

available on terms that do not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism. The Secretary has discretion to extend this requirement to the third year of the Program, to preserve this important option for policyholders.

Section 103 provides for insurance marketplace retentions of \$10 billion in Program year 1 (including any remainder of 2002), \$12.5 billion in Program year 2, and \$15 billion in Program year 3. Federal assistance within the retention above in insurer deductibles and 10% co-shares must be recouped while additional amounts of Federal assistance may be recouped based on economic factors in the judgment of the Secretary. Mandatory recoupment within the insurance marketplace retention is through terrorism loss risk-spreading premiums (surcharges) paid by all commercial property and casualty policyholders based on premium rates with any year's surcharge (mandatory and discretionary combined) capped at 3% of the premium charged for property and casualty insurance coverage under the policy in each such year. The Secretary has discretion over the timing of recoupment, and to adjust amounts for urban, smaller commercial, and rural areas, as well as for different lines of insurance, so long as the mandatory amounts are ultimately recouped. The Secretary may assess civil penalties on insurers for submission of false or misleading information or failure to repay the Secretary for any amount required to be repaid, or for other failure to comply with the provisions of this title.

This section directs the Secretary to apply the provisions of the legislation to State residual market insurance entities and State workers compensation funds. The Secretary is directed to either treat State residual market insurance entities as separate insurers, or to calculate the premiums, losses, and Federal backstop based on each insurer's share of the entity, imputing such amounts as part of their total business. This calculation would apply to all insurers that participate in such entities, regardless of whether they otherwise provide commercial property and casualty insurance as set forth in the legislation. This section further gives the Secretary discretion to apply the legislation to various classes of captives and self-insurance programs (such as workers' compensation self-insurance programs and State workers' compensation reinsurance pools).

The Secretary is also directed to conduct an expedited study to determine whether adequate and affordable catastrophe reinsurance for acts of terrorism is available to group life insurers and whether the threat of terrorism is reducing the availability of group life insurance for consumers. Should the Secretary determine that terrorism coverage is not or will not be reasonably available to insurers and consumers, the Secretary would be required to include group life insurance in the Terrorism Insurance Program. In so doing, the Secretary would have discretion to determine the most appropriate way to include group life insurance in the Program.

The Secretary, after consultation with the NAIC, is to conduct a study of the potential effects of acts of terrorism on the availability of life insurance generally and other lines of insurance coverage, including personal lines, to be submitted to Congress not later than 9 months from the date of enactment.

*Section 104. General authority and administration of claims*

The Secretary shall have the powers and authorities necessary to carry out the Pro-

gram. The Secretary shall annually compile information on the terrorism risk insurance premium rates of insurers for the preceding year. To the extent that such information is not otherwise available, the Secretary may require insurers to submit their terrorism risk insurance premium rates to the NAIC, which shall make such information available to the Secretary.

*Section 105. Preemption and nullification of pre-existing terrorism exclusions*

This section voids any commercial property and casualty terrorism insurance exclusion that is in force on the date of the enactment of this Act to the extent that it excludes that in force on the date of the enactment of this Act to the extent that it excludes losses that would otherwise be insured losses. Any State approval of any commercial property and casualty terrorism insurance exclusion in force on the date of enactment is also void to the extent that it excludes losses that would otherwise be insured losses.

This provision is intended to create immediate terrorism coverage for commercial property and casualty policyholders upon enactment for a short window of time, while allowing insurers to immediately send notices of the increased premium for such coverage and giving policyholders the option within 30 days of such notice to pay such increased premium or allow reinstatement of any pre-existing terrorism exclusion.

*Section 106. Preservation provisions*

This section preserves State regulatory authority except as specifically provided in this legislation. A uniform definition of a terrorist act is established in this legislation. Until the end of 2003, States would be required to allow rate and form changes to take effect immediately but would retain authority to disapprove any rates as excessive, inadequate, or unfairly discriminatory and where a State has prior approval authority for forms, subsequent review of such forms is permitted. During the period in which the Secretary's authority to carry out the Program is in effect, the Secretary would have access to any books and records of insurers that are relevant to the Program.

*Section 107. Litigation management*

The Conferees agreed to a provision on litigation management.

*Section 108. Termination of program*

This section provides a three-year program (with a transition period for the balance of 2002) that terminates on December 31, 2005. The Secretary shall conduct a study and report to Congress no later than June 30, 2005 on the effectiveness of the Program and the likely capacity of the property and casualty insurance industry to offer insurance for terrorism risk after termination of the Program, and the availability and affordability of such insurance for various policyholders, including railroads, trucking, and public transit.

TITLE II—TREATMENT OF TERRORIST ASSETS

*Section 201. Satisfaction of judgments from blocked assets of terrorists, terrorist organizations, and state sponsors to terrorism*

The purpose of Section 201 is to deal comprehensively with the problem of enforcement of judgments rendered on behalf of victims of terrorism in any court of competent jurisdiction by enabling them to satisfy such judgments through the attachment of blocked assets of terrorist parties. It is the intent of the Conferees that Section 201 establish that such judgments are to be enforced. Section 201 builds upon and extends the principles in section 1610(f)(1) of the Foreign Sovereign Immunities Act (28 U.S.C. §1610(f)(1)), authorizes the enforcement of

judgment against terrorist organizations and eliminates the effect of any Presidential waiver issued prior to the date of enactment purporting to bar or restrict enforcement of such judgments, thereby making clear that all such judgments are enforceable against any assets or property under any authorities referenced in Section 1610(f)(1).

Section 201(c) establishes a special rule for cases against Iran. In Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000 (2000 Act), Congress directed that specified claimants against Iran under Section 1605(a)(7) of the Foreign Sovereign Immunities Act receive payment in satisfaction of judgments. Unfortunately, several victims and families of victims who brought suit against Iran, were left out of the 2000 Act. The Conferees has sought to correct this injustice.

In order to accommodate additional dates within the equitable formula for payment of remaining amounts in the accounts and rental proceeds, the Conferees added to Section (c) an adjustment to the proportional formula for payment to qualifying claimants.

In Section 201(d), the Conferees broadened the definition of "act of terrorism" for purposes of that section; defined the term "blocked assets"; and clarified the term "terrorist organization" to mean any entity included in the definition provided in Section 212(a)(3)(B)(vi) of the Immigration and Nationality Act, (8 U.S.C. §1182(a)(3)(B)(vi)). This provision is intended to reach terrorist organizations.

TITLE III—FEDERAL RESERVE BOARD PROVISIONS

*Section 301. Certain authority of the Board of Governors of the Federal Reserve System*

The Conferees agreed to certain changes to Section 11 of the Federal Reserve Act.

From the Committee on Financial Services, for consideration of the House bill and the Senate amendment thereto, and modifications committed to conference:

MICHAEL G. OXLEY,  
RICHARD H. BAKER,  
ROBERT W. NEY,  
SUE W. KELLY,  
CHRISTOPHER SHAYS,  
VITO FOSSELLA,  
MICHAEL FERGUSON,  
JOHN J. LAFALCE,  
PAUL E. KANJORSKI,  
KEN BENTSEN,  
JAMES H. MALONEY,  
DARLENE HOOLEY,

From the Committee on Judiciary, for consideration of sec. 15 the House bill and sec. 10 and 11 of the Senate amendment thereto, and modifications committed to conference:

JOHN CONYERS, JR.,

*Managers on the Part of the House.*

PAUL SARBANES,  
CHRISTOPHER J. DODD,  
JACK REED,  
CHARLES SCHUMER,

*Managers on the Part of the Senate.*

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 1 minute p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro

tempore (Mr. SESSIONS) at 11 o'clock and 6 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 1214, MARITIME TRANSPORTATION ANTITERRORISM ACT OF 2002

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107-780) on the resolution (H. Res. 605) waiving points of order against the conference report to accompany the Senate bill (S. 1214) to amend the Merchant Marine Act, 1936, to establish a program to ensure greater security for United States seaports, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 333, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2001

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107-781) on the resolution (H. Res. 606) waiving points of order against the conference report to accompany the bill (H.R. 333) to amend Title XI, United States Code, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3210, TERRORISM RISK PROTECTION ACT

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107-782) on the resolution (H. Res. 607) waiving points of order against the conference report to accompany the bill (H.R. 3210) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107-783) on the resolution (H. Res. 608) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 5063, ARMED FORCES TAX FAIRNESS ACT OF 2002

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 107-784) on the resolution (H. Res. 609) providing for consideration of the Senate amendments to the bill (H.R. 5063) to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services, which was referred to the House Calendar and ordered to be printed.

ADJOURNMENT

Mr. DIAZ-BALART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, November 14, 2002, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

9926. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Diflubenzuron; Pesticide Tolerances Correction [OPP-2002-0224; FRL-7277-9] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9927. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Thiamethoxam; Pesticide Tolerance [OPP-2002-02 98; FRL-7279-6] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9928. A letter from the Under Secretary, Acquisition and Technology, Department of Defense, transmitting a copy of the Selected Acquisition Reports (SARs) for the quarter ending September 30, 2002; to the Committee on Armed Services.

9929. A letter from the Deputy Chief of Naval Operations, Department of Defense, transmitting notification of the decision to convert to contractor performance; to the Committee on Armed Services.

9930. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule — Clarification of Eligibility of Citizens of Freely Associated States for Housing Assistance [Docket No. FR-4754-F-01] (RIN: 2577-AC35) received November 1, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

9931. A letter from the Director, Office of Management and Budget, transmitting a report on the Cost Estimate For Pay-As-You-Go Calculations; to the Committee on the Budget.

9932. A letter from the Deputy Secretary, Department of Health and Human Services,

transmitting the annual report on the Community Services Block Grant (CSBG) National Information Service and the annual report on the Community Services Block Grant Implementation Assessments; to the Committee on Education and the Workforce.

9933. A letter from the Administrator, Environmental Protection Agency, transmitting the Agency's report for Fiscal Years 1999-2001 entitled "Superfund Five Year Review"; to the Committee on Energy and Commerce.

9934. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; State of Iowa [IA 159-1159a; FRL-7403-7] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9935. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; State of Kansas [MO 165-1165a; FRL-7401-4] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9936. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; State of Washington; Yakima Carbon Monoxide Redesignation to Attainment and Designation of Areas for Air Quality Planning Purposes [Docket # WA-01-006; FRL-7267-8] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9937. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Determination of Attainment of 1-hour Ozone Standard as of November 15, 1993, for the Birmingham, Alabama, Marginal Ozone Nonattainment Area [AL-200302; FRL-7403-5] received October 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9938. A letter from the Secretary, American Battle Monuments Commission, transmitting the FY 2002 annual report, pursuant to 31 U.S.C. 3512(c)(3) and Public Law 100-504; to the Committee on Government Reform.

9939. A letter from the Chairman and Chief Executive Officer, Chemical Safety and Hazard Investigation Board, transmitting the consolidated report on audit and investigative coverage required by the Inspector General Act of 1978 as amended, and the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

9940. A letter from the Vice Chairman, Defense Nuclear Facilities Safety Board, transmitting the consolidated report for the year ending September 30, 2002, on the Federal Managers' Financial Integrity Act and the status of our internal audit and investigative activities, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

9941. A letter from the Under Secretary, Department of Defense, transmitting the Department's annual implementation report required by the Federal Financial Assistance Management Improvement Act of 1999, pursuant to Public Law 106-107, section 5 (113 Stat. 1488); to the Committee on Government Reform.

9942. A letter from the Librarian, Library of Congress, transmitting the report of the activities of the Library of Congress, including the Copyright Office, for the fiscal year