Mr. ENSIGN. Mr. Speaker, I urge the adoption of this resolution, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CAMP). The question is on the motion offered by the gentleman from Nevada [Mr. ENSIGN] that the House suspend the rules and agree to the resolution, House Resolution 316.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT AMENDMENTS

Mr. ENSIGN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3034), to amend the Indian Self-Determination and Education Assistance Act to extend for 2 months the authority for promulgating regulations under the act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the consideration of the gentleman from Nevada?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3034

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

SECTION 1. EXTENSION OF AUTHORITY TO PROMULGATE REGULATIONS.

Section 107(a)(2)(B) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450k(a)(2)(B)) is amended by striking ''18 months'' and inserting ''20 months''.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ENSIGN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Resolution 316.

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

There was no objection.

AMENDING FOREIGN ASSISTANCE ACT OF 1961 AND ARMS EXPORT CONTROL ACT

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3121) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3121

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

SECTION 1. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Table of contents.

TITLE I—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

Sec. 101. Terms of loans under the Foreign Military Financing program.
Sec. 102. Additional requirements under the Foreign Military Financing program.
Sec. 103. Drawdown special authorities.
Sec. 104. Transfer of excess defense articles.
Sec. 105. Excess defense articles for certain European countries.

CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

Sec. 111. Assistance for Indonesia.
Sec. 112. Additional requirements.

CHAPTER 3—ANTITERRORISM ASSISTANCE

Sec. 121. Antiterrorism training assistance.
Sec. 122. Research and development expenses.

CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

Sec. 131. Additional requirements.
Sec. 132. Notification requirement.
Sec. 133. Waiver of restrictions for narcotics-related economic assistance.

CHAPTER 5—OTHER PROVISIONS

Sec. 141. Standardization of congressional review procedures for arms transfers.
Sec. 142. Standardization of third country transfers of defense articles.
Sec. 143. Increased standardization, rationalization, and interoperability of assistance and sales programs.
Sec. 144. Definition of significant military equipment.
Sec. 145. Elimination of annual reporting requirement relating to the Special Defense Acquisition Fund.
Sec. 146. Cost of leased defense articles that have been lost or destroyed.
Sec. 147. Designation of major non-NATO allies.
Sec. 148. Certification thresholds.
Sec. 149. Depleted uranium ammunition.
Sec. 150. End-use monitoring of defense articles and defense services.
Sec. 151. Brokering activities relating to commercial sales of defense articles and services.
Sec. 152. Return and exchanges of defense articles previously transferred pursuant to the arms export control act.
Sec. 153. National security interest determination to waive reimbursement of depreciation for leased defense articles.
Sec. 154. Eligibility of Panama under Arms Export Control Act.

TITLE II—TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

Sec. 201. Authority to transfer naval vessels.
Sec. 202. Costs of transfers.
Sec. 203. Expiration of authority.
Sec. 204. Repair and refurbishment of vessels in United States shipyards.

TITLE I—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

SEC. 101. TERMS OF LOANS UNDER THE FOREIGN MILITARY FINANCING PROGRAM.

Section 31(c) of the Arms Export Control Act (22 U.S.C. 2771(c)) is amended to read as follows:

''(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.''.

SEC. 102. ADDITIONAL REQUIREMENTS UNDER THE FOREIGN MILITARY FINANCING PROGRAM.

(a) AUDIT OF CERTAIN PRIVATE FIRMS.—Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended by adding at the end the following new subsection:

''(f) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to be procured by such firms for such governments from financing under this section.''.

(b) NOTIFICATION REQUIREMENT WITH RESPECT TO CASH FLOW FINANCING.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(g)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

''(2) For purposes of this subsection, the term 'cash flow financing' has the meaning given such term in the second subsection (d) of section 25.''.

(c) LIMITATIONS ON USE OF FUNDS FOR DIRECT COMMERCIAL CONTRACTS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(h) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.''.

(d) ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—Section 25(a) of such Act (22 U.S.C. 2765(a)) is amended—

(1) by striking the ''and'' at the end of paragraph (11);

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following new paragraph:

''(12)(A) a detailed accounting of all articles, services, credits, guarantees, or any other form of assistance furnished by the United States to each country and international organization, including payments to the United Nations, during the preceding fiscal year for the detection and clearance of

landmines, including activities relating to the furnishing of education, training, and technical assistance for the detection and clearance of landmines; and

''(B) for each provision of law making funds available or authorizing appropriations for demining activities described in subparagraph (A), an analysis and description of the objectives and activities undertaken during the preceding fiscal year, including the number of personnel involved in performing such activities; and''.

SEC. 103. DRAWDOWN SPECIAL AUTHORITIES.

(a) UNFORESEEN EMERGENCY DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1)) is amended by striking ''$75,000,000'' and inserting ''$100,000,000''.

(b) ADDITIONAL DRAWDOWN.—Section 506 of such Act (22 U.S.C. 2318) is amended—

(1) in subsection (a)(2)(A), by striking ''defense articles from the stocks'' and all that follows and inserting the following: ''articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

''(i) for the purposes and under the authorities of—

''(I) chapter 8 of part I (relating to international narcotics control assistance);

''(II) chapter 9 of part I (relating to international disaster assistance); or

''(III) the Migration and Refugee Assistance Act of 1962; or

''(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

''(I) to support cooperative efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

''(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.'';

(2) in subsection (a)(2)(B), by striking ''$75,000,000'' and all that follows and inserting ''$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

''(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

''(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

''(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph.''; and

(3) in subsection (b)(1), by adding at the end the following: ''In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance of the drawdowns in accordance with the procedures applicable to reprogramming notifications under section 634A.''.

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of such Act (22 U.S.C. 2411) is amended by striking ''prior to the date'' and inserting ''before''.

SEC. 104. TRANSFER OF EXCESS DEFENSE ARTICLES.

(a) IN GENERAL.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended to read as follows:

''SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

''(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified to the Congress, for the fiscal year in which the transfer is authorized.

''(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

''(1) such articles are drawn from existing stocks of the Department of Defense;

''(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

''(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

''(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

''(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base and, particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

''(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

''(c) TERMS OF TRANSFERS.—

''(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

''(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

''(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

''(e) TRANSPORTATION AND RELATED COSTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

''(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

''(A) it is determined that it is in the national interest of the United States to do so;

''(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

''(C) the total weight of the transfer does not exceed 25,000 pounds; and

''(D) such transportation is accomplished on a space available basis.

''(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

''(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

''(2) CONTENTS.—Such notification shall include—

''(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

''(B) an assessment of the impact of the transfer on the military readiness of the United States;

''(C) an assessment of the impact of the transfer on the national technology and industrial base and, particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

''(D) a statement describing the current value of such article and the value of such article at acquisition.

''(g) AGGREGATE ANNUAL LIMITATION.—

''(1) IN GENERAL.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

''(2) EFFECTIVE DATE.—The limitation contained in paragraph (1) shall apply only with respect to fiscal years beginning after fiscal year 1996.

''(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

''(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.''.

(b) CONFORMING AMENDMENTS.—

(1) ARMS EXPORT CONTROL ACT.—Section 21(k) of the Arms Export Control Act (22 U.S.C. 2761(k)) is amended by striking ''the President shall'' and all that follows and inserting the following: ''the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base and, particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.''.

(2) REPEALS.—The following provisions of law are hereby repealed:

(A) Section 502A of the Foreign Assistance Act of 1961 (22 U.S.C. 2303).

(B) Sections 517 through 520 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k through 2321n).

(C) Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)).

SEC. 105. EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES.

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, during each of the fiscal years 1996 and 1997, 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 countries that are eligible to participate in the Partnership for Peace and that are eligible for assistance under the Support for East European Democracy (SEED) Act of 1989.

CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 111. ASSISTANCE FOR INDONESIA.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347).

SEC. 112. ADDITIONAL REQUIREMENTS.

(a) GENERAL AUTHORITY.—Section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347) is amended in the second sentence in the matter preceding clause (i) by inserting ''and individuals who are not members of the government'' after ''legislators''.

(b) EXCHANGE TRAINING.—Section 544 of such Act (22 U.S.C. 2347c) is amended—

(1) by striking ''In carrying out this chapter'' and inserting ''(a) In carrying out this chapter''; and

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

''(b) The President may provide for the attendance of foreign military and civilian defense personnel at flight training schools and programs (including test pilot schools) in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States flight training schools and programs (including test pilot schools) and comparable flight training schools and programs of foreign countries.''.

(c) ASSISTANCE FOR CERTAIN HIGH-INCOME FOREIGN COUNTRIES.—

(1) AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961.—Chapter 5 of part II of such Act (22 U.S.C. 2347 et seq.) is amended by adding at the end the following new section:

''SEC. 546. PROHIBITION ON GRANT ASSISTANCE FOR CERTAIN HIGH INCOME FOREIGN COUNTRIES.

''(a) IN GENERAL.—None of the funds made available for a fiscal year for assistance under this chapter may be made available for assistance on a grant basis for any of the high-income foreign countries described in subsection (b) for military education and training of military and related civilian personnel of such country.

''(b) HIGH-INCOME FOREIGN COUNTRIES DESCRIBED.—The high-income foreign countries described in this subsection are Austria, Finland, the Republic of Korea, Singapore, and Spain.''.

(2) AMENDMENT TO THE ARMS EXPORT CONTROL ACT.—Section 21(a)(1)(C) of the Arms Export Control Act (22 U.S.C. 2761) is amended by inserting ''or to any high-income foreign country (as described in that chapter)'' after ''Foreign Assistance Act of 1961''.

CHAPTER 3—ANTITERRORISM ASSISTANCE

SEC. 121. ANTITERRORISM TRAINING ASSISTANCE.

(a) IN GENERAL.—Section 571 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa) is amended by striking ''Subject to the provisions of this chapter'' and inserting ''Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act)''.

(b) LIMITATIONS.—Section 573 of such Act (22 U.S.C. 2349aa–2) is amended—

(1) in the heading, by striking ''SPECIFIC AUTHORITIES AND'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(4) in subsection (c) (as redesignated)—

(A) by striking paragraphs (1) and (2);

(B) by redesignating paragraphs (3) through (5) as paragraphs (1) through (3), respectively; and

(C) by amending paragraph (2) (as redesignated) to read as follows:

''(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

''(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly related to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

''(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.''.

(c) ANNUAL REPORT.—Section 574 of such Act (22 U.S.C. 2349aa–3) is hereby repealed.

(d) TECHNICAL CORRECTIONS.—Section 575 (22 U.S.C. 2349aa–4) and section 576 (22 U.S.C. 2349aa–5) of such Act are redesignated as sections 574 and 575, respectively.

SEC. 122. RESEARCH AND DEVELOPMENT EXPENSES.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.; relating to antiterrorism assistance) may be made available to the Technical Support Working Group of the Department of State for research and development expenses related to contraband detection technologies or for field demonstrations of such technologies (whether such field demonstrations take place in the United States or outside the United States).

CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

SEC. 131. ADDITIONAL REQUIREMENTS.

(a) POLICY AND GENERAL AUTHORITIES.—Section 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

''(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States.''; and

(2) in paragraph (4), by adding before the period at the end the following: '', or for other anticrime purposes''.

(b) CONTRIBUTIONS AND REIMBURSEMENT.—Section 482(c) of that Act (22 U.S.C. 2291a(c)) is amended—

(1) by striking ''CONTRIBUTION BY RECIPIENT COUNTRY.—To'' and inserting ''CONTRIBUTIONS AND REIMBURSEMENT.—(1) To''; and

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

''(2)(A) The President is authorized to accept contributions from foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

''(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

''(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.''.

(c) IMPLEMENTATION OF LAW ENFORCEMENT ASSISTANCE.—Section 482 of such Act (22 U.S.C. 2291a) is amended by adding at the end the following new subsections:

''(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

''(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.''.

SEC. 132. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—The authority of section 1003(d) of the National Narcotics Control Leadership Act of 1988 (21 U.S.C. 1502(d)) may be exercised with respect to funds authorized to be appropriated pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and with respect to the personnel of the Department of State only to the extent that the appropriate congressional committees have been notified 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of that Act (22 U.S.C. 2394).

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 133. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.

For each of the fiscal years 1996 and 1997, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be provided notwithstanding any other provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B of that Act (22 U.S.C. 2291j(e) and 2304)) if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees (as defined in section 481(e) of that Act (22 U.S.C. 2291(e))) in accordance with the procedures applicable to reprogramming notifications under section 634A of that Act (22 U.S.C. 2394).

CHAPTER 5—OTHER PROVISIONS

SEC. 141. STANDARDIZATION OF CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)) is amended—

(1) in subparagraph (A), by striking '', as provided for in sections 36(b)(2) and 36(b)(3) of this Act'';

(2) in subparagraph (B), by striking ''law'' and inserting ''joint resolution''; and

(3) by adding at the end the following:

''(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

''(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C. 2753(d)(3)) is amended—

(1) by inserting ''(A)'' after ''(3)'';

(2) in the first sentence—

(A) by striking ''at least 30 calendar days''; and

(B) by striking ''report'' and inserting ''certification''; and

(3) by striking the last sentence and inserting the following: ''Such certification shall be submitted—

''(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

''(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

''(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

''(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(c) COMMERCIAL SALES.—Section 36(c)(2) of such Act (22 U.S.C. 2776(c)(2)) is amended by amending subparagraphs (A) and (B) to read as follows:

''(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

''(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.''.

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2776(d)) is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''for or in a country not a member of the North Atlantic Treaty Organization''; and

(3) by adding at the end the following:

''(2) A certification under this subsection shall be submitted—

''(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

''(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

''(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

''(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

''(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of such Act (22 U.S.C. 2796a) is amended—

(A) in subsection (a), by striking ''Not less than 30 days before'' and inserting ''Before'';

(B) in subsection (b)—

(i) by striking ''determines, and immediately reports to the Congress'' and inserting ''states in his certification''; and

(ii) by adding at the end of the subsection the following: ''If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved.''; and

(C) by adding at the end of the section the following:

''(c) The certification required by subsection (a) shall be transmitted—

''(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

''(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.''.

(2) CONGRESSIONAL DISAPPROVAL.—Section 63(a) of such Act (22 U.S.C. 2796b(a)) is amended—

(A) by striking ''(a)(1)'' and inserting ''(a)'';

(B) by striking out the ''30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a),'' and inserting in lieu thereof ''the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,''; and

(C) by striking paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the date of the enactment of this Act.

SEC. 142. STANDARDIZATION OF THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES.

Section 3 of the Arms Export Control Act (22 U.S.C. 2753) is amended by inserting after subsection (a) the following new subsection:

''(b) The consent of the President under paragraph (2) of subsection (a) or under paragraph (1) of section 505(a) of the Foreign Assistance Act of 1961 (as it relates to subparagraph (B) of such paragraph) shall not be required for the transfer by a foreign country or international organization of defense articles sold by the United States under this Act if—

''(1) such articles constitute components incorporated into foreign defense articles;

''(2) the recipient is the government of a member country of the North Atlantic Treaty Organization, the Government of Australia, the Government of Japan, or the Government of New Zealand;

''(3) the recipient is not a country designated under section 620A of the Foreign Assistance Act of 1961;

''(4) the United States-origin components are not—

''(A) significant military equipment (as defined in section 47(9));

''(B) defense articles for which notification to Congress is required under section 36(b); and

''(C) identified by regulation as Missile Technology Control Regime items; and

''(5) the foreign country or international organization provides notification of the transfer of the defense articles to the United States Government not later than 30 days after the date of such transfer.''.

SEC. 143. INCREASED STANDARDIZATION, RATIONALIZATION, AND INTEROPERABILITY OF ASSISTANCE AND SALES PROGRAMS.

Paragraph (6) of section 515(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking ''among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand''.

SEC. 144. DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting ''; and''; and

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

''(9) 'significant military equipment' means articles—

''(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

''(B) identified on the United States Munitions List.''.

SEC. 145. ELIMINATION OF ANNUAL REPORTING REQUIREMENT RELATING TO THE SPECIAL DEFENSE ACQUISITION FUND.

(a) IN GENERAL.—Section 53 of the Arms Export Control Act (22 U.S.C. 2795b) is hereby repealed.

(b) CONFORMING AMENDMENT.—Section 51(a)(4) of such Act (22 U.S.C. 2795(a)(4)) is amended—

(1) by striking ''(a)''; and

(2) by striking subparagraph (B).

SEC. 146. COST OF LEASED DEFENSE ARTICLES THAT HAVE BEEN LOST OR DESTROYED.

Section 61(a)(4) of the Arms Export Control Act (22 U.S.C. 2796(a)(4)) is amended by striking ''and the replacement cost'' and all that follows and inserting the following: ''and, if the articles are lost or destroyed while leased—

''(A) in the event the United States intends to replace the articles

lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

''(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.''.

SEC. 147. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.

''(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

''(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

''(2) terminating such a designation.

''(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.''.

(2) DEFINITION.—Section 644 of such Act (22 U.S.C. 2403) is amended by adding at the end the following:

''(q) 'Major non-NATO ally' means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).''.

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is repealed.

(B) Section 65(d) of such Act (22 U.S.C. 2796d(d)) is amended—

(i) by striking ''or major non-NATO''; and

(ii) by striking out ''or a'' and all that follows through ''Code''.

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended in the first sentence by striking ''similar agreements'' and all that follows through ''other countries'' and inserting ''similar agreements with countries''.

SEC. 148. CERTIFICATION THRESHOLDS.

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

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

(A) in paragraphs (1) and (3), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000''; and

(B) in paragraphs (1) and (3), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000'';

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000'';

(B) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000''; and

(C) in subsections (b)(1) and (b)(5)(C), by striking ''$200,000,000'' each place it appears and inserting ''$300,000,000''; and

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

(A) by striking ''$14,000,000'' and inserting ''$25,000,000''; and

(B) by striking ''$50,000,000'' and inserting ''$75,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the date of the enactment of this Act.

SEC. 149. DEPLETED URANIUM AMMUNITION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 620G. DEPLETED URANIUM AMMUNITION.

''(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

''(1) a country that is a member of the North Atlantic Treaty Organization;

''(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

''(3) Taiwan.

''(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.''.

SEC. 150. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

(a) IN GENERAL.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended by inserting after chapter 3 the following new chapter:

''CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES

''SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

''(a) ESTABLISHMENT OF MONITORING PROGRAM.—

''(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the President shall establish a program which provides for the end-use monitoring of such articles and services.

''(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

''(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the 'Blue Lantern' program); and

''(B) shall be designed to provide reasonable assurance that—

''(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

''(ii) such articles and services are being used for the purposes for which they are provided.

''(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the President shall ensure that the program—

''(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services whose diversion or other misuse could have significant consequences; and

''(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

''(c) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this section, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section, including a detailed accounting of the costs and number of personnel associated with the monitoring program.

''(d) THIRD COUNTRY TRANSFERS.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.''.

(b) EFFECTIVE DATE.—Section 40A of the Arms Export Control Act, as added by subsection (a), applies with respect to defense articles and defense services provided before or after the date of the enactment of this Act.

SEC. 151. BROKERING ACTIVITIES RELATING TO COMMERCIAL SALES OF DEFENSE ARTICLES AND SERVICES.

(a) IN GENERAL.—Section 38(b)(1)(A) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amended—

(1) in the first sentence, by striking ''As prescribed in regulations'' and inserting ''(i) As prescribed in regulations''; and

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

''(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

''(II) Such brokering activities shall include the financing, transportation, freight forwarding, or taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

''(III) No person may engage in the business of brokering activities described in subclause (I) without a license, issued in accordance with this Act, except that no license shall be required for such activities undertaken by or for an agency of the United States Government—

''(aa) for use by an agency of the United States Government; or

''(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

''(IV) For purposes of this clause, the term 'foreign defense article or defense service' includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.''.

(b) EFFECTIVE DATE.—Section 38(b)(1)(A)(ii) of the Arms Export Control Act, as added by subsection (a), shall apply with respect to brokering activities engaged in beginning on or after 120 days after the enactment of this Act.

SEC. 152. RETURN AND EXCHANGES OF DEFENSE ARTICLES PREVIOUSLY TRANSFERRED PURSUANT TO THE ARMS EXPORT CONTROL ACT.

(a) REPAIR OF DEFENSE ARTICLES.—Section 21 of the Arms Export Control Act (22 U.S.C. 2761) is amended by adding at the end the following new subsection:

''(l) REPAIR OF DEFENSE ARTICLES.—

''(1) IN GENERAL.—The President may acquire a repairable defense article from a foreign country or international organization if such defense article—

''(A) previously was transferred to such country or organization under this Act;

''(B) is not an end item; and

''(C) will be exchanged for a defense article of the same type that is in the stocks of the Department of Defense.

''(2) LIMITATION.—The President may exercise the authority provided in paragraph (1) only to the extent that the Department of Defense—

''(A)(i) has a requirement for the defense article being returned; and

''(ii) has available sufficient funds authorized and appropriated for such purpose; or

''(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act; and

''(ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act.

''(3) REQUIREMENT.—(A) The foreign government or international organization receiving a new or repaired defense article in exchange for a repairable defense article pursuant to paragraph (1) shall, upon the acceptance by the United States Government of the repairable defense article being returned, be charged the total cost associated with the repair and replacement transaction.

''(B) The total cost charged pursuant to subparagraph (A) shall be the same as that charged the United States Armed Forces for a similar repair and replacement transaction, plus an administrative surcharge in accordance with subsection (e)(1)(A) of this section.

''(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW.—The authority of the President to accept the return of a repairable defense article as provided in subsection (a) shall not be subject to chapter 137 of title 10, United States Code, or any other provision of law relating to the conclusion of contracts.''.

(b) RETURN OF DEFENSE ARTICLES.—Section 21 of such Act (22 U.S.C. 2761), as amended by this Act, is further amended by adding at the end the following new subsection:

''(m) RETURN OF DEFENSE ARTICLES.—

''(1) IN GENERAL.—The President may accept the return of a defense article from a foreign country or international organization if such defense article—

''(A) previously was transferred to such country or organization under this Act;

''(B) is not significant military equipment (as defined in section 47(9) of this Act); and

''(C) is in fully functioning condition without need of repair or rehabilitation.

''(2) LIMITATION.—The President may exercise the authority provided in paragraph (1) only to the extent that the Department of Defense—

''(A)(i) has a requirement for the defense article being returned; and

''(ii) has available sufficient funds authorized and appropriated for such purpose; or

''(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act; and

''(ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act.

''(3) CREDIT FOR TRANSACTION.—Upon acquisition and acceptance by the United States Government of a defense article under paragraph (1), the appropriate Foreign Military Sales account of the provider shall be credited to reflect the transaction.

''(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW.—The authority of the President to accept the return of a defense article as provided in paragraph (1) shall not be subject to chapter 137 of title 10, United States Code, or any other provision of law relating to the conclusion of contracts.''.

(c) REGULATIONS.—Under the direction of the President, the Secretary of Defense shall promulgate regulations to implement subsections (l) and (m) of section 21 of the Arms Export Control Act, as added by this section.

SEC. 153. NATIONAL SECURITY INTEREST DETERMINATION TO WAIVE REIMBURSEMENT OF DEPRECIATION FOR LEASED DEFENSE ARTICLES.

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

(1) in the second sentence, by striking '', or to any defense article which has passed three-quarters of its normal service life''; and

(2) by inserting after the second sentence the following new sentence: ''The President may waive the requirement of paragraph (4) for reimbursement of depreciation for any defense article which has passed three-quarters of its normal service life if the President determines that to do so is important to the national security interest of the United States.''.

(b) EFFECTIVE DATE.—The third sentence of section 61(a) of the Arms Export Control Act, as added by subsection (a)(2), shall apply only with respect to a defense article leased on or after the date of the enactment of this Act.

SEC. 154. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT CONTROL ACT.

The Government of the Republic of Panama shall be eligible to purchase defense articles and defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), except as otherwise specifically provided by law.

TITLE II—TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

SEC. 201. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) EGYPT.—The Secretary of the Navy is authorized to transfer to the Government of Egypt the ''OLIVER HAZARD PERRY CLASS'' frigate GALLERY. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(b) MEXICO.—The Secretary of the Navy is authorized to transfer to the Government of Mexico the ''KNOX'' class frigates STEIN (FF 1065) and MARVIN SHIELDS (FF 1066). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(c) NEW ZEALAND.—The Secretary of the Navy is authorized to transfer to the Government of New Zealand the ''STALWART'' class ocean surveillance ship TENACIOUS. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(d) PORTUGAL.—The Secretary of the Navy is authorized to transfer to the Government of Portugal the ''STALWART'' class ocean surveillance ship AUDACIOUS. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j; relating to transfers of excess defense articles).

(e) TAIWAN.—The Secretary of the Navy 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 following:

(1) The ''KNOX'' class frigates AYLWIN (FF 1081), PHARRIS (FF 1094), and VALDEZ (FF 1096). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(2) The ''NEWPORT'' class tank landing ship NEWPORT (LST 1179). Such transfer shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(f) THAILAND.—The Secretary of the Navy is authorized to transfer to the Government of Thailand the ''KNOX'' class frigate OUELLET (FF 1077). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

SEC. 202. COSTS OF TRANSFERS.

Any expense of the United States in connection with a transfer authorized by this title shall be charged to the recipient.

SEC. 203. EXPIRATION OF AUTHORITY.

The authority granted by section 201 shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 204. REPAIR AND REFURBISHMENT OF VESSELS IN UNITED STATES SHIPYARDS.

The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under this title, 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 shipyard located in the United States, including a United States Navy shipyard.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. GILMAN] and the gentleman from California [Mr. LANTOS] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

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

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am pleased to bring this legislation to the floor of the House at this time.

The purpose of title I of this bill is to amend authorities under the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act to revise and consolidate defense and security assistance authorities, in particular by updating policy and statutory authorities.

The genesis of this effort began nearly 7 years ago, with H.R. 2655, the International Cooperation Act of 1989. Subsequent legislation by the then Committee on Foreign Affairs, including H.R. 2508, the International Cooperation Act of 1991, and later bills, continued our efforts to amend and update these important authorities.

On June 8, 1995, the House of Representatives passed H.R. 1561, the American Overseas Interest Act of 1995, by a vote of 222 to 192. Title XXXI of division C, the Foreign Aid Reduction Act of 1995, was dedicated to defense and security assistance provisions. On March 12, 1996, the House agreed to the conference report on H.R. 1561 by a vote of 226 to 172. The conference report, though, did not include provisions from division C of the House-passed bill.

This legislation, H.R. 3121, continues the effort by our Committee on International Relations to amend the Foreign Assistance Act and the Arms Export Control Act to make improvements to defense and security assistance provisions under those acts. The provisions included in title I of this bill are nearly identical to title XXXI of H.R. 1561, are the product of bipartisan effort and cooperation, and enjoy the strong support of the Departments of State and Defense.

Central to consideration of this bill is the committee's view that this legislation fulfills its responsibility as an authorizing committee. Specifically, this legislation codifies in permanent law authorizing language which has been too long carried on annual appropriations measures.

The purpose of title II of this bill is to authorize the transfer of naval vessels to certain foreign nations pursuant to the administration's request of January 29, 1996, Title II of this bill authorizes the transfer of 10 naval vessels, 8 sales, 1 by lease and 1 by grant, to the following nations: to Egypt, to Mexico, to New Zealand, to Portugal, to Taiwan, and to Thailand.

According to our Department of Defense, the Chief of Naval Operations has certified that these naval vessels are not essential to the defense of our own Nation.

As detailed above, the United States plans to transfer eight naval vessels by sale, pursuant to section 21 of the Arms Export Control Act. One of the vessels will be transferred as a lease, pursuant to chapter 6 of the Arms Export Control Act, and one of the vessels will be transferred as a grant pursuant to section 519 of the Foreign Assistance Act of 1961, as amended.

The United States will incur no cost for the transfer of the naval vessels under this legislation. The foreign recipients will be responsible for all costs associated with the transfer of the vessels, including maintenance, repairs, training and fleet turnover costs. Any expenses incurred in connection with these transfers will be charged to the foreign recipients.

Through the sale of these naval vessels, this legislation will generate $72 million in revenue for the U.S. Treasury. In addition, through repair and reactivation work, through service contracts, ammunition sales, and savings generated from avoidance of storage and deactivation costs, our Navy estimates that the legislation will generate an additional $525 million in revenue for the U.S. Treasury and for private U.S. firms.

I commend this bill to the House and I ask my colleagues for their support.

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

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

Mr. Speaker, first I would like to commend the distinguished chairman of our committee for his leadership on this bill and on so many other matters. I rise in strong support of this resolution.

Mr. Speaker, I yield 2 minutes to my good friend and distinguished colleague, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman from California, and I want to join in congratulating his leadership, along with the gentleman from New York in the previous resolution on the Holocaust.

In general, this is good legislation. As someone who represents a large number of Portuguese-Americans who are proud of the very strong, thriving relationship between our two democratic nations, I am pleased to see through the efforts of my colleagues the needs of the Portuguese Navy have been in part accommodated.

But I am severely disappointed that this legislation continues a pattern of rewarding the Government of Indonesia, which continues to engage in some of the most oppressive and racist activities in the world in their maltreatment of the people of East Timor. Indonesia's record in East Timor is one of the great moral failings in the world, and unfortunately it is a further moral failing that the rest of the world stands back and allows the people of East Timor to be so oppressed.

I understand that this is military and educational training. Theoretically just for civilians, in ways it is supposed to help. But you know when you are in East Timor being oppressed, when you are being killed or imprisoned by this brutal regime, the fact the people doing the killing and the Indonesians are a little better educated in civic values than they otherwise might have been is no consolation. I regret very much that this legislation continues that practice.

Last year I offered an amendment to strike from the foreign operations appropriations bill all aid to Indonesia. The Committee on Rules did not allow it. I want to announce now that I and others intend to insist this time on our right to at least vote on that. It is bad enough that this Congress goes along with rewarding the brutal actions of the Government of Indonesia, but to deny us even a chance to vote for it implicates our own procedures in that unfortunate aspect, although obviously murder is a lot worse than our being able to vote. I am sorry it is not included here, and I pledge we will do everything we can to end the practice of rewarding the Indonesian Government until and unless it stops its brutalization of the people of East Timor.

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

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to the gentleman from Rhode Island [Mr. KENNEDY], my good friend and distinguished colleague.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to concur with my colleague from Massachusetts [Mr. FRANK], in that this bill should not be on the Suspension Calendar as it relates to the inclusion of an enhancement for Indonesia for the same reasons my colleagues just spoke.

Indonesia has proven itself to be someone with no respect and regard for the human rights of the East Timorese in the application of their Government in East Timor. They have systematically used their Government to oppose the East Timorese. They have terrorized, brutalized, they have killed demonstrators in broad daylight in front of international cameras. They will go to no end to show that they are not worthy of the recognition that this enhancement gives them.

The whole idea of the enhancement is to say, ''Well, we will work with you.''

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But understand, we will work to support democratic efforts. But if there are no democratic efforts being undertaken, it is a little presumptuous for us to think that simply by our recognition of East Timor through this enhanced IMET that we are going to replace what is not there. That is the problem with enhanced IMET.

My former colleague, Congressman Ron Machtly, was successful in revoking IMET. It was a good thing that this Congress recognized it. Nothing has changed. Indonesia still oppresses these Timorese, and that is why this is not the time for us to be renewing IMET. That is why, Mr. Chairman, as the gentleman can obviously tell, there are people like myself, the gentlewoman from California [Ms. PELOSI], the gentlewoman from New York [Mrs. LOWEY], and others, the gentleman from Massachusetts [Mr. FRANK], who know this is not an issue where we should be debating it on a Suspension Calendar. We have no problem debating this as a bill on the floor itself, and that is the way it should come before us.

Mr. Speaker, this bill contains provisions, as the gentleman from New York said, which we all support. I would be the first to commend the gentleman from New York [Mr. GILMAN] for the inclusion of the hydrographic vessel that goes to Portugal. But that is the proper role for a suspension bill. The IMET is not. So while I support that endeavor that the gentleman has put into the bill, this I have to object to.

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

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise today in strong opposition to the provision in this bill that authorizes international military education and training [IMET] assistance for Indonesia.

In 1992, we voted to end all IMET assistance for Indonesia because of that country's abysmal human rights record and their continued oppression of the people of East Timor. Despite the lack of improvement in Indonesia's human rights record, and the opposition of myself and many of my colleagues, a modified IMET program was approved for Indonesia in the Foreign Operations Appropriations Act for fiscal year 1996.

When this provision was added to the foreign aid bill last year, we said we would monitor the human rights situation in Indonesia very carefully and act accordingly this year. Well, the State Department's Country Report on Indonesia was released last month, and according to the report, ''The government continued to commit serious human rights abuses.''

So what do we do a month after this report came out? We attempt to slip reauthorization of IMET for Indonesia into a supposedly noncontroversial bill that is being considered on the Suspension Calendar. This is an unacceptable way to legislate.

Mr. Speaker, in the past we have debated this issue extensively. Last year, I offered an amendment to the foreign aid bill to prohibit this assistance from going to Indonesia. There is significant opposition in Congress to Indonesian IMET. That doesn't sound noncontroversial to me.

A month ago, the State Department said that in Indonesia ''reports of extrajudicial killings, disappearances, and torture of those in custody by security forces increased.'' Not decreased. Not stayed the same. Increased. Should we really be authorizing IMET assistance for this government now when they have not addressed these critical human rights issues? I don't think so.

Indonesia's policy in East Timor is about the oppression of people who oppose Indonesia's right to torture, kill, and repress the people of East Timor. It is about the 200,000 Timorese who have been slaughtered since the Indonesian occupation in 1975—200,000 killed out of a total population of 700,000. It is about genocide.

Mr. Speaker, this is not a noncontroversial issue, and should never have been brought up under suspension.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. BROWNBACK], a member of our committee.

(Mr. BROWNBACK asked and was given permission to revise and extend his remarks.)

Mr. BROWNBACK. Mr. Speaker, let me begin by congratulating Chairman GILMAN for the hard work he and his staff have put into reforming the defense and security assistance provisions incorporated in H.R. 3121.

I think H.R. 3121 represents a common sense approach to advancing our foreign policy goals of promoting global security, ensuring the security of U.S. citizens and U.S. allies around the world, and encouraging democracy. However, the bill achieves these goals while effectively reducing the amount of excess defense articles that will be transferred to our allies on a grant or no-cost lease basis.

We need to use the grant and no-cost lease options sparingly so that these programs recover as much money for the taxpayers as possible. H.R. 3121 will force the Defense Department to drastically reduce the number of no-cost leases and grants that are used to transfer excess defense articles to our allies. The bill creates the national security interest determination that the President will have to invoke in order to provide a no-cost lease for excess defense articles.

Mr. Speaker, H.R. 3121 also requires the Pentagon to evaluate whether excess defense articles should be transferred on a grant basis or on a sale basis, depending upon what the potential proceeds would be from a sale, what the likelihood of selling a defense article would be, and what the foreign policy benefits of a transfer would be. Mr. Speaker, I simply add that in this time of budgetary constraint and austerity, I think this is a very good measure that we move forward with that, we say to the Defense Department and we say to the administration, if you are going to give away these ships, if you are going to give away these airplanes, you better have a darn good reason to do it, because we are broke and we need to be able to recognize and get as much funding as we possibly can and have as much restraint here as possible.

That is in the bill, and I commend Chairman GILMAN for inserting it.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for focusing on the changes and the reforms that are a part of this bill. The gentleman has been active as well as Chairman GILMAN and the ranking member.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I just want to commend the gentleman from Kansas for his astute observations, analysis of the bill. He has been a sound critic of the prior procedures that we have utilized in transferring this equipment, and as a result of his efforts, a good reform has come about. I thank the gentleman for his efforts.

Mr. BROWNBACK. I thank the gentleman very much.

Mr. HAMILTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I want to commend Chairman GILMAN for his leadership on this bill. He has proceeded in a very constructive and bipartisan way. The first part of the bill, an amendment of security assistance authorities in the Foreign Assistance Act and the Arms Export Control Act, has indeed been developed on a bipartisan basis under Chairman GILMAN's leadership. He has already spoken in some detail about the bill, and I do not want to repeat his presentation.

Mr. Speaker, I just want to speak to two issues that have come up by our colleagues. One is expanded IMET for Indonesia. The issue of expanded IMET for Indonesia is troubling to some Members of this House. The administration strongly supports the provision in this bill which exactly tracks the Foreign Operations Act for this fiscal year. The bill would not allow IMET assistance for traditional purposes. There would be no lethal training.

This bill allows military education and training in Indonesia only for very specific purposes: To foster greater respect for and understanding of the principle of civilian control of the military, to improve military justice in accordance with internationally recognized human rights, and to improve counternarcotics cooperation. The purpose of this so-called expanded IMET is solely to give the United States a better handle in trying to alter the behavior of the Indonesian Government and

the military which, of course, is the strongest, most influential institution in the country.

Second, Members interested in arms control have raised questions about this bill, as well. I believe this bill will help improve Congress' oversight of the arms export control process. The bill gives the Congress an additional 20 days' advance notification of arms export commercial licenses and coproduction agreements. It will give Congress the same window on these transactions as it now has on government-to-government sales.

For the first time, it will give the Congress the ability to offer resolutions of disapproval on third-country transfers and on coproduction agreements. For the first time, the Congress will require the executive branch to establish a comprehensive end-use monitoring system on government-to-government arms transfers. For the first time, Congress will put a genuine meaningful cap, $350 million, on the transfer of excess defense articles in a fiscal year. The existing ceiling, $250 million, has just too many loopholes in it.

Mr. Speaker, it is correct that this bill raises thresholds on arms notifications, for example, from $14 million to $25 million on arms sales. The last time thresholds were raised was 1981. So this change is basically in response to inflation.

According to the Department of Defense, this change in the past year would have resulted only in some four or five fewer notifications to Congress per year out of a few hundred, I might say, each year, and all of them to NATO countries.

The bill eliminates grants of international military education and training for wealthy countries. The bill gives the administration more flexibility in the use of limited assistance funds through increases in drawdown authorities and changes in the authorities on antinarcotics and antiterrorism assistance programs. For example, this bill will enable the President to use assistance funds to work with Israel on research and development efforts to combat terrorism.

Mr. Speaker, I also want to commend the chairman, Mr. GILMAN, and the administration, particularly the Navy, on the second part of the bill on naval ship transfers. The Navy has heard the message about the committee's opposition to large numbers of grant ships transfers. The bill before us returns to the traditional pattern of ship transfers. Eight ships in this package are sales, one is a lease, and one to Portugal is a grant. Portugal, of course, is a NATO ally since the beginning of NATO, has provided the United States access to facilities since the 1940's, and last year renewed that access agreement in the Azores.

This package also includes the sale of three 1970 vintage *Knox*-class frigates to Taiwan and the lease of one transport ship to Taiwan. This is part of our longstanding policy under the Taiwan Relations Act to provide defense articles to Taiwan. I strongly support these ship transfers.

Mr. Speaker, I strongly support the overall bill. I urge the adoption of H.R. 3121.

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

Mr. GILMAN. Mr. Speaker, I want to thank the gentleman from Indiana for his supporting remarks.

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

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, I thank the gentleman from California [Mr. LANTOS] very much for yielding the time.

Mr. Speaker, today we face an international drug problem. Few of us would deny this fact; fewer would stand by idly as the problem grows worse.

I rise in support of H.R. 3121, Technical Amendments to Foreign Assistance and Arms Export Control Acts. I wish to thank Chairman GILMAN and ranking member HAMILTON of the International Relations Committee for their dedicated effort to bring this bill to the floor. I wish to also thank them for adding, at my request, necessary exceptions for Panama to receive foreign military sales to combat the international drug problem.

Ambassador and former Congressman Bill Hughes recently alerted me of the importance for the Panamanian public forces to receive United States military assistance. This is not an attempt on our part to rebuild the Panamanian military, but merely an avenue through which we can halt illegal drug trafficking. Costa Rica, for example, is permitted such funding. We are discovering that when a country acquires the tools to fend off this addictive disease, the cure is always within reach.

I want to thank my colleagues for their support of this exception and this bill. It is another step toward continuing and escalating our war against drugs.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his concern about the war against drugs and for making certain that this waiver was inserted in the measure. We thank him for his support of the measure.

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

□ 1430

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to the gentlewoman from San Francisco, CA [Ms. PELOSI] my neighbor, friend, and distinguished colleague.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from California [Mr. LANTOS] for yielding this time to me and for his leadership on issues, international issues as well as others, that come before this House. I have great respect for the chair of the committee, the gentleman from New York [Mr. GILMAN], and our ranking member, the gentleman from Indiana [Mr. HAMILTON].

I rise today to express concern about a couple of the provisions of this legislation, H.R. 3121. I do not believe that the bill before us should be on suspension calendar because it covers a great deal of territory and with a minimal amount of debate and consideration on the floor.

My two concerns, one I share with many of my colleagues, is about the enhanced IMET to Indonesia for 1996–97 and my concern about arms control. I listened very attentively to the remarks of the ranking member, the gentleman from Indiana [Mr. HAMILTON], and appreciate the assurances he has given about the increased ceiling in terms of the weapons, the sale, amount of the weapon sales, and the increased discretion given to Congress to intervene in those sales, and I accept his explanation, and I look forward to getting more information that is contained in the bill.

But I would, for the record, like to express concern about the international military and education training for Indonesia for 1996 and 1997. Our colleagues have said that this legislation tracks the Committee on Foreign Operations legislation. Well, it does for 1996.

Many of us on the committee, and I serve on the Foreign Operations Subcommittee, do not think that Indonesia should be getting any IMET. We recognize that there are those who believe that this enhanced IMET for the purposes of fostering civilian control in the role of an army and a more democratic country, et cetera, I do not know if I have defined Indonesia that way, but nonetheless this IMET, enhanced IMET, could be useful. And in that spirit of cooperation we accepted the compromise proposed graciously by our chairman, the gentleman from Alabama [Mr. CALLAHAN], with the understanding that it was only for 1996 and the program would be carefully monitored. We accepted the compromise but remain convinced nonetheless that Indonesia should not receive IMET funds.

Now we see before us, in the bill before us, extending the IMET for 1997 despite the fact the record shows continuing serious human rights abuses by the armed forces in Indonesia that several of our colleagues referenced specifically in East Timor. We will continue the debate on this important issue as the Committee on Foreign Operations considers fiscal year 1997.

I mentioned my concerns about the arms sales and think there could be dangerous consequences, but, as I say, accept the explanation extended by the gentleman from Indiana [Mr. HAMILTON]. While the notification process may be considered cumbersome by some in the bureaucracy, congressional oversight helps insure that the taxpayer dollars are well spent.

Again, I am concerned the bill was placed on suspension calendar with little information to many Members. Passage of the bill does not reflect wholehearted support for some of the provisions it contains; I guess that is a rule of life around here. But I do want to very strongly convey to our chairman that this does not track the foreign ops bill for 1996–97. The foreign ops bill only gave enhanced IMET for 1996, and I hope that the gentleman would join with us in monitoring how that enhanced IMET funding is spent.

Mr. LANTOS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Oregon [Ms. FURSE].

(Ms. FURSE asked and was given permission to revise and extend her remarks.)

Ms. FURSE. Mr. Speaker I rise because of concerns I have to H.R. 3121, amending the Foreign Assistance Act and the Arms Export Control Act.

This bill moves us in the wrong direction. It unnecessarily costs the taxpayers more money and it moves us toward less accountability of arms transfers.

At a time when we are working so hard to balance the Federal budget, it does not make sense to do as this bill does. For the first time, it would require U.S. taxpayers to pay the costs of shipping the excess defense articles we're giving away to other countries.

In a world where our own soldiers are at risk from the very weapons exported by the United States, we should not be promoting increased exports in the ways that this bill does. This bill eliminates congressionally mandated language to ensure that foreign recipient countries use the equipment as intended. That includes, for example, the requirement that excess defense articles transferred for counternarcotics purposes be used primarily for counternarcotics purposes and not for counterinsurgency.

This bill strips Congress of its ability to gauge the human rights situation and to determine if the assistance is likely to be used in abuses. We must be more creative than that in determining ways for our Nation's workers to have jobs. We cannot come to rely on arms exports to such an extent that we ignore human rights.

This is a controversial bill, Mr. Speaker. I object to the process that was used in bringing it to the floor on the suspension calendar and I object to its content. I urge my colleagues to reject H.R. 3121.

Mr. LANTOS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Georgia [Ms. MCKINNEY].

(Ms. MCKINNEY asked and was given permission to revise and extend her remarks.)

Ms. MCKINNEY. Mr. Speaker, as a mother and a woman of conscience, I am concerned about U.S. transfers of arms around the world and the impact that those transfers will have 10–15 years down the road, particularly on my son and the other young people of America.

Mr. Speaker, I rise today to express concern about portions of H.R. 3121 that would reduce congressional oversight on arms sales to foreign countries.

Current law governing congressional oversight of arms sales is already feeble—this bill only makes a bad situation worse. On numerous occasions, our soldiers have been sent into war situations where they have had to face hostile forces armed with American supplied weapons.

I am sure everyone recalls Panama, Iraq, Somalia, and Haiti where our fighting men and women were sniped at and killed by weapons we supplied to those countries before they turned belligerent.

Mr. Speaker, while there are provisions in this bill which I strongly support—such as Narcotics control, refugee assistance, and POW/MIA recovery efforts—I cannot in good conscience allow this bill to breeze through this body without careful deliberation.

Every year, the weapons we sell overseas are used against innocent civilians, refugees, political dissidents, and, yes, American soldiers. As the legislative branch, we have the right and responsibility to oversee the transfer of weapons to foreign governments.

This does not mean we cannot supply our allies with the tools to defend themselves, it simply means that we should provide a sobering second thought when the administration is about approve the transfer of lethal American weapons into the hands of foreign governments.

This bill, Mr. Speaker, would increase the threshold at which Congress must be notified for arms sales, from $200 to $300 million. That means the administration would be able to sell $100 million more in guns overseas before Congress must be notified.

Moreover, the bill authorizes the resumption of international military and education training for the Government of Indonesia. Mr. Speaker, it is well known that Indonesia has an atrocious human rights record, especially with regards to the people of East Timor.

For those of my colleagues who aren't aware, the people of East Timor have been subjected to near-genocide, simply because of their opposition to the multinational mining interests who want to expropriate their minerals.

Mr. Speaker, measures such as these should not be dealt with so lightly under the suspension calendar, and Congress should not be so willing to hand over its limited oversight authority to the administration.

While I want to support the good measures in this bill Mr. Speaker, I am afraid that my conscience will not let me vote for a bill that will reduce congressional oversight with respect to the sale of weapons. Moreover, I cannot support a bill which will authorizes the use of American tax dollars to train the repressive military of Indonesia.

As a mother and as a woman of conscience, I urge my colleagues to oppose this regrettably tainted bill.

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

Mr. GILMAN. Mr. Speaker, I yield 6 minutes to the gentleman from Nebraska [Mr. BEREUTER], the distinguished chairman of our Subcommittee on Asia and the Pacific.

Mr. BEREUTER. Mr. Speaker, I thank the chairman for yielding me this time.

I would say to my colleagues, the gentleman from Massachusetts, the gentleman from Rhode Island, the gentlewoman from New York, and the gentlewoman from California, if it is not absolutely clear, we are not authorizing IMET for Indonesia. We are authorizing E-IMET, or extended IMET, and not, as one of the gentleman said, enhanced IMET. And, even ''extended IMET'' really does not convey what the program is, for it is quite different than the original IMET program. The Extended IMET program is the kind of program exactly designed to be used in a country like Indonesia where we do have some human rights concerns which are in part related to East Timor.

Now, let me say first of all that the enhanced IMET program, or E-IMET, is strongly supported by the administration. If you listen to CINCPAC sources, as people in the State Department, the Defense Department generally and other parts of the administration, it is clear that this administration, the previous administration, are supportive of extending the ''Enhanced IMET'' program to Indonesia. It moves us closer to a positive defense relationship with Indonesia, and, more importantly, it is specifically geared, as the gentleman from Indiana [Mr. HAMILTON] said, to dealing with a country that has human rights problems that trouble us a great deal. The E-IMET program is to foster greater respect for the principles of civilian control of the military. It is to improve military justice and military codes of conduct in accordance with internationally recognized human rights. It is to contribute to responsible defense resource management. It is to contribute to cooperation between the military and local police in the area of counternarcotics.

This is the full scope of the E-IMET program. It is very different than the IMET program, about which objections have been expressed here today.

Now, let me say that I, despite the fact that I believe that Indonesia is playing a very important role in Southeast Asia, that it is strategically located and is a country that has played the key, positive role in trying to resolve the Spratley Islands dispute in the waters off Southeast Asia, despite that, I would not be able to suggest to my colleagues that we ought to approve the traditional IMET authorization. But there is this to be said for what is happening in Indonesia:

There are substantial signs of greater judicial independence, there is NGO activism in the last 12 months, there is a human rights commission that has been established, primarily because of outside interests, the human rights community, and the United States of America. Human rights practices remain certainly imperfect, but the E-IMET program is specifically designed primarily to push Indonesia and other countries toward better human rights practices.

So I think that, in fact, our colleagues should feel very good about authorizing ''Enhanced IMET'' program for Indonesia. And by the way, it is

identical to the existing law in the foreign operations appropriation bill as well as the authorization bills passed by both the House and the Senate.

I understand a couple of my colleagues—the gentlewoman from Connecticut, the gentleman from Florida—might like to engage in a colloquy here. Is that correct?

Mr. Speaker, I yield to the gentleman from Florida if he wishes to engage in this discussion.

Mr. SHAW. Mr. Speaker, I had not intended to be in the debate on this particular issue until I heard the questions of what I consider to be tremendous exaggerations as to what is going on in East Timor. I had the privilege of visiting East Timor for several days just a few months ago, along with Congressman JOHNSON and the gentleman from Texas, Mr. ARCHER. We saw firsthand the fact that there are not these huge breaches of human rights, and we did not see these breaches of human rights as referred to.

As a matter of fact, one of our Members went and spoke to a Catholic priest, and, by the way, most of Indonesia is Muslim, this is mostly Catholic. As a matter of fact, there is the second largest statue of Jesus in the entire world being constructed—in process of being constructed—in East Timor.

I went to a Catholic priest who actually favored independence, but he verified the fact that the human rights record was certainly improving and that he did not see these tremendous violations of human rights.

Mr. BEREUTER. Mr. Speaker, I yield to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. I think it ought to be also in the record that the government of East Timor is a Timoran, well respected by the people of that island, and Indonesia has a way of sharing the benefits of mining and timber throughout the islands of Indonesia. So development money is coming in, and not only are they beginning to deal with the terrible economic problems of this island, but they are beginning also to deal constructively with the human rights issues.

Mr. BEREUTER. Mr. Speaker, I thank the gentlewoman.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Florida, the gentlewoman from Connecticut, the gentleman from Nebraska for straightening out some of the background on East Timor and the IMET Program.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. MANZULLO], a member of our committee.

(Mr. MANZULLO asked and was given permission to revise and extend his remarks.)

Mr. MANZULLO. Mr. Speaker, this is an interesting bill, and I rise in full support of it, H.R. 3132.

The last title, title 2, that appears on page 50, represents an incredible set of events that took place in our Committee on International Relations several months ago. I raised the concern several months ago, along with the gentleman from Kansas [Mr. BROWNBACK] that a request of an admiral would come before the committee on a relatively routine, in his mind, and in the past a routine, procedure of simply asking the House of Representatives to give away ships.

As I sat there and listened to the admiral talking about giving away these ships, it dawned on me—why is the United States in the business of giving away ships when, in fact, we can simply sell these or lease them, and at that point the particular bill was pulled. The people who were working on it decided that perhaps we should do something different, and as a result of that, there was a committee hearing held March 21, 1996, before the Committee on International Relations and this time this particular bill was before our committee, and that is to sell ships or to lease them to Egypt, Mexico, New Zealand, Portugal, Taiwan, and Thailand, and I asked the person from the Department of Defense, the fact that they are now requesting a sale or lease of the ships, is this in direct response to the inquiry that Mr. BROWNBACK and I had over our consternation that our country was giving away excess ships. And the answer by Mr. Caines was, ''Very much, sir.''

He said, ''We have understood what the committee and the Congress have said, and therefore you will see that in that package, which I believe includes a total of 10 ships, there is only one grant, sir. There are eight sales and one lease.''

This particular bill brings in revenues to the U.S. Government in excess of one-half billion dollars, and what this amounts to is that the U.S. Navy has now changed its policy so that henceforth any excess ships are not routinely given away, they are now sold or leased to our trading partners overseas.

This is a good bill. It is a revenue generator. It is going to make a lot of money for this country, and it is good, sound foreign policy.

So I would encourage my colleagues wholeheartedly to support the passage of H.R. 3132.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his supporting comments.

Mr. Speaker, I believe that this has been a good, sound debate on the bill. I am pleased that many of our colleagues have had an opportunity to participate. I thank the gentleman from California [Mr. LANTOS] for his supporting remarks.

This bill does make important changes in defense and security assistance authorities, and I am calling on my colleagues to support the measure.

Mr. REED. Mr. Speaker, I recognize the importance of the issues that the House of Representatives is addressing today as it considers H.R. 3121.

However, I must object to certain provisions of H.R. 3121 and the manner in which it has been brought before the House. This measure authorizes enhanced International Military and Education Training [IMET] for Indonesia, which is committing flagrant human rights abuses against the people of East Timor.

More than 20 years ago, Indonesian troops invaded the small country of East Timor, beginning a storm of violent occupation and repression that continues today. I believe that we must stand with the East Timorese against these unconscionable acts, and I am concerned that by providing enhanced IMET to Indonesia, we may send a dangerous message to the leaders of that nation.

In addition, by bringing H.R. 3121 to the floor under suspension of the rules, we will not have a full and open debate on IMET and Indonesia's aggression against the East Timorese. The suspension calendar should be reserved for non-controversial legislation. In my opinion, H.R. 3121 does not meet this test.

I regret that this afternoon, the House is not giving these issues the attention they deserve. In the months to come, I will continue to work to assist the long-suffering people of East Timor, and I urge my colleagues to join me in this effort.

Mr. HALL of Ohio. Mr. Speaker, while I support the majority of the provisions in H.R. 3121, which makes various technical amendments to the Foreign Assistance Act and the Arms Export Control Act, I strongly oppose the section which authorizes the resumption of International Military and Education Training [IMET] funds for Indonesia.

I have been protesting the human rights abuses in East Timor for some time now. Last December marked the 20th anniversary of Indonesian invasion of East Timor. Recently, the situation on the ground there has been getting worse not better. It is sobering to reflect that over the last 20 years at least 100,000 and perhaps more than 200,000 people have been killed out of a population of less than 700,000. While the vast majority of these deaths took place before 1980, harsh repression continues. The world witnessed this first hand when the 1991 Santa Cruz massacre in which the Indonesian military killed over 200 unarmed individuals was recorded by journalists.

Congress banned IMET funding for Indonesia to protest human rights abuses in East Timor. The situation has not improved and the U.S. Congress should not change this policy. It is my hope that we can prevent the funding of IMET for Indonesia in the appropriations process.

□ 1445

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

The SPEAKER pro tempore (Mr. CAMP). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the bill, H.R. 3121, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members