Mr. Speaker, a very disturbing report has come out that

Iraq has agreed to award $1.1 billion in contracts to Iranian and

Chinese companies to build a pair of enormous power plants. That is

what the Iraqi Minister of Electricity said on Tuesday. Word of the

project prompted serious concerns among American military officials who

fear that Iranian commercial investments can mask military activities

at a time of our heightened tension with Iran.

Mr. Speaker, at a time when young Americans are dying in Iraq and

when the U.S. is spending billions of dollars in Iraq, this makes

absolutely no sense at all. The Iraqi Electricity Minister said that

the Iranian project would be built in Sadr City, a Shiite enclave in

Baghdad that is controlled by followers of the anti-American cleric

Moqtada al-Sadr. He added that Iran had also agreed to provide cheap

electricity from its own grid to southern Iraq and to build a large

power plant, essentially free of charge, in an area between two Shiite

holy cities.

The expansion of ties between Iraq and Iran comes as the U.S. and

Iran clash on nuclear issues and about what American officials had

repeatedly said was Iranian support for armed groups. This is an

outrage and should not stand.