

(as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used, in accordance with subsection (b), for the making of payments (described in section 404(a)) to States having agreements entered into under this title.

(b) **CERTIFICATION.**—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums described in section 404(a) which are payable to such State under this title. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification by transfers from the extended unemployment compensation account, as so established (or, to the extent that there are insufficient funds in that account, from the Federal unemployment account, as so established) to the account of such State in the Unemployment Trust Fund (as so established).

**SEC. 406. FRAUD AND OVERPAYMENTS.**

(a) **IN GENERAL.**—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received any temporary extended unemployment compensation under this title to which such individual was not entitled, such individual—

(1) shall be ineligible for any further benefits under this title in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) **REPAYMENT.**—In the case of individuals who have received any temporary extended unemployment compensation under this title to which such individuals were not entitled, the State shall require such individuals to repay those benefits to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such benefits was without fault on the part of any such individual; and

(2) such repayment would be contrary to equity and good conscience.

(c) **RECOVERY BY STATE AGENCY.**—

(1) **IN GENERAL.**—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any regular compensation or temporary extended unemployment compensation payable to such individual under this title or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the temporary extended unemployment compensation to which such individuals were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) **OPPORTUNITY FOR HEARING.**—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) **REVIEW.**—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State un-

employment compensation law, and only in that manner and to that extent.

**SEC. 407. DEFINITIONS.**

In this title, the terms “compensation”, “regular compensation”, “extended compensation”, “additional compensation”, “benefit year”, “base period”, “State”, “State agency”, “State law”, and “week” have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

**SEC. 408. APPLICABILITY.**

An agreement entered into under this title shall apply to weeks of unemployment—

(1) beginning after the date on which such agreement is entered into; and

(2) ending before January 6, 2003.

**TITLE V—ADDITIONAL PROVISIONS**

**SEC. 501. NO IMPACT ON SOCIAL SECURITY TRUST FUND.**

(a) **IN GENERAL.**—Nothing in this Act (or an amendment made by this Act) shall be construed to alter or amend title II of the Social Security Act (or any regulation promulgated under that Act).

(b) **TRANSFERS.**—

(1) **ESTIMATE OF SECRETARY.**—The Secretary of the Treasury shall annually estimate the impact that the enactment of this Act has on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401).

(2) **TRANSFER OF FUNDS.**—If, under paragraph (1), the Secretary of the Treasury estimates that the enactment of this Act has a negative impact on the income and balances of the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401), the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this Act.

**SEC. 502. EMERGENCY DESIGNATION.**

Congress designates as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 the following amounts:

(1) An amount equal to the amount by which revenues are reduced by this Act below the recommended levels of Federal revenues for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011, provided in the conference report accompanying H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002.

(2) Amounts equal to the amounts of new budget authority and outlays provided in this Act in excess of the allocations under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Finance of the Senate for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011.

**NOTICES OF HEARINGS/MEETINGS**

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a Full Committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, January 29, at 9:30 a.m. in room 366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on the Enron collapse and its effect on energy markets.

Those wishing to submit written statements on this subject should address them to the Committee on Energy and Natural Resources, Attn: Shirley Neff, United States Senate, Washington, DC 20510.

For further information, please call Shirley Neff at 202/224-6689 or Jonathan Black at 202/224-6672.

**AUTHORITY FOR COMMITTEES TO MEET**

SUBCOMMITTEE ON TRANSPORTATION, INFRASTRUCTURE, AND NUCLEAR SAFETY

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works, Subcommittee on Transportation, Infrastructure, and Nuclear Safety be authorized to meet on Wednesday, January 23, 2002, at 10 a.m. to conduct a hearing on issues related to reauthorization of the Price-Anderson provisions of the Atomic Energy Act of 1954 as they apply to licenses of the United States Nuclear Regulatory Commission. The hearing will be held in SD-406.

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

**SECURITY ASSISTANCE ACT OF 2001**

On December 20, 2001, the Senate amended S. 1803, as follows:

S. 1803

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Security Assistance Act of 2001”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

**TITLE I—VERIFICATION OF ARMS CONTROL AND NONPROLIFERATION AGREEMENTS**

Sec. 101. Verification and Compliance Bureau personnel.  
Sec. 102. Key Verification Assets Fund.  
Sec. 103. Revised verification and compliance reporting requirements.

**TITLE II—MILITARY AND RELATED ASSISTANCE**

Subtitle A—Foreign Military Sales and Financing Authorities

Sec. 201. Authorization of appropriations.  
Sec. 202. Relationship of foreign military sales to United States non-proliferation interests.  
Sec. 203. Special Defense Acquisition Fund for nonproliferation and counter-narcotics purposes.  
Sec. 204. Representation allowances.  
Sec. 205. Arms Export Control Act prohibition on transactions with countries that have repeatedly provided support for acts of international terrorism.  
Sec. 206. Congressional notification of small arms and light weapons license approvals; annual reports.

Subtitle B—International Military Education and Training

Sec. 211. Authorization of appropriations.  
Sec. 212. Annual human rights reports.

Subtitle C—Security Assistance for Select Countries

Sec. 221. Security assistance for Israel and Egypt.

Sec. 222. Security assistance for Greece and Turkey.

Sec. 223. Security assistance for certain other countries.

Subtitle D—Excess Defense Article and Drawdown Authorities

Sec. 231. Excess defense articles for certain countries.

Sec. 232. Annual briefing on projected availability of excess defense articles.

Sec. 233. Expanded drawdown authority.

Sec. 234. Duration of security assistance leases.

Subtitle E—Other Political-Military Assistance

Sec. 241. Destruction of surplus weapons stockpiles.

Sec. 242. Identification of funds for demining programs.

Subtitle F—Antiterrorism Assistance

Sec. 251. Authorization of appropriations.

Sec. 252. Specific program objectives.

Subtitle G—Other Matters

Sec. 261. Revised military assistance reporting requirements.

**TITLE III—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE**

Subtitle A—General Provisions

Sec. 301. Authorization of appropriations.

Sec. 302. Joint State Department-Defense Department programs.

Sec. 303. Nonproliferation technology acquisition programs for friendly foreign countries.

Sec. 304. International nonproliferation and export control training.

Sec. 305. Relocation of scientists.

Sec. 306. Audits of the International Science and Technology Centers Program.

Sec. 307. International Atomic Energy Agency regular budget assessments.

Sec. 308. Revised nonproliferation reporting requirements.

Subtitle B—Russian Federation Debt Reduction for Nonproliferation

Sec. 311. Short title.

Sec. 312. Findings and purposes.

Sec. 313. Definitions.

Sec. 314. Establishment of the Russian Nonproliferation Investment Facility.

Sec. 315. Reduction of the Russian Federation's Soviet-era debt owed to the United States, generally.

Sec. 316. Reduction of Soviet-era debt owed to the United States as a result of credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954.

Sec. 317. Authority to engage in debt-for-nonproliferation exchanges and debt buybacks.

Sec. 318. Russian Nonproliferation Investment Agreement.

Sec. 319. Structure of debt-for-nonproliferation arrangements.

Sec. 320. Independent media and the rule of law.

Sec. 321. Nonproliferation requirement.

Sec. 322. Discussion of Russian Federation debt reduction for nonproliferation with other creditor states.

Sec. 323. Implementation of United States policy.

Sec. 324. Consultations with Congress.

Sec. 325. Annual report to Congress.

Subtitle C—Nonproliferation Assistance Coordination

Sec. 331. Short title.

Sec. 332. Findings.

Sec. 333. Independent states of the former Soviet Union defined.

Sec. 334. Establishment of Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union.

Sec. 335. Duties of the Committee.

Sec. 336. Administrative support.

Sec. 337. Confidentiality of information.

Sec. 338. Statutory construction.

**TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS**

Sec. 401. License officer staffing.

Sec. 402. Funding for database automation.

Sec. 403. Information management priorities.

Sec. 404. Improvements to the Automated Export System.

Sec. 405. Adjustment of threshold amounts for congressional review purposes.

Sec. 406. Periodic notification of pending applications for export licenses.

**TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY**

Sec. 501. Establishment of the Strategy.

Sec. 502. Security assistance surveys.

**TITLE VI—MISCELLANEOUS PROVISIONS**

Sec. 601. Nuclear and missile nonproliferation in South Asia.

Sec. 602. Real-time public availability of raw seismological data.

Sec. 603. Detailing United States governmental personnel to international arms control and nonproliferation organizations.

Sec. 604. Diplomatic presence overseas.

Sec. 605. Protection against agricultural bioterrorism.

Sec. 606. Compliance with the Chemical Weapons Convention.

**TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS**

Sec. 701. Authority to transfer naval vessels to certain foreign countries.

**SEC. 2. DEFINITIONS.**

In this Act:

(1) **APPROPRIATE COMMITTEES OF CONGRESS.**—The term “appropriate committees of Congress” means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) **DEFENSE ARTICLE.**—The term “defense article” has the meaning given the term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794 note).

(3) **DEFENSE SERVICE.**—The term “defense service” has the meaning given the term in section 47(4) of the Arms Export Control Act (22 U.S.C. 2794 note).

(4) **EXCESS DEFENSE ARTICLE.**—The term “excess defense article” has the meaning given the term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

(5) **SECRETARY.**—Except as otherwise provided, the term “Secretary” means the Secretary of State.

**TITLE I—VERIFICATION OF ARMS CONTROL AND NONPROLIFERATION AGREEMENTS**

**SEC. 101. VERIFICATION AND COMPLIANCE BUREAU PERSONNEL.**

(a) **IN GENERAL.**—Of the total amounts made available to the Department of State for fiscal years 2002 and 2003, not less than \$14,000,000 each such fiscal year shall be provided to the Bureau of Verification and Compliance of the Department of State for Bureau-administered activities, including the Key Verification Assets Fund.

(b) **ADDITIONAL PERSONNEL.**—In addition to the amounts made available under subsection (a), not less than \$1,800,000 shall be

made available from the Department's American Salaries Account, for the purpose of hiring new personnel to carry out the Bureau's responsibilities, as set forth in section 112 of the Arms Export Control and Nonproliferation Act of 1999 (113 Stat. 1501A-486), as enacted into law by section 1000(a)(7) of Public Law 106-113.

**SEC. 102. KEY VERIFICATION ASSETS FUND.**

Of the total amounts made available to the Department of State for fiscal years 2002 and 2003, not less than \$7,000,000 shall be made available within the Verification and Compliance Bureau's account for each such fiscal year to carry out section 1111 of the Arms Control and Nonproliferation Act of 1999 (113 Stat. 1501A-486), as enacted into law by section 1000(a)(7) of Public Law 106-113.

**SEC. 103. REVISED VERIFICATION AND COMPLIANCE REPORTING REQUIREMENTS.**

Section 403(a) of the Arms Control and Disarmament Act (22 U.S.C. 2593a(a)) is amended by striking “January 31” and inserting “April 15”.

**TITLE II—MILITARY AND RELATED ASSISTANCE**

**Subtitle A—Foreign Military Sales and Financing Authorities**

**SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the President for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section \$3,674,000,000 for fiscal year 2002 and \$4,267,000,000 for fiscal year 2003.

**SEC. 202. RELATIONSHIP OF FOREIGN MILITARY SALES TO UNITED STATES NONPROLIFERATION INTERESTS.**

(a) **AUTHORIZED PURPOSES.**—The first sentence of section 4 of the Arms Export Control Act (22 U.S.C. 2754) is amended by inserting “for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons,” after “self-defense,”.

(b) **DEFINITION OF “WEAPONS OF MASS DESTRUCTION”.**—Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) by striking “and” at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(10) ‘weapons of mass destruction’ has the meaning provided by section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104-201; 110 Stat. 2717; 50 U.S.C. 2302(1)).”

(c) **SENSE OF CONGRESS.**—It is the sense of Congress that the Secretary should ensure, in circumstances where the sale of defense articles or defense services to a friendly country would serve the nonproliferation interests of the United States, but that country cannot afford to purchase such defense articles or defense services, that grant assistance is provided pursuant to section 23 of the Arms Export Control Act to facilitate such acquisition.

**SEC. 203. SPECIAL DEFENSE ACQUISITION FUND FOR NONPROLIFERATION AND COUNTER-NARCOTICS PURPOSES.**

(a) **ESTABLISHMENT.**—Notwithstanding any other provision of law, the President shall direct that the Special Defense Acquisition Fund be established pursuant to section 51 of the Arms Export Control Act (22 U.S.C. 2795).

(b) **USE OF THE SPECIAL DEFENSE ACQUISITION FUND.**—Section 51(a)(4) of the Arms Export Control Act (22 U.S.C. 2795(a)(4)) is amended by striking “for use for” and all that follows through “equipment” and inserting the following: “for use for—

“(A) narcotics control purposes and are appropriate to the needs of recipient countries, such as small boats, planes (including helicopters), and communications equipment; and

“(B) nonproliferation and export control purposes, such as nuclear, radiological, chemical, and biological warfare materials detection equipment.”

(c) LIMITATION.—Section 51(c) of the Arms Export Control Act (22 U.S.C. 2795(c)) is amended—

(1) in paragraph (1), by striking all after “exceed” through the period and inserting “\$200,000,000.”; and

(2) in paragraph (2), by striking “provided” and all that follows through “Acts” and inserting “specifically authorized by law in advance”.

(d) AUTHORIZATION.—For fiscal year 2003, not more than \$20,000,000 may be made available for obligation for the procurement of items pursuant to section 51 of the Arms Export Control Act.

#### SEC. 204. REPRESENTATION ALLOWANCES.

Section 43(c) of the Arms Export Control Act (22 U.S.C. 2792(c)) is amended by striking “\$72,500” and inserting “\$86,500”.

#### SEC. 205. ARMS EXPORT CONTROL ACT PROHIBITION ON TRANSACTIONS WITH COUNTRIES THAT HAVE REPEATEDLY PROVIDED SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM.

The second sentence of section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)) is amended—

(1) by inserting “or chemical, biological, or radiological agents” after “nuclear explosive devices”; and

(2) by inserting “or chemical, biological, or radiological agents” after “nuclear material”.

#### SEC. 206. CONGRESSIONAL NOTIFICATION OF SMALL ARMS AND LIGHT WEAPONS LICENSE APPROVALS; ANNUAL REPORTS.

(a) CONGRESSIONAL NOTIFICATION OF EXPORT LICENSE APPROVALS.—Section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)) is amended by inserting “(or, in the case of a defense article that is a firearm controlled under category I of the United States Munitions List, \$1,000,000 or more)” after “\$50,000,000 or more”.

(b) REPORT.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit an unclassified report to the appropriate congressional committees on the numbers, range, and findings of end-use monitoring of United States transfers in small arms and light weapons.

(c) ANNUAL MILITARY ASSISTANCE REPORTS.—Section 655(b)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2415(b)(3)) is amended by inserting before the period at the end the following: “, including, in the case of defense articles that are firearms controlled under category I of the United States Munitions List, a statement of the aggregate dollar value and quantity of semi-automatic assault weapons, or related equipment, the manufacture, transfer, or possession of which is unlawful under section 922 of title 18, United States Code, that were licensed for export during the period covered by the report”.

(d) ANNUAL REPORT ON ARMS BROKERING.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit a report to the appropriate committees of Congress on activities of registered arms brokers, including violations of the Arms Export Control Act.

(e) ANNUAL REPORT ON INVESTIGATIONS OF THE BUREAU OF ALCOHOL, TOBACCO AND FIRE-

ARMS.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall submit a report to the appropriate committees of Congress on investigations and other efforts undertaken by the Bureau of Alcohol, Tobacco and Firearms (including cooperation with other agencies) to stop United States-source weapons from being used in terrorist acts and international crime.

#### Subtitle B—International Military Education and Training

##### SEC. 211. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the President \$75,000,000 for fiscal year 2002 and \$85,290,000 for fiscal year 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.; relating to international military education and training).

##### SEC. 212. ANNUAL HUMAN RIGHTS REPORTS.

(a) WITH RESPECT TO PROHIBITIONS ON NON-MILITARY ASSISTANCE.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following:

“(7) to the extent practicable, for any violation of internationally recognized human rights reported under this subsection, whether any foreign military or defense ministry civilian participant in education and training activities under chapter 5 of part II of this Act was involved;”

(b) RECORDS REGARDING FOREIGN PARTICIPANTS.—Section 548 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347e) is amended—

(1) by striking “In” and inserting “(a) DEVELOPMENT AND MAINTENANCE OF DATABASE.—In”; and

(2) by adding at the end the following new subsections:

“(b) ANNUAL LIST OF FOREIGN PERSONNEL.—For the purposes of preparing the report required pursuant to section 116(d), the Secretary of State may annually request the Secretary of Defense to provide information contained in the database with respect to a list submitted to the Secretary of Defense by the Secretary of State, containing the names of foreign personnel or military units. To the extent practicable, the Secretary of Defense shall provide, and the Secretary of State may take into account, the information contained in the database, if any, relating to the Secretary of State’s submission.

“(c) UPDATING OF DATABASE.—If the Secretary of State determines and reports to Congress under section 116(d) that a foreign person identified in the database maintained pursuant to this section was involved in a violation of internationally recognized human rights, the Secretary of Defense shall ensure that the database is updated to contain such fact and all relevant information.”

#### Subtitle C—Security Assistance for Select Countries

##### SEC. 221. SECURITY ASSISTANCE FOR ISRAEL AND EGYPT.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) ISRAEL.—Section 513 of the Security Assistance Act of 2000 (Public Law 106-280) is amended by striking “2001 and 2002” each place that it appears and inserting “2002 and 2003”.

(2) EGYPT.—Section 514 of the Security Assistance Act of 2000 (Public Law 106-280) is amended by striking “2001 and 2002” each place that it appears and inserting “2002 and 2003”.

(b) BALLISTIC MISSILE DEFENSE.—Of the amounts made available for fiscal years 2002

and 2003 under section 513 of the Security Assistance Act of 2000 (Public Law 106-280), as amended by subsection (a), \$100,000,000 may be used each such fiscal year for the establishment, in cooperation with a United States company, of a production line for the Arrow missile in the United States.

##### SEC. 222. SECURITY ASSISTANCE FOR GREECE AND TURKEY.

(a) IN GENERAL.—Of the amounts made available for the fiscal years 2002 and 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.)—

(1) \$1,000,000 for fiscal year 2002 and \$1,170,000 for fiscal year 2003 are authorized to be available for Greece; and

(2) \$2,500,000 for fiscal year 2002 and \$2,920,000 for fiscal year 2003 are authorized to be available for Turkey.

(b) USE FOR PROFESSIONAL MILITARY EDUCATION.—Of the amounts available under paragraphs (1) and (2) of subsection (a) for each of fiscal years 2002 and 2003, \$500,000 of each such amount should be available for purposes of professional military education.

(c) USE FOR JOINT TRAINING.—It is the sense of Congress that, to the maximum extent practicable, amounts available under subsection (a) that are used in accordance with subsection (b) should be used for joint training of Greek and Turkish officers.

(d) REPEAL.—Section 512 of the Security Assistance Act of 2000 (Public Law 106-280; 114 Stat. 856) is repealed.

##### SEC. 223. SECURITY ASSISTANCE FOR CERTAIN OTHER COUNTRIES.

(a) FMF FOR CERTAIN OTHER COUNTRIES.—Of the amounts made available for the fiscal years 2002 and 2003 under section 23 of the Arms Export Control Act (22 U.S.C. 2763), the following amounts are authorized to be available on a grant basis for the following countries for the fiscal years specified:

(1) THE BALTIC STATES.—For all of the Baltic states of Estonia, Latvia, and Lithuania, \$21,000,000 for fiscal year 2002 and \$24,400,000 for fiscal year 2003.

(2) BULGARIA.—For Bulgaria, \$10,000,000 for fiscal year 2002 and \$11,620,000 for fiscal year 2003.

(3) THE CZECH REPUBLIC.—For the Czech Republic, \$12,000,000 for fiscal year 2002 and \$14,000,000 for fiscal year 2003.

(4) GEORGIA.—For Georgia, \$5,650,000 for fiscal year 2002 and \$6,560,000 for fiscal year 2003.

(5) HUNGARY.—For Hungary, \$12,000,000 for fiscal year 2002 and \$14,000,000 for fiscal year 2003.

(6) JORDAN.—For Jordan, \$75,000,000 for fiscal year 2002 and \$87,300,000 for fiscal year 2003.

(7) MALTA.—For Malta, \$1,000,000 for fiscal year 2002 and \$1,170,000 for fiscal year 2003.

(8) THE PHILIPPINES.—For the Philippines, \$19,000,000 for fiscal year 2002 and \$22,100,000 for fiscal year 2003.

(9) POLAND.—For Poland, \$15,000,000 for fiscal year 2002 and \$17,500,000 for fiscal year 2003.

(10) ROMANIA.—For Romania, \$11,500,000 for fiscal year 2002 and \$13,400,000 for fiscal year 2003.

(11) SLOVAKIA.—For Slovakia, \$8,500,000 for fiscal year 2002 and \$9,900,000 for fiscal year 2003.

(12) SLOVENIA.—For Slovenia, \$4,500,000 for fiscal year 2002 and \$5,250,000 for fiscal year 2003.

(b) IMET.—Of the amounts made available for the fiscal years 2002 and 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), the following amounts are authorized to be available for the following countries for the fiscal years specified:

(1) **THE BALTIC STATES.**—For all of the Baltic states of Estonia, Latvia, and Lithuania, \$3,000,000 for fiscal year 2002 and \$3,420,000 for fiscal year 2003.

(2) **BULGARIA.**—For Bulgaria, \$1,200,000 for fiscal year 2002 and \$1,370,000 for fiscal year 2003.

(3) **THE CZECH REPUBLIC.**—For the Czech Republic, \$1,800,000 for fiscal year 2002 and \$2,050,000 for fiscal year 2003.

(4) **GEORGIA.**—For Georgia, \$850,000 for fiscal year 2002 and \$970,000 for fiscal year 2003.

(5) **HUNGARY.**—For Hungary, \$1,800,000 for fiscal year 2002 and \$2,050,000 for fiscal year 2003.

(6) **JORDAN.**—For Jordan, \$1,800,000 for fiscal year 2002 and \$2,050,000 for fiscal year 2003.

(7) **MALTA.**—For Malta, \$300,000 for fiscal year 2002 and \$350,000 for fiscal year 2003.

(8) **THE PHILIPPINES.**—For the Philippines, \$1,710,000 for fiscal year 2002 and \$2,000,000 for fiscal year 2003.

(9) **POLAND.**—For Poland, \$1,900,000 for fiscal year 2002 and \$2,160,000 for fiscal year 2003.

(10) **ROMANIA.**—For Romania, \$1,400,000 for fiscal year 2002 and \$1,600,000 for fiscal year 2003.

(11) **SLOVAKIA.**—For Slovakia, \$850,000 for fiscal year 2002 and \$970,000 for fiscal year 2003.

(12) **SLOVENIA.**—For Slovenia, \$800,000 for fiscal year 2002 and \$910,000 for fiscal year 2003.

(c) **WRITTEN EXPLANATION OF PRESIDENTIAL DETERMINATIONS.**—In the event that the President determines not to provide, or determines to exceed, the funding allocated for any country specified in this section by an amount that is more than five percent of that specified in this section, the President shall submit to the appropriate committees of Congress within 15 days of such determination a written explanation of the reasons therefor.

(d) **REPEALS.**—Sections 511 (a) and (b) and 515 of the Security Assistance Act of 2000 are repealed.

#### **Subtitle D—Excess Defense Article and Drawdown Authorities**

#### **SEC. 231. EXCESS DEFENSE ARTICLES FOR CERTAIN COUNTRIES.**

(a) **AUTHORITY.**—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2002 and 2003, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to Albania, Bulgaria, Croatia, Estonia, Former Yugoslavia Republic of Macedonia, Georgia, India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

(b) **SENSE OF CONGRESS.**—The authority provided under this section should be utilized only for those countries demonstrating a genuine commitment to democracy and human rights.

#### **SEC. 232. ANNUAL BRIEFING ON PROJECTED AVAILABILITY OF EXCESS DEFENSE ARTICLES.**

Not later than 90 days prior to the commencement of each fiscal year, the Department of Defense shall brief the Department of State and the appropriate committees of Congress regarding the expected availability of excess defense articles during the next fiscal year, for the purpose of enabling the Department of State to factor such availability into annual security assistance plans.

#### **SEC. 233. EXPANDED DRAWDOWN AUTHORITY.**

Section 506(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(c)) is amended to read as follows:

“(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services and defense or other articles or commodities, or defense or other services, that are acquired by contract for the purposes of the drawdown in question, if the cost to acquire such items or services is less than the cost to the United States Government of providing such items or services from existing agency assets.”

#### **SEC. 234. DURATION OF SECURITY ASSISTANCE LEASES.**

Section 61 of the Arms Export Control Act (22 U.S.C. 2796) is amended—

(1) in subsection (b), by striking “of not to exceed five years” and inserting “that may not exceed 5 years, plus a period of time specified in the lease as may be necessary for major refurbishment work to be performed prior to final delivery by the lessor of the defense articles,”; and

(2) by adding at the end the following new subsection:

“(d) In this section, the term ‘major refurbishment work’ means refurbishment work performed over a period estimated to be 6 months or more.”

#### **Subtitle E—Other Political-Military Assistance**

#### **SEC. 241. DESTRUCTION OF SURPLUS WEAPONS STOCKPILES.**

Of the funds authorized to be appropriated to the President for fiscal years 2002 and 2003 to carry out chapters 1 and 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), relating to development assistance, up to \$10,000,000 is authorized to be made available each such fiscal year for the destruction of surplus stockpiles of small arms, light weapons, and other munitions.

#### **SEC. 242. IDENTIFICATION OF FUNDS FOR DEMINING PROGRAMS.**

Of the funds authorized to be appropriated under section 201 for nonproliferation, antiterrorism, demining, and related programs, \$40,000,000 is authorized to be appropriated for fiscal year 2002 for demining programs and program support costs.

#### **Subtitle F—Antiterrorism Assistance**

#### **SEC. 251. AUTHORIZATION OF APPROPRIATIONS.**

Section 574(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa-4(a)) is amended by striking “\$72,000,000 for fiscal year 2001 and \$73,000,000 for fiscal year 2002” and inserting “\$73,000,000 for fiscal year 2002 and \$75,000,000 for fiscal year 2003”.

#### **SEC. 252. SPECIFIC PROGRAM OBJECTIVES.**

Of the amounts authorized to be appropriated to the President pursuant to section 574(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa-4(a)), \$2,000,000 may be made available for the provision of the Pisces system to the governments of the Philippines and Pakistan.

#### **Subtitle G—Other Matters**

#### **SEC. 261. REVISED MILITARY ASSISTANCE REPORTING REQUIREMENTS.**

(a) **ANNUAL FOREIGN MILITARY TRAINING REPORTS.**—Section 656(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2416) does not apply to any NATO or major non-NATO ally unless the chairman or ranking member of one of the appropriate committees of Congress has specifically requested, in writing, inclusion of such country in the report. Such request shall be made not later than 45 calendar days prior to the date on which the report is required to be transmitted.

(b) **ANNUAL MILITARY ASSISTANCE REPORTS.**—Section 655 of the Foreign Assistance Act of 1961 (22 U.S.C. 2415) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) **QUARTERLY REPORTS ON GOVERNMENT-TO-GOVERNMENT ARMS EXPORTS.**—Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8), (9), (10), (11), (12), and (13) as paragraphs (7), (8), (9), (10), (11), and (12), respectively.

### **TITLE III—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE**

#### **Subtitle A—General Provisions**

#### **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

(a) **AUTHORIZATION.**—Section 585 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb-4) is amended—

(1) in subsection (a), by striking all after “chapter” and inserting “\$142,000,000 for fiscal year 2002 and \$152,000,000 for fiscal year 2003.”; and

(2) in subsection (c), by striking “2001” each place that it appears and inserting “2002”.

(b) **SUBALLOCATIONS.**—Of the amounts authorized to be appropriated to the President for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.)—

(1) not less than \$2,000,000 shall be made available each such fiscal year for the purpose of carrying out section 584 of the Foreign Assistance Act of 1961, as added by section 304 of this Act; and

(2) \$65,000,000 for fiscal year 2002 and \$65,000,000 for fiscal year 2003 are authorized to be appropriated for science and technology centers in the independent states of the former Soviet Union.

(c) **CONFORMING AMENDMENT.**—Section 302 of the Security Assistance Act of 2000 (Public Law 106-280) is repealed.

#### **SEC. 302. JOINT STATE DEPARTMENT-DEFENSE DEPARTMENT PROGRAMS.**

Of the amounts authorized to be appropriated to the President for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.), the Secretary is authorized to make available not more than \$1,000,000 for international counterproliferation programs administered by the Department of Defense.

#### **SEC. 303. NONPROLIFERATION TECHNOLOGY ACQUISITION PROGRAMS FOR FRIENDLY FOREIGN COUNTRIES.**

(a) **IN GENERAL.**—For the purpose of enhancing the nonproliferation and export control capabilities of friendly countries, of the amounts authorized to be appropriated for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.), the Secretary is authorized to expend not more than—

(1) \$5,000,000 for the procurement and provision of nuclear, chemical, and biological detection systems, including spectroscopic and pulse echo technologies; and

(2) \$10,000,000 for the procurement and provision of x-ray systems capable of imaging sea-cargo containers.

(b) **TRAINING REQUIREMENT.**—The Secretary shall not provide any equipment or technology pursuant to this section without having first developed and budgeted for a multiyear training plan to assist foreign personnel in the utilization of those items.

(c) **PROCUREMENT AUTHORITIES.**—For fiscal year 2003, the Secretary shall utilize, to the maximum extent practicable, the Special Defense Acquisition Fund for procurements authorized under this section.

**SEC. 304. INTERNATIONAL NONPROLIFERATION AND EXPORT CONTROL TRAINING.**

Chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.) is amended—

(1) by redesignating sections 584 and 585 as sections 585 and 586, respectively; and

(2) by inserting after section 583 the following:

**“SEC. 584. INTERNATIONAL NONPROLIFERATION EXPORT CONTROL TRAINING.**

“(a) GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this chapter (but whenever feasible on a reimbursable basis), education and training to foreign personnel for the purpose of enhancing the nonproliferation and export control capabilities of such personnel through their attendance in special courses of instruction conducted by the United States.

“(b) ADMINISTRATION OF COURSES.—The Secretary of State shall have overall responsibility for the development and conduct of international nonproliferation education and training programs, but may utilize other departments and agencies, as appropriate, to recommend personnel for the education and training, and to administer specific courses of instruction.

“(c) PURPOSES.—Education and training activities conducted under this section shall be—

“(1) of a technical nature, emphasizing techniques for detecting, deterring, monitoring, interdicting, and countering proliferation;

“(2) designed to encourage effective and mutually beneficial relations and increased understanding between the United States and friendly countries; and

“(3) designed to improve the ability of friendly countries to utilize their resources with maximum effectiveness, thereby contributing to greater self-reliance by such countries.

“(d) PRIORITY TO CERTAIN COUNTRIES.—In selecting military and foreign governmental personnel for education and training pursuant to this section, priority shall be given to personnel from countries for which the Secretary of State has given priority under section 583(b).”

**SEC. 305. RELOCATION OF SCIENTISTS.**

(a) REINSTATEMENT OF CLASSIFICATION AUTHORITY.—Section 4 of the Soviet Scientists Immigration Act of 1992 (Public Law 102-509; 106 Stat. 3316; 8 U.S.C. 1153 note) is amended by striking subsection (d) and inserting the following:

“(d) DURATION OF AUTHORITY.—The authority under subsection (a) shall be in effect during the following periods:

“(1) The period beginning on the date of the enactment of this Act and ending 4 years after such date.

“(2) The period beginning on the date of the enactment of the Security Assistance Act of 2001 and ending 4 years after such date.”

(b) LIMITATION ON NUMBER OF SCIENTISTS ELIGIBLE FOR VISAS UNDER AUTHORITY.—Subsection (c) of such section is amended by striking “750” and inserting “950”.

(c) LIMITATION ON ELIGIBILITY.—Subsection (a) of such section is amended by adding at the end the following new sentence: “A scientist is not eligible for designation under this subsection if the scientist has previously been granted the status of an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20))).”

(d) CONSULTATION REQUIREMENT.—The Attorney General shall consult with the Secretary, the Secretary of Defense, the Sec-

retary of Energy, and the heads of other appropriate agencies of the United States regarding—

(1) previous experience in implementing the Soviet Scientists Immigration Act of 1992; and

(2) any changes that those officials would recommend in the regulations prescribed under that Act.

**SEC. 306. AUDITS OF THE INTERNATIONAL SCIENCE AND TECHNOLOGY CENTERS PROGRAM.**

Consistent with section 303(b) of the Security Assistance Act of 2000 (Public Law 106-280; 114 Stat. 853), not later than 60 days after the date of enactment of this Act, the Secretary shall submit a detailed report to the appropriate committees of Congress on United States audit practices with respect to the “International Science and Technology Centers Program”.

**SEC. 307. INTERNATIONAL ATOMIC ENERGY AGENCY REGULAR BUDGET ASSESSMENTS.**

(a) FINDINGS.—Congress makes the following findings:

(1) The Department of State has concluded that the International Atomic Energy Agency (hereafter in this section referred to as the “IAEA”) is a critical and effective instrument for verifying compliance with international nuclear nonproliferation agreements, and that it serves as an essential barrier to the spread of nuclear weapons.

(2) The IAEA furthers United States national security objectives by helping to prevent the proliferation of nuclear weapons material, especially through its work on effective verification and safeguards measures.

(3) The IAEA can also perform a critical role in monitoring and verifying aspects of nuclear weapons reduction agreements between nuclear weapons states.

(4) As the IAEA has negotiated and developed more effective verification and safeguards measures, it has experienced significant real growth in its mission, especially in the vital area of nuclear safeguards inspections.

(5) Nearly two decades of zero budget growth have affected the ability of the IAEA to carry out its mission and to hire and retain the most qualified inspectors and managers, as evidenced in the decreasing proportion of such personnel who hold doctorate degrees.

(6) Although voluntary contributions by the United States lessen the IAEA’s budgetary constraints, they cannot readily be used for the long-term capital investments or permanent staff increases necessary to an effective IAEA safeguards regime.

(7) It was not the intent of Congress that the United States contributions to all United Nations-related organizations and activities be reduced pursuant to the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted into law by section 1000(a)(7) of Public Law 106-113; 113 Stat. 1501A-405 et seq.), which sets 22 percent assessment rates as benchmarks for the general United Nations budget, the Food and Agricultural Organization, the World Health Organization, and the International Labor Organization. Rather, contributions for important and effective agencies such as the IAEA should be maintained at levels commensurate with the criticality of its mission.

(b) ADDITIONAL FUNDING FOR THE INTERNATIONAL ATOMIC ENERGY AGENCY.—It is the sense of Congress that—

(1) the Secretary should negotiate a gradual and sustained increase in the regular budget of the International Atomic Energy Agency, which should begin with the 2002 budget;

(2) if a regular budget increase for the IAEA is achieved, the Secretary should seek to gain consensus within the IAEA Board of Governors for allocation of a larger proportion of that budget to nuclear nonproliferation activities; and

(3) if such a reallocation of the regular IAEA budget cannot be obtained, the United States should decrease its voluntary contribution by \$400,000 for each \$1,000,000 increase in its annual assessment.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the funds authorized to be appropriated for international organizations, \$60,000,000 are authorized to be appropriated in fiscal year 2002 for the payment of the United States assessment to the International Atomic Energy Agency, and \$75,000,000 shall be available for that purpose in fiscal year 2003.

**SEC. 308. REVISED NONPROLIFERATION REPORTING REQUIREMENTS.**

Section 308 of Public Law 102-182 (22 U.S.C. 5606) is hereby repealed.

**Subtitle B—Russian Federation Debt Reduction for Nonproliferation****SEC. 311. SHORT TITLE.**

This subtitle may be cited as the “Russian Federation Debt Reduction for Nonproliferation Act of 2001”.

**SEC. 312. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds the following:

(1) It is in the vital security interests of the United States to prevent the spread of weapons of mass destruction to additional states or to terrorist organizations, and to ensure that other nations’ obligations to reduce their stockpiles of such arms in accordance with treaties, executive agreements, or political commitments are fulfilled.

(2) In particular, it is in the vital national security interests of the United States to ensure that—

(A) all stocks of nuclear weapons and weapons-usable nuclear material in the Russian Federation are secure and accounted for;

(B) stocks of nuclear weapons and weapons-usable nuclear material that are excess to military needs in the Russian Federation are monitored and reduced;

(C) any chemical or biological weapons, related materials, and facilities in the Russian Federation are destroyed;

(D) the Russian Federation’s nuclear weapons complex is reduced to a size appropriate to its post-Cold War missions, and its experts in weapons of mass destruction technologies are shifted to gainful and sustainable civilian employment;

(E) the Russian Federation’s export control system blocks any proliferation of weapons of mass destruction, the means of delivering such weapons, and materials, equipment, know-how, or technology that would be used to develop, produce, or deliver such weapons; and

(F) these objectives are accomplished with sufficient monitoring and transparency to provide confidence that they have in fact been accomplished and that the funds provided to accomplish these objectives have been spent efficiently and effectively.

(3) United States programs should be designed to accomplish these vital objectives in the Russian Federation as rapidly as possible, and the President should develop and present to Congress a plan for doing so.

(4) Substantial progress has been made in United States-Russian Federation cooperative programs to achieve these objectives, but much more remains to be done to reduce the urgent risks to United States national security posed by the current state of the Russian Federation’s weapons of mass destruction stockpiles and complexes.

(5) The threats posed by inadequate management of weapons of mass destruction

stockpiles and complexes in the Russian Federation remain urgent. Incidents in years immediately preceding 2001, which have been cited by the Russia Task Force of the Secretary of Energy's Advisory Board, include—

(A) a conspiracy at one of the Russian Federation's largest nuclear weapons facilities to steal nearly enough highly enriched uranium for a nuclear bomb;

(B) an attempt by an employee of the Russian Federation's premier nuclear weapons facility to sell nuclear weapons designs to agents of Iraq and Afghanistan; and

(C) the theft of radioactive material from a Russian Federation submarine base.

(6) Addressing these threats to United States and world security will ultimately consume billions of dollars, a burden that will have to be shared by the Russian Federation, the United States, and other governments, if this objective is to be achieved.

(7) The creation of new funding streams could accelerate progress in reducing these threats to United States security and help the government of the Russian Federation to fulfill its responsibility for secure management of its weapons stockpiles and complexes as United States assistance phases out.

(8) The Russian Federation suffers from a significant foreign debt burden, a substantial proportion of which it inherited from the Soviet Union. The Russian Federation is taking full responsibility for this debt, but the burden of debt repayment could threaten Russian Federation economic reform, particularly in 2003 and beyond.

(9) The Russian Federation's need for debt relief has been the subject of discussions between the United States and the Russian Federation at the highest levels and is cited by United States officials as one reason why the Russian Federation has recognized that its future lies with the West.

(10) Past debt-for-environment exchanges, in which a portion of a country's foreign debt is canceled in return for certain environmental commitments or payments by that country, provide a model for a possible debt-for-nonproliferation exchange with the Russian Federation, which could be designed to provide additional funding for nonproliferation and arms reduction initiatives.

(1) Most of the Russian Federation's official bilateral debt is held by United States allies that are advanced industrial democracies. Since the issues described pose threats to United States allies as well, United States leadership that results in a larger contribution from United States allies to cooperative threat reduction activities will be needed.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to recognize the vital interests of the United States, its allies, and the Russian Federation in reducing the threats to international security described in the findings set forth in subsection (a);

(2) to facilitate the accomplishment of the United States objectives described in the findings set forth in subsection (a) by providing for the alleviation of a portion of the Russian Federation's foreign debt, thus allowing the use of additional resources for these purposes; and

(3) to ensure that resources freed from debt in the Russian Federation are targeted to the accomplishment of the United States objectives described in the findings set forth in subsection (a).

#### SEC. 313. DEFINITIONS.

In this subtitle:

(1) AGREEMENT.—The term "Agreement" means the Russian Nonproliferation Investment Agreement provided for in section 318.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COST.—The term "cost" has the meaning given that term in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

(4) FACILITY.—The term "Facility" means the Russian Nonproliferation Investment Facility established in the Department of the Treasury by section 314.

(5) SOVIET-ERA DEBT.—The term "Soviet-era debt" means debt owed as a result of loans or credits provided by the United States (or any agency of the United States) to the Union of Soviet Socialist Republics.

#### SEC. 314. ESTABLISHMENT OF THE RUSSIAN NON-PROLIFERATION INVESTMENT FACILITY.

There is established in the Department of the Treasury an entity to be known as the "Russian Nonproliferation Investment Facility" for the purpose of providing for the administration of debt reduction in accordance with this subtitle.

#### SEC. 315. REDUCTION OF THE RUSSIAN FEDERATION'S SOVIET-ERA DEBT OWED TO THE UNITED STATES, GENERALLY.

(a) AUTHORITY TO REDUCE SOVIET-ERA DEBT.—

(1) AUTHORITY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), and subject to section 321, the President may reduce the amount of Soviet-era debt owed by the Russian Federation to the United States (or any agency of the United States) that is outstanding as of October 1, 2001.

(B) EXCEPTION.—The authority of subparagraph (A) to reduce Soviet-era debt does not include any debt that is described in section 316(a)(1).

(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to reduce the amount of the Russian Federation's Soviet-era debt at least 15 days in advance of any formal determination to do so.

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—For the cost of the reduction of any Soviet-era debt pursuant to this section, there are authorized to be appropriated to the President—

- (i) \$50,000,000 for fiscal year 2002; and
- (ii) \$100,000,000 for fiscal year 2003.

(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost of the modification of any Soviet-era debt pursuant to this section are made in advance.

(4) CERTAIN PROHIBITIONS INAPPLICABLE.—

(A) IN GENERAL.—A reduction of Soviet-era debt pursuant to this section shall not be considered assistance for the purposes of any provision of law limiting assistance to a country.

(B) ADDITIONAL REQUIREMENT.—The authority of this section may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 or section 321 of the International Development and Food Assistance Act of 1975.

(b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUCTION.—

(1) IN GENERAL.—Any reduction of Soviet-era debt pursuant to subsection (a) shall be—

(A) implemented pursuant to the terms of a Russian Nonproliferation Investment Agreement authorized under section 318; and

(B) accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in such

subsection that are outstanding as of October 1, 2001.

(2) EXCHANGE OF OBLIGATIONS.—

(A) IN GENERAL.—The Facility shall notify the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of an agreement entered into under paragraph (1) with the Russian Federation to exchange a new obligation for outstanding obligations.

(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the Russian Federation shall be established relating to the agreement, and the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall make an adjustment in its accounts to reflect the debt reduction.

(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of Soviet-era debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of the Foreign Assistance Act of 1961:

(1) The provisions relating to repayment of principal under section 705 of the Foreign Assistance Act of 1961.

(2) The provisions relating to interest on new obligations under section 706 of the Foreign Assistance Act of 1961.

#### SEC. 316. REDUCTION OF SOVIET-ERA DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) AUTHORITY TO REDUCE CERTAIN SOVIET-ERA DEBT.—

(1) AUTHORITY.—Notwithstanding any other provision of law, and subject to section 321, the President may reduce the amount of Soviet-era debt owed to the United States (or any agency of the United States) by the Russian Federation that is outstanding as of October 1, 2001, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.).

(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to reduce the amount of the Russian Federation's Soviet-era debt described in paragraph (1) at least 15 days in advance of any formal determination to do so.

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—For the cost of the reduction of any Soviet-era debt pursuant to this section, there are authorized to be appropriated to the President—

- (i) \$50,000,000 for fiscal year 2002; and
- (ii) \$100,000,000 for fiscal year 2003.

(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost of the modification of any Soviet-era debt pursuant to this section are made in advance.

(b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUCTION.—

(1) IN GENERAL.—Any reduction of Soviet-era debt pursuant to subsection (a) shall be—

(A) implemented pursuant to the terms of a Russian Nonproliferation Investment Agreement authorized under section 318; and

(B) accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in such subsection that are outstanding as of October 1, 2001.

(2) EXCHANGE OF OBLIGATIONS.—

(A) IN GENERAL.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) **ADDITIONAL REQUIREMENT.**—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the Russian Federation relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

(C) **ADDITIONAL TERMS AND CONDITIONS.**—The following additional terms and conditions shall apply to the reduction of Soviet-era debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

(1) The provisions relating to repayment of principal under section 605 of such Act.

(2) The provisions relating to interest on new obligations under section 606 of such Act.

**SEC. 317. AUTHORITY TO ENGAGE IN DEBT-FOR-NONPROLIFERATION EXCHANGES AND DEBT BUYBACKS.**

(A) **LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.**—

(1) **DEBT-FOR-NONPROLIFERATION EXCHANGES.**—

(A) **IN GENERAL.**—Notwithstanding any other provision of law, and subject to section 321, the President may, in accordance with this section, sell to any purchaser eligible under subparagraph (B), any loan or credit described in section 315(a)(1), or any credit described in section 316(a)(1), or on receipt of payment from an eligible purchaser, reduce or cancel any such loan or credit or portion thereof, only for the purpose of facilitating a debt-for-nonproliferation exchange to support activities that further United States objectives described in the findings set forth in section 312(a).

(B) **ELIGIBLE PURCHASER.**—A loan or credit may be sold, reduced, or canceled under subparagraph (A) with respect to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nonproliferation exchange to support activities that further United States objectives described in the findings set forth in section 312(a).

(C) **CONSULTATION REQUIREMENT.**—Before the sale under subparagraph (A) to any purchaser eligible under subparagraph (B), or any reduction or cancellation under subparagraph (A), of any loan or credit made to the Russian Federation, the President shall consult with that country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nonproliferation exchanges to support activities that further United States objectives described in the findings set forth in section 312(a).

(D) **AUTHORIZATION OF APPROPRIATIONS.**—For the cost of the reduction of any debt pursuant to subparagraph (A), amounts authorized to be appropriated under sections 315(a)(3) and 316(a)(3) shall be made available for such reduction of debt pursuant to subparagraph (A).

(2) **DEBT BUYBACKS.**—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to the Russian Federation any loan or credit described in section 315(a)(1) or any credit described in section 316(a)(1), or on receipt of payment from the Russian Federation, reduce or cancel such loan or credit or portion thereof, if the purpose of doing so is to facilitate a debt buyback by the Russian Federation of its own qualified debt and the Russian Federation uses a substantial additional amount of its local currency to support activities that further United States objectives described in the findings set forth in section 312(a).

(3) **LIMITATION.**—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost of the modification of any debt pursuant to such paragraphs are made in advance.

(4) **TERMS AND CONDITIONS.**—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

(5) **ADMINISTRATION.**—

(A) **IN GENERAL.**—The Facility shall notify the Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 or the Commodity Credit Corporation, as the case may be, of purchasers that the President has determined to be eligible under paragraph (1)(B), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.

(B) **ADDITIONAL REQUIREMENT.**—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(b) **DEPOSIT OF PROCEEDS.**—The proceeds from a sale, reduction, or cancellation of a loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

**SEC. 318. RUSSIAN NONPROLIFERATION INVESTMENT AGREEMENT.**

(a) **AUTHORITY.**—Subject to section 321, the Secretary is authorized, in consultation with other appropriate officials of the Federal Government, to enter into an agreement with the Russian Federation concerning the use of the funds saved by that country as a result of any debt relief provided pursuant to this subtitle. An agreement entered into under this section may be referred to as the “Russian Nonproliferation Investment Agreement”.

(b) **CONTENT OF AGREEMENT.**—The Russian Nonproliferation Investment Agreement shall ensure that—

(1) a significant proportion of the funds saved by the Russian Federation as a result of any debt relief provided pursuant to this subtitle is devoted to nonproliferation programs and projects;

(2) funding of each such program or project is approved by the United States Government, either directly or through its representation on any governing board that may be directed or established to manage these funds;

(3) administration and oversight of nonproliferation programs and projects incorporate best practices from established threat reduction and nonproliferation assistance programs;

(4) each program or project funded pursuant to the Agreement is subject to audits conducted by or for the United States Government;

(5) unobligated funds for investments pursuant to the Agreement are segregated from other Russian Federation funds and invested in financial instruments guaranteed or insured by the United States Government;

(6) the funds that are devoted to programs and projects pursuant to the Agreement are not subject to any taxation by the Russian Federation;

(7) all matters relating to the intellectual property rights and legal liabilities of United States firms in a given project are agreed upon before the expenditure of funds is authorized for that project; and

(8) not less than 75 percent of the funds made available for each nonproliferation program or project under the Agreement is spent in the Russian Federation.

(c) **USE OF EXISTING MECHANISMS.**—It is the sense of Congress that, to the extent practicable, the boards and administrative mechanisms of existing threat reduction and nonproliferation programs should be used in the administration and oversight of programs and projects under the Agreement.

**SEC. 319. STRUCTURE OF DEBT-FOR-NONPROLIFERATION ARRANGEMENTS.**

It is the sense of Congress that any debt-for-nonproliferation arrangements with the Russian Federation should provide for gradual debt relief over a period of years, with debt relief to be suspended if more than two years' worth of funds remain unobligated for approved nonproliferation programs or projects.

**SEC. 320. INDEPENDENT MEDIA AND THE RULE OF LAW.**

Subject to section 321, of the agreed funds saved by the Russian Federation as a result of any debt relief provided pursuant to this subtitle, up to 10 percent may be used to promote a vibrant, independent media sector and the rule of law in the Russian Federation through an endowment to support the establishment of a “Center for an Independent Press and the Rule of Law” in the Russian Federation, which shall be directed by a joint United States-Russian Board of Directors in which the majority of members, including the chairman, shall be United States personnel, and which shall be responsible for management of the endowment, its funds, and the Center's programs.

**SEC. 321. NONPROLIFERATION REQUIREMENT.**

(a) **PROLIFERATION TO STATE SPONSORS OF TERRORISM.**—The authorities granted under sections 315, 316, 317, 318, and 320 may not be exercised, and funds may not be expended, unless and until—

(1) the Russian Federation makes material progress in stemming the flow of sensitive goods, technologies, material, and know-how related to the design, development, and production of weapons of mass destruction and the means to deliver them to countries that have been determined by the Secretary, for the purposes of section 40A of the Arms Export Control Act, section 620A of the Foreign Assistance Act, or section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism; and

(2) the President certifies to the appropriate congressional committees that the condition required in paragraph (1) has been met.

(b) **ANNUAL DETERMINATION.**—If, in any annual report to Congress submitted pursuant to section 325, the President cannot certify that the Russian Federation continues to meet the condition required in subsection (a)(1), then, subject to the provisions of subsection (c), the authorities granted under sections 315, 316, 317, 318, and 320 may not be exercised, and funds may not be expended, unless and until such certification is made to the appropriate congressional committees.

(c) **PRESIDENTIAL WAIVER.**—The President may waive the requirements of subsection (b) for a fiscal year if the President determines that imposition of those requirements in that fiscal year would be counter to the national interest of the United States and so reports to the appropriate congressional committees.

**SEC. 322. DISCUSSION OF RUSSIAN FEDERATION DEBT REDUCTION FOR NONPROLIFERATION WITH OTHER CREDITOR STATES.**

The President and such other appropriate officials as the President may designate shall institute discussions in the Paris Club of creditor states with the objectives of—

(1) reaching agreement that each member of the Paris Club is authorized to negotiate

debt exchanges with the Russian Federation covering a portion of its bilateral debt, to finance the accomplishment of nonproliferation and arms reduction activities;

(2) convincing other member states of the Paris Club, especially the largest holders of Soviet-era Russian debt, to dedicate significant proportions of their bilateral debt with the Russian Federation to these purposes; and

(3) reaching agreement, as appropriate, to establish a unified debt exchange fund to manage and provide financial transparency for the resources provided through the debt exchanges.

**SEC. 323. IMPLEMENTATION OF UNITED STATES POLICY.**

It is the sense of Congress that implementation of debt-for-nonproliferation programs with the Russian Federation should be overseen by the Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union (established pursuant to section 334 of this Act).

**SEC. 324. CONSULTATIONS WITH CONGRESS.**

The President shall consult with the appropriate congressional committees on a periodic basis to review the operations of the Facility and the Russian Federation's eligibility for benefits from the Facility.

**SEC. 325. ANNUAL REPORT TO CONGRESS.**

Not later than December 31, 2002, and not later than December 31 of each year thereafter, the President shall prepare and transmit to Congress a report concerning the operation of the Facility during the fiscal year preceding the fiscal year in which the report is transmitted. The report on a fiscal year shall include—

(1) a description of the activities undertaken by the Facility during the fiscal year;

(2) a description of any agreement entered into under this subtitle;

(3) a description of any grants that have been provided pursuant to the agreement; and

(4) a summary of the results of audits performed in the fiscal year pursuant to the agreement.

**Subtitle C—Nonproliferation Assistance Coordination**

**SEC. 331. SHORT TITLE.**

This subtitle may be cited as the “Nonproliferation Assistance Coordination Act of 2001”.

**SEC. 332. FINDINGS.**

Congress finds that—

(1) United States nonproliferation efforts in the independent states of the former Soviet Union have achieved important results in ensuring that weapons of mass destruction, weapons-usable material and technology, and weapons-related knowledge remain beyond the reach of terrorists and weapons-proliferating states;

(2) although these efforts are in the United States national security interest, the effectiveness of these efforts suffers from a lack of coordination within and among United States Government agencies;

(3) increased spending and investment by the United States private sector on nonproliferation efforts in the independent states of the former Soviet Union, specifically, spending and investment by the United States private sector in job creation initiatives and proposals for unemployed Russian Federation weapons scientists and technicians, are making an important contribution in ensuring that knowledge related to weapons of mass destruction remains beyond the reach of terrorists and weapons-proliferating states; and

(4) increased spending and investment by the United States private sector on nonproliferation efforts in the independent

states of the former Soviet Union require the establishment of a coordinating body to ensure that United States public and private efforts are not in conflict, and to ensure that public spending on efforts by the independent states of the former Soviet Union is maximized to ensure efficiency and further United States national security interests.

**SEC. 333. INDEPENDENT STATES OF THE FORMER SOVIET UNION DEFINED.**

In this subtitle, the term “independent states of the former Soviet Union” has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

**SEC. 334. ESTABLISHMENT OF COMMITTEE ON NONPROLIFERATION ASSISTANCE TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.**

(a) ESTABLISHMENT.—There is established within the executive branch of the Government an interagency committee known as the “Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union” (in this subtitle referred to as the “Committee”).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Committee shall be composed of five members, as follows:

(A) A representative of the Department of State designated by the Secretary of State.

(B) A representative of the Department of Energy designated by the Secretary of Energy.

(C) A representative of the Department of Defense designated by the Secretary of Defense.

(D) A representative of the Department of Commerce designated by the Secretary of Commerce.

(E) A representative of the Assistant to the President for National Security Affairs designated by the Assistant to the President.

(2) LEVEL OF REPRESENTATION.—The Secretary of a department named in subparagraph (A), (B), (C), or (D) of paragraph (1) shall designate as the department's representative an official of that department who is not below the level of an Assistant Secretary of the department.

(c) CHAIR.—The representative of the Assistant to the President for National Security Affairs shall serve as Chair of the Committee. The Chair may invite the head of any other department or agency of the United States to designate a representative of that department or agency to participate from time to time in the activities of the Committee.

**SEC. 335. DUTIES OF THE COMMITTEE.**

(a) IN GENERAL.—The Committee shall have primary continuing responsibility within the executive branch of the Government for—

(1) monitoring United States nonproliferation efforts in the independent states of the former Soviet Union; and

(2) coordinating the implementation of United States policy with respect to such efforts.

(b) DUTIES SPECIFIED.—In carrying out the responsibilities described in subsection (a), the Committee shall—

(1) arrange for the preparation of analyses on the issues and problems relating to coordination within and among United States departments and agencies on nonproliferation efforts of the independent states of the former Soviet Union;

(2) arrange for the preparation of analyses on the issues and problems relating to coordination between the United States public and private sectors on nonproliferation efforts in the independent states of the former Soviet Union, including coordination between public and private spending on nonproliferation programs of the independent states of the former Soviet Union and coordi-

nation between public spending and private investment in defense conversion activities of the independent states of the former Soviet Union;

(3) provide guidance on arrangements that will coordinate, de-conflict, and maximize the utility of United States public spending on nonproliferation programs of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests;

(4) encourage companies and nongovernmental organizations involved in nonproliferation efforts of the independent states of the former Soviet Union to voluntarily report these efforts to the Committee;

(5) arrange for the preparation of analyses on the issues and problems relating to the coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union; and

(6) consider, and make recommendations to the President and Congress with respect to, proposals for new legislation or regulations relating to United States nonproliferation efforts in the independent states of the former Soviet Union as may be necessary.

**SEC. 336. ADMINISTRATIVE SUPPORT.**

All United States departments and agencies shall provide, to the extent permitted by law, such information and assistance as may be requested by the Committee in carrying out its functions and activities under this subtitle.

**SEC. 337. CONFIDENTIALITY OF INFORMATION.**

Information which has been submitted or received in confidence shall not be publicly disclosed, except to the extent required by law, and such information shall be used by the Committee only for the purpose of carrying out the functions and activities set forth in this subtitle.

**SEC. 338. STATUTORY CONSTRUCTION.**

Nothing in this subtitle—

(1) applies to the data-gathering, regulatory, or enforcement authority of any existing United States department or agency over nonproliferation efforts in the independent states of the former Soviet Union, and the review of those efforts undertaken by the Committee shall not in any way supersede or prejudice any other process provided by law; or

(2) applies to any activity that is reportable pursuant to title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

**TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS**

**SEC. 401. LICENSE OFFICER STAFFING.**

(a) FUNDING.—Of the amounts authorized to be appropriated under the appropriations account entitled “DIPLOMATIC AND CONSULAR PROGRAMS” for fiscal years 2002 and 2003, not less than \$10,000,000 shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for salaries and expenses.

(b) ASSIGNMENT OF LICENSE REVIEW OFFICERS.—Effective January 1, 2002, the Secretary shall assign to the Office of Defense Trade Controls of the Department of State a sufficient number of license review officers to ensure that the average weekly caseload for each officer does not exceed 40.

(c) DETAILEES.—For the purpose of expediting license reviews, the Secretary of Defense should ensure that 10 military officers are continuously detailed to the Office of Defense Trade Controls of the Department of State on a nonreimbursable basis.

**SEC. 402. FUNDING FOR DATABASE AUTOMATION.**

Of the amounts authorized to be appropriated under the appropriations account entitled “CAPITAL INVESTMENT FUND” for fiscal years 2002 and 2003, not less than \$4,000,000

shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for the modernization of information management systems.

**SEC. 403. INFORMATION MANAGEMENT PRIORITIES.**

(a) OBJECTIVE.—The Secretary shall establish a secure, Internet-based system for the filing and review of applications for export of Munitions List items.

(b) ESTABLISHMENT OF AN ELECTRONIC SYSTEM.—Of the amounts made available pursuant to section 402, not less than \$3,000,000 each such fiscal year shall be made available to fully automate the Defense Trade Application System, and to ensure that the system—

(1) is a secure, electronic system for the filing and review of Munitions List license applications;

(2) is accessible by United States companies through the Internet for the purpose of filing and tracking their Munitions List license applications; and

(3) is capable of exchanging data with—

(A) the Export Control Automated Support System of the Department of Commerce;

(B) the Foreign Disclosure and Technology Information System and the USXPORTS systems of the Department of Defense;

(C) the Export Control System of the Central Intelligence Agency; and

(D) the Proliferation Information Network System of the Department of Energy.

(c) MUNITIONS LIST DEFINED.—In this section, the term “Munitions List” means the United States Munitions List of defense articles and defense services controlled under section 37 of the Arms Export Control Act (22 U.S.C. 2778).

**SEC. 404. IMPROVEMENTS TO THE AUTOMATED EXPORT SYSTEM.**

(a) CONTRIBUTION TO THE AUTOMATED EXPORT SYSTEM.—Not less than \$250,000 of the amounts provided under section 302 for each fiscal year shall be available for the purpose of—

(1) providing the Department of State with full access to the Automated Export System;

(2) ensuring that the system is modified to meet the needs of the Department of State, if such modifications are consistent with the needs of other United States Government agencies; and

(3) providing operational support.

(b) MANDATORY FILING.—The Secretary of Commerce, with the concurrence of the Secretary of State and the Secretary of Treasury, shall publish regulations in the Federal Register to require, upon the effective date of those regulations, that all persons who are required to file export information under chapter 9 of title 13, United States Code, to file such information through the Automated Export System.

(c) REQUIREMENT FOR INFORMATION SHARING.—The Secretary shall conclude an information-sharing arrangement with the heads of United States Customs Service and the Census Bureau—

(1) to allow the Department of State to access information on controlled exports made through the United States Postal Service; and

(2) to adjust the Automated Export System to parallel information currently collected by the Department of State.

(d) SECRETARY OF TREASURY FUNCTIONS.—Section 303 of title 13, United States Code, is amended by striking “, other than by mail.”

(e) FILING EXPORT INFORMATION, DELAYED FILINGS, PENALTIES FOR FAILURE TO FILE.—Section 304 of title 13, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “the penal sum of \$1,000” and inserting “a penal sum of \$10,000”; and

(B) in the third sentence, by striking “a penalty not to exceed \$100 for each day’s delinquency beyond the prescribed period, but not more than \$1,000,” and inserting “a penalty not to exceed \$1,000 for each day’s delinquency beyond the prescribed period, but not more than \$10,000 per violation”;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

“(b) Any person, other than a person described in subsection (a), required to submit export information, shall file such information in accordance with any rule, regulation, or order issued pursuant to this chapter. In the event any such information or reports are not filed within such prescribed period, the Secretary of Commerce (and officers of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed \$1,000 for each day’s delinquency beyond the prescribed period, but not more than \$10,000 per violation.”

(f) ADDITIONAL PENALTIES.—

(1) IN GENERAL.—Section 305 of title 13, United States Code, is amended to read as follows:

**“SEC. 305. PENALTIES FOR UNLAWFUL EXPORT INFORMATION ACTIVITIES.**

“(a) CRIMINAL PENALTIES.—(1) Any person who knowingly fails to file or knowingly submits false or misleading export information through the Shippers Export Declaration (SED) (or any successor document) or the Automated Export System (AES) shall be subject to a fine not to exceed \$10,000 per violation or imprisonment for not more than 5 years, or both.

“(2) Any person who knowingly reports any information on or uses the SED or the AES to further any illegal activity shall be subject to a fine not to exceed \$10,000 per violation or imprisonment for not more than 5 years, or both.

“(3) Any person who is convicted under this subsection shall, in addition to any other penalty, be subject to forfeiting to the United States—

“(A) any of that person’s interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

“(B) any of that person’s interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

“(C) any of that person’s property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

“(b) CIVIL PENALTIES.—The Secretary (and officers of the Department of Commerce specifically designated by the Secretary) may impose a civil penalty not to exceed \$10,000 per violation on any person violating the provisions of this chapter or any rule, regulation, or order issued thereunder, except as provided in section 304. Such penalty may be in addition to any other penalty imposed by law.

“(c) CIVIL PENALTY PROCEDURE.—(1) When a civil penalty is sought for a violation of this section or of section 304, the charged party is entitled to receive a formal complaint specifying the charges and, at his or her request, to contest the charges in a hearing before an administrative law judge. Any such hearing shall be conducted in accordance with sections 556 and 557 of title 5, United States Code.

“(2) If any person fails to pay a civil penalty imposed under this chapter, the Secretary may ask the Attorney General to commence a civil action in an appropriate

district court of the United States to recover the amount imposed (plus interest at currently prevailing rates from the date of the final order). No such action may be commenced more than 5 years after the order imposing the civil penalty becomes final. In such action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

“(3) The Secretary may remit or mitigate any penalties imposed under paragraph (1) if, in his or her opinion—

“(A) the penalties were incurred without willful negligence or fraud; or

“(B) other circumstances exist that justify a remission or mitigation.

“(4) If, pursuant to section 306, the Secretary delegates functions under this section to another agency, the provisions of law of that agency relating to penalty assessment, remission or mitigation of such penalties, collection of such penalties, and limitations of actions and compromise of claims, shall apply.

“(5) Any amount paid in satisfaction of a civil penalty imposed under this section or section 304 shall be deposited into the general fund of the Treasury and credited as miscellaneous receipts.

“(d) ENFORCEMENT.—(1) The Secretary of Commerce may designate officers or employees of the Office of Export Enforcement to conduct investigations pursuant to this chapter. In conducting such investigations, those officers or employees may, to the extent necessary or appropriate to the enforcement of this chapter, exercise such authorities as are conferred upon them by other laws of the United States, subject to policies and procedures approved by the Attorney General.

“(2) The Commissioner of Customs may designate officers or employees of the Customs Service to enforce the provisions of this chapter, or to conduct investigations pursuant to this chapter.

“(e) REGULATIONS.—The Secretary of Commerce shall promulgate regulations for the implementation and enforcement of this section.

“(f) EXEMPTION.—The criminal fines provided for in this section are exempt from the provisions of section 3571 of title 18, United States Code.”

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 9 of title 13, United States Code, is amended by striking the item relating to section 305 and inserting the following:

“305. Penalties for unlawful export information activities.”

**SEC. 405. ADJUSTMENT OF THRESHOLD AMOUNTS FOR CONGRESSIONAL REVIEW PURPOSES.**

The Arms Export Control Act is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3)(A), by striking “The President may not” and inserting “Subject to paragraph (5), the President may not”; and

(B) by adding at the end of the following new paragraph:

“(5) In the case of a transfer to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries, the limitations on consent of the President set forth in paragraphs (1) and (3)(A) shall apply only if the transfer is—

“(A) a transfer of major defense equipment valued (in terms of its original acquisition cost) at \$25,000,000 or more; or

“(B) a transfer of defense articles or defense services valued (in terms of its original acquisition cost) at \$100,000,000 or more.”;

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsection (b)—

(i) in paragraph (1), by striking “(1) In the case of” and inserting “(1) Subject to paragraph (6), in the case of”;

(ii) in paragraph (5)(C), by striking “(C) If” and inserting “(C) Subject to paragraph (6), if”;

(iii) by adding at the end of the following new paragraph:

“(6) The limitation in paragraph (1) and the requirement in paragraph (5)(C) shall apply in the case of a letter of offer to sell to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries only if the letter of offer involves—

“(A) sale of major defense equipment under this Act for, or enhancement or upgrade of major defense equipment at a cost of, \$25,000,000 or more, as the case may be; and

“(B) sale of defense articles or services for, or enhancement or upgrade of defense articles or services at a cost of, \$100,000,000 or more, as the case may be; or

“(C) sale of design and construction services for, or enhancement or upgrade of design and construction services at a cost of, \$300,000,000 or more, as the case may be.”;

and

(B) in subsection (c)—

(i) in paragraph (1), by striking “(1) In the case of” and inserting “(1) Subject to paragraph (5), in the case of”;

(ii) by adding at the end the following new paragraph:

“(5) In the case of an application by a person (other than with regard to a sale under section 21 or 22 of this Act) for a license for the export to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries, the limitation on the issuance of the license set forth in paragraph (1) shall apply only if the license is for export of—

“(A) major defense equipment sold under a contract in the amount of \$25,000,000 or more; or

“(B) defense articles or defense services sold under a contract in the amount of \$100,000,000 or more.”;

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking “In the case of” and inserting “(1) Subject to paragraph (2), in the case of”;

(B) by adding at the end the following new paragraph:

“(2) In the case of an agreement described in paragraph (1) that is entered into with a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, the limitation in paragraph (1) shall apply only if the agreement involves a lease or loan of—

“(A) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at \$25,000,000 or more; or

“(B) defense articles valued (in terms of their replacement cost less any depreciation in their value) at \$100,000,000 or more.”.

#### SEC. 406. PERIODIC NOTIFICATION OF PENDING APPLICATIONS FOR EXPORT LICENSES.

The Secretary shall submit, on a biannual basis, to the appropriate committees of Congress a report identifying—

(1) each outstanding application for a license to export under section 38 of the Arms Export Control Act for which final administrative action has been withheld for longer than 180 days; and

(2) the referral status of each such application and any other relevant information.

### TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY

#### SEC. 501. ESTABLISHMENT OF THE STRATEGY.

(a) REQUIREMENT.—Not later than 180 days after the date of enactment of this Act, and annually thereafter in connection with submission of congressional presentation materials for the foreign operations appropriations budget request, the Secretary shall submit to the appropriate committees of Congress a report setting forth a National Security Assistance Strategy for the United States.

(b) ELEMENTS OF THE STRATEGY.—The National Security Assistance Strategy shall—

(1) set forth a 5-year plan for security assistance programs;

(2) be consistent with the National Security Strategy of the United States;

(3) be coordinated with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff;

(4) identify overarching security assistance objectives, including identification of the role that specific security assistance programs will play in achieving such objectives;

(5) identify a primary security assistance objective, as well as specific secondary objectives, for individual countries;

(6) identify, on a country-by-country basis, how specific resources will be allocated to accomplish both primary and secondary objectives;

(7) discuss how specific types of assistance, such as foreign military financing and international military education and training, will be combined at the country level to achieve United States objectives; and

(8) detail, with respect to each of the paragraphs (1) through (7), how specific types of assistance provided pursuant to the Arms Export Control Act and Foreign Assistance Act of 1961 are coordinated with United States assistance programs administered by the Department of Defense and other agencies.

(c) COVERED ASSISTANCE.—The National Security Assistance Strategy shall cover assistance provided under—

(1) section 23 of the Arms Export Control Act (22 U.S.C. 2763);

(2) chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.); and

(3) section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i).

#### SEC. 502. SECURITY ASSISTANCE SURVEYS.

(a) UTILIZATION.—The Secretary shall utilize security assistance surveys in preparation of the National Security Assistance Strategy required pursuant to section 501 of this Act.

(b) FUNDING.—Of the amounts made available for fiscal year 2002 under section 23 of the Arms Export Control Act (22 U.S.C. 2763), \$2,000,000 is authorized to be available to the Secretary to conduct security assistance surveys, or to request such a survey, on a reimbursable basis, by the Department of Defense or other United States Government agencies. Such surveys shall be conducted consistent with the requirements of section 26 of the Arms Export Control Act.

### TITLE VI—MISCELLANEOUS PROVISIONS

#### SEC. 601. NUCLEAR AND MISSILE NON-PROLIFERATION IN SOUTH ASIA.

(a) UNITED STATES POLICY.—It shall be the policy of the United States, consistent with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, to encourage and work with the governments of India and Pakistan to achieve the following objectives by September 30, 2003:

(1) Continuation of a nuclear testing moratorium.

(2) Commitment not to deploy nuclear weapons.

(3) Agreement by both governments to bring their export controls in line with the guidelines and requirements of the Nuclear Suppliers Group.

(4) Agreement by both governments to bring their export controls in line with the guidelines and requirements of the Zangger Committee.

(5) Agreement by both governments to bring their export controls in line with the guidelines, requirements, and annexes of the Missile Technology Control Regime.

(6) Establishment of a modern, effective system to protect and secure nuclear devices and materiel from unauthorized use, accidental employment, theft, espionage, misuse, or abuse.

(7) Establishment of a modern, effective system to control the export of sensitive dual-use items, technology, technical information, and materiel that can be used in the design, development, or production of weapons of mass destruction and ballistic missiles.

(8) Conduct of bilateral meetings between Indian and Pakistani senior officials to discuss security issues, establish confidence building measures, and increase transparency with regard to nuclear policies, programs, stockpiles, capabilities, and delivery systems.

(b) REPORT.—Not later than March 1, 2003, the President shall submit to the appropriate committees of Congress a report describing United States efforts in pursuit of the objectives listed in subsection (a), the progress made toward the achievement of those objectives, and the likelihood that each objective will be achieved by September 30, 2003.

#### SEC. 602. REAL-TIME PUBLIC AVAILABILITY OF RAW SEISMOLOGICAL DATA.

The head of the Air Force Technical Applications Center shall make available to the public, immediately upon receipt or as soon after receipt as is possible, all raw seismological data provided to the United States Government by any international monitoring organization that is directly responsible for seismological monitoring.

#### SEC. 603. DETAILING UNITED STATES GOVERNMENTAL PERSONNEL TO INTERNATIONAL ARMS CONTROL AND NONPROLIFERATION ORGANIZATIONS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretaries of Defense and Energy and the heads of other relevant United States departments and agencies, as appropriate, shall develop measures to improve the process by which United States Government personnel may be detailed to international arms control and nonproliferation organizations without adversely affecting the pay or career advancement of such personnel.

(b) REPORT REQUIRED.—Not later than May 1, 2002, the Secretary shall submit a report to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives setting forth the measures taken under subsection (a).

#### SEC. 604. DIPLOMATIC PRESENCE OVERSEAS.

(a) PURPOSE.—The purpose of this section is to—

(1) elevate the stature given United States diplomatic initiatives relating to nonproliferation and political-military issues; and

(2) develop a group of highly specialized, technical experts with country expertise capable of administering the nonproliferation and political-military affairs functions of the Department of State.

(b) AUTHORITY.—To carry out the purposes of subsection (a), the Secretary is authorized to establish the position of Counselor for

Nonproliferation and Political Military Affairs in United States diplomatic missions overseas to be filled by individuals who are career Civil Service officers or Foreign Service officers committed to follow-on assignments in the Nonproliferation or Political Military Affairs Bureaus of the Department of State.

(c) TRAINING.—After being selected to serve as Counselor, any person so selected shall spend not less than 10 months in language training courses at the Foreign Service Institute, or in technical courses administered by the Department of Defense, the Department of Energy, or other appropriate departments and agencies of the United States, except that such requirement for training may be waived by the Secretary.

#### SEC. 605. PROTECTION AGAINST AGRICULTURAL BIOTERRORISM.

Of funds made available to carry out programs under the Foreign Assistance Act of 1961, \$1,500,000 may be made available to North Carolina State University for the purpose of fingerprinting crop and livestock pathogens in order to enhance the ability of the United States Government to detect new strains, determine their origin, and to facilitate research in pathogen epidemiology.

#### SEC. 606. COMPLIANCE WITH THE CHEMICAL WEAPONS CONVENTION.

(a) FINDINGS.—Congress makes the following findings:

(1) On April 24, 1997, the Senate provided its advice and consent to ratification of the Chemical Weapons Convention subject to the condition that no sample collected in the United States pursuant to the Convention would be transferred for analysis to any laboratory outside the territory of the United States.

(2) Congress enacted the same condition into law as section 304(f)(1) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6724(f)(1)).

(3) Part II, paragraph 57, of the Verification Annex of the Convention requires that all samples taken during a challenge inspection under the Convention shall be analyzed by at least two laboratories that have been designated as capable of conducting such testing by the OPCW.

(4) The only United States laboratory currently designated by the OPCW is the United States Army Edgewood Forensic Science Laboratory.

(5) In order to meet the requirements of condition (18) of the resolution of ratification of the Chemical Weapons Convention, and section 304 of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6724), the United States must possess, at a minimum, a second OPCW-designated laboratory.

(6) The possession of a second laboratory is necessary in view of the potential for a challenge inspection to be initiated against the United States by a foreign nation.

(7) To qualify as a designated laboratory, a laboratory must be certified under ISO Guide 25 or a higher standard, and complete three proficiency tests. The laboratory must have the full capability to handle substances listed on Schedule 1 of the Annex on Schedules of Chemicals of the Chemical Weapons Convention. In order to handle such substances in the United States, a laboratory also must operate under a bailment agreement with the United States Army.

(8) Several existing United States commercial laboratories have approved quality control systems, already possess bailment agreements with the United States Army, and have the capabilities necessary to obtain OPCW designation.

(9) In order to bolster the legitimacy of United States analysis of samples taken on

its national territory, it is preferable that the second designated laboratory is not a United States Government facility. Further, it is not cost-effective to build and equip another Government laboratory to meet OPCW designation standards when such capability already exists in the private sector.

#### (b) ESTABLISHMENT OF SECOND DESIGNATED LABORATORY.—

(1) DIRECTIVE.—Not later than February 1, 2002, the United States National Authority, as designated under section 101 of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6711), shall select, through competitive procedures, a commercial laboratory within the United States to pursue designation by the OPCW.

(2) DELEGATION.—The National Authority may delegate the authority and administrative responsibility for carrying out paragraph (1) to one or more of the heads of the agencies described in section 101(b)(2) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6711(b)(2)).

(3) REPORT.—Not later than March 1, 2002, the National Authority shall submit to the appropriate committees of Congress a report detailing a plan for securing OPCW designation of a third United States laboratory by December 1, 2003.

#### (c) DEFINITIONS.—In this section:

(1) CHEMICAL WEAPONS CONVENTION.—The term “Chemical Weapons Convention” means the Convention on the Prohibition of Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, Opened for Signature and Signed by the United States at Paris on January 13, 1993, including the following protocols and memorandum of understanding:

(A) The Annex on Chemicals.

(B) The Annex on Implementation and Verification.

(C) The Annex on the Protection of Confidential Information.

(D) The Resolution Establishing the Preparatory Commission for the Organization for the Prohibition of Chemical Weapons.

(E) The Text on the Establishment of a Preparatory Commission.

(2) OPCW.—The term “OPCW” means the Organization for the Prohibition of Chemical Weapons established under the Convention.

### TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS

#### SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

##### (a) AUTHORITY TO TRANSFER.—

(1) BRAZIL.—The President is authorized to transfer to the Government of Brazil the “Newport” class tank landing ship Peoria (LST1183). Such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) POLAND.—The President is authorized to transfer to the Government of Poland the “Oliver Hazard Perry” class guided missile frigate Wadsworth (FFG 9). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) TURKEY.—The President is authorized to transfer to the Government of Turkey the “Oliver Hazard Perry” class guided missile frigates Estocin (FFG 15) and Samuel Eliot Morrison (FFG 13). Each such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761). The President is further authorized to transfer to the Government of Turkey the “Knox” class frigates Capadanno (FF 1093), Thomas C. Hart (FF 1092), Donald B. Beary (FF 1085), McCandless (FF 1084), Reasoner (FF 1063), and Bowen (FF 1079). The transfer of these 6 “Knox” class frigates shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(4) TAIWAN.—The President is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the “Kidd” class guided missile destroyers Kidd (DDG 993), Callaghan (DDG 994), Scott (DDG 995), and Chandler (DDG 996). The transfer of these 4 “Kidd” class guided missile destroyers shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(c) COSTS OF TRANSFERS.—Notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)), any expense incurred by the United States in connection with a transfer authorized to be made on a grant basis under subsection (a) or (b) shall be charged to the recipient.

(d) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a United States Navy shipyard or other shipyard located in the United States.

(e) EXPIRATION OF AUTHORITY.—The authority provided under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

### WAIVING CERTAIN LIMITATIONS IN THE USE OF FUNDS TO PAY THE COSTS OF PROJECTS IN RESPONSE TO THE ATTACK ON THE WORLD TRADE CENTER

On December 20, 2001, the Senate amended and passed S. 1637, as follows:

S. 1637

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. EXPENDITURES FOR EMERGENCY RELIEF IN RESPONSE TO TERRORIST ATTACK.

In the case of use of the emergency fund authorized by section 125 of title 23, United States Code, to pay the costs of projects in response to the attack on the World Trade Center in New York City that occurred on September 11, 2001—

(1) notwithstanding section 120(e) of that title, the Federal share of the cost of each such project shall be 100 percent; and

(2) notwithstanding section 125(d)(1) of that title, the Secretary of Transportation may obligate more than \$100,000,000 for those projects.

### HONORING THE LIFE OF REX DAVID “DAVE” THOMAS

Mr. REID. I ask unanimous consent that the Senate proceed to consideration of S. Res. 199 submitted earlier today by Senators LEVIN, DEWINE, and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.