardly be more important for Iraq. Oil accounts for more than 90 percent of government revenue, is the main driver of Iraq's economy. And decisions made in the coming months will not be reversible—once contracts are signed, they will have a major bearing on Iraq's economy and politics for decades to come."

There is much that has been written, an article in the Associated Press on March 13, 2007, about how Iraqi leaders fear ouster over oil money. Continued White House support for Iraq depended on positive action and all the benchmarks, especially the oil law and sectarian reconciliation, by the close of this parliamentary session. June 30.

In an article in the Los Angeles Times, May 13, 2007, Iraqis resist U.S. pressure to enact oil law. Foreign investment and Shiite control are primary concerns. Here is a quote. "I did make it clear that we believe it is very important to move on the issues before us in a timely fashion and any undue delay would be difficult to explain." That is a quote from Vice President CHENEY, who recently visited Iraq to urge the passage of the Hydrocarbon Act, among other matters.

"The U.S. Energy Secretary calls on Iraq to open up its oil sector to foreign investment." This is an article from the 21st of July, 2006, saying that U.S. Energy Secretary Samuel Bodman has urged Iraq to establish a legal framework that would be instrumental in attracting foreign investment.

Other articles. From a Department of Energy press release, July 26, 2006: Secretary Bodman hosts Iraqi Ministers of Oil and Electricity. Energy leaders sign memorandum of understanding to further promote electricity cooperation.

From Agence France-Presse, U.S. wants new Iraq oil law so foreign firms can take part. July 18, 2006. The United States on Tuesday urged Iraq to adopt a new hydrocarbon law that would enable U.S. and other foreign companies to invest in the war-torn country's oil sector.

We all know that the Iraq Study Group, in one of its major recommendations, Recommendation 63, said the United States should encourage investment in Iraq's oil sector by

the international community and international energy companies; that the United States should assist Iraqi leaders to reorganize the national oil industry as a commercial enterprise; that the United States should ensure the World Bank's efforts to assure that best practices are used in contracting.

Mr. Speaker, the last 50 minutes that I have spent talking about the effort to try to privatize Iraq's oil, if you go to one of the search engines, you can find perhaps 1 million different citations relating to this. So it is impossible to cover this kind of a subject, even in a period of an hour. But it needs to be said that this administration has pushed the Congress to put language in funding bills for Iraq that would set the stage for the privatization of Iraq's oil.

I am going to quote from the first war supplemental, that the President shall make and transmit to Congress a determination, No. 2, whether the Government of Iraq is making substantial progress in meeting its commitment to pursue reconciliation initiatives, including enactment of a hydrocarbon law. Then under subsection (b), it says if the President fails to make this determination, the Secretary of Defense shall commence the redeployment of our Armed Forces from Iraq.

In other words, privatize your oil, or we are leaving you without having a security and peacekeeping force to replace the United States Army.

□ 1230

In the second supplemental, the administration language promoted the President transmitting to Congress a report in classified and unclassified form, article 2, whether the Government of Iraq has enacted a broadly accepted hydrocarbon law that equitably shares revenues among all Iraqis.

Now again, they don't talk about what the real purpose of the Hydrocarbon Act has been. It is not about sharing revenues equitably; it is about a complex restructuring of Iraq's oil industry for the purpose of turning Iraq's oil over to private oil companies.

Finally, in the third supplemental that is before this Congress this week, there is an article from the Senate side that relates to Iraq oil, and I quote: "The United States strategy in Iraq shall hereafter be conditioned on the Iraqi Government meeting certain benchmarks." And one such benchmark, "enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq." And it goes on to pay homage to the issues of equity and ethnicity.

Madam Speaker, it is clear that the people of Iraq are under enormous pressure to give up control of their oil. When you consider that there was no cause to go to war against Iraq, that Iraq did not have weapons of mass destruction, that Iraq had nothing to do with 9/11, that Iraq had nothing to do with al Qaeda's role in 9/11, that the administration kept changing the reason

why we went into Iraq, and here we are, years later, we are still in Iraq, and enormous pressure is being put on the Iraqi Government to privatize their oil.

I am here to say that there is another path that can be taken, and that path is part of H.R. 1234, a bill that I have written that would enable the war to end by Congress determining that no more money will go for this war, telling the administration that it must open up diplomatic relations with Syria and Iran, and moving in a direction where we put together an international peacekeeping and security force that would move in as our troops leave. And then we set the stage for real reconciliation that cannot come with the U.S. serving as an occupying army.

We have a moral responsibility to the Iraqi people whose country we have ravaged with war to the tune of hundreds of billions of dollars of damage, whose people may have experienced the loss of perhaps as many as a million Iraqis during this conflict, innocent people, whose social bonds have been torn asunder. We have a moral responsibility to work to bring about a program of reconciliation between the Sunnis, Shiites and the Kurds which can only come when we end the occupation. We have a moral responsibility to bring about an honest reconstruction program, absent the U.S. contractors who have been gouging the Iraqi people, and gouging the American taxpayers as well, but we have to make sure that the Iraqi people have control of their oil.

I would like to believe that this war has not been about oil. I would like to believe that there was some kind of a righteous cause connected to what we did; but I know better, and the proof is in this Hydrocarbon Act.

This Congress has an opportunity to finally take a stand and reject this Hydrocarbon Act. We can strip out this provision forcing Iraq to privatize its oil. We can strip that out of the legislation. Or we can simply defeat the legislation because that is in there, and then go back to the boards and tell the President, look, Mr. President, we are not going to give you any more money for this war, which is what I believe we should do. Tell the President, this war is over, Mr. President, and use the money that is in the pipeline to bring the troops home. Let's go and reach out to the international community. With the end of the occupation and the closing of bases, we will have people who will start listening to us internationally, and we will have some credibility.

But the morality which this country rests on, our heart and soul of who we are as Americans, is not reflected by this obscene attempt to steal the oil resources of Iraq. That is why I have chosen to take this time to come before the Congress, to lay these facts out for Members of Congress and for the American people so that you can

see without question the relationship between war and this oil and the relationship between the pressure that is being put on the Iraq Government right now and privatization and the continuation of the war.

Let's end this war. Let's end the attempt to control Iraq's oil. Let's challenge the oil companies in this country as this House has done this morning. Let's take a stand for truth and justice. Let's take a stand for what is right. Let us not be seduced by this idea that somehow we have the military might, and we can, therefore, grab other people's resources. That is not what America is about.

America has a higher calling in the world. It is time we began a process of truth and reconciliation in our own country, in reaching out and creating the healing of America. But we must first begin with the truth, and the truth is what I have told this Congress today.

Madam Speaker, thank you.

Members of Congress, thank you.

PROVIDING FOR CONSIDERATION OF H.R. 1100, CARL SANDBURG HOME NATIONAL HISTORIC SITE BOUNDARY REVISION ACT OF 2007

Mr. ARCURI. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 429 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 429

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1100) to revise the boundary of the Carl Sandburg Home National Historic Site in the State of North Carolina, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Natural Resources. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Natural Resources now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 9 or 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided

and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 1100 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore (Mrs. TAUSCHER). The gentleman from New York (Mr. ARCURI) is recognized for 1 hour.

Mr. ARCURI. Madam Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume, and I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 429.

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

There was no objection.

Mr. ARCURI. Madam Speaker, House Resolution 429 provides for consideration of H.R. 1100, the Carl Sandburg Home National Historic Site Boundary Revision Act of 2007, under a structured rule. The rule provides 1 hour of general debate controlled by the Committee on Natural Resources and makes in order the substitute reported by the Committee on Natural Resources. The rule also allows for consideration of all three amendments that were submitted to the Rules Committee on H.R. 1100.

Madam Speaker, let me begin by congratulating my good friend and freshman class colleague Mr. SHULER for working this thoughtful legislation through the legislative process. H.R. 1100 will further preserve the legacy and communicate the stories of internationally recognized author, Pulitzer Prize-winner, and great American historian, Carl Sandburg.

Located in the pristine wilderness of North Carolina is the 248-acre Carl Sandburg Home National Historic Site. Each year, over 150,000 people visit for the purpose of learning about Carl Sandburg's positive influences on writing, or to hike and just enjoy the splendor of this beautiful, pristine site.

In recent years it was determined by interested parties at all levels, local, State and Federal, including the National Park Service, that increasing